

SETTLEMENT AGREEMENT

This Settlement Agreement (or “Settlement”) is reached by and between Plaintiff Ulisses Lopez (“Plaintiff”), individually and on behalf of all members of the Settlement Class (defined below), on the one hand, and Defendant Good-West Rubber Corp. (“Good-West” or “Defendant”), on the other hand. Plaintiff and Defendant are referred to herein collectively as the “Parties.” Plaintiff and the Settlement Class are represented by Paul K. Haines, Tuvia Korobkin, and Alexandra R. McIntosh of Haines Law Group, APC (“Class Counsel”). Good-West is represented by Diana M. Estrada and Jennifer A. Brody of Wilson Elser Moskowitz Edelman & Dicker LLP (“Defense Counsel”).

Plaintiff filed a class action complaint against Good-West in San Bernardino County Superior Court, titled *Ulisses Lopez v. Good-West Rubber Corp., et al*, Case No. CIVDS2011219, on June 23, 2020 (the “Action”).¹ The original complaint in the Action alleged class and representative claims against Good-West for: (i) failure to pay all overtime wages; (ii) minimum wage violations; (iii) rest period violations; (iv) meal period violations; (v) wage statement violations; (vi) unfair competition; and (vii) civil penalties under the Labor Code Private Attorneys General Act (“PAGA”), Labor Code § 2698 *et seq.* As part of this Settlement, the Parties have agreed to stipulate to the filing of a First Amended Complaint (“Complaint”) adding a claim for waiting time penalties.

Given the uncertainty of litigation, the Parties wish to settle Plaintiff’s claims on a classwide basis. Accordingly, Plaintiff and Good-West agree as follows:

1. **Settlement Class.** For purposes of this Settlement Agreement only, Plaintiff and Good-West stipulate to the certification of a Settlement Class, which shall be defined as:

All current and former non-exempt employees hired directly by Good-West (i.e., not through a staffing company) and who worked for Good-West in California at any time from April 1, 2016 through the earlier of: (i) the date of preliminary approval of the Settlement or (ii) June 11 2021 (the “Class Period”).

Good-West represents there are approximately 242 Settlement Class members.

The Parties agree that certification for purpose of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure in a non-settlement context. If for any reason this Settlement is not approved or is terminated, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement.

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¹ Plaintiff had previously filed a separate class action (Case No. CIVDS2010044) and PAGA action (Case No. CIVDS2011248), but those actions were dismissed in favor of the Class Action, with the statutes of limitations tolled based on the filing of the prior actions.

2. **Releases.**

- A. **Release by Settlement Class.** Once this Settlement Agreement receives final approval and the Court enters judgment, and upon the Settlement being fully funded, Plaintiff and every participating Settlement Class member will release and discharge Good-West, and its DBAs and affiliates, including but not limited to Goodyear Rubber, Good-West Linings and Coatings, and Bear Products, and its current and former officers, directors, and agents, and the successors and assigns of all such entities and individuals (“Released Parties”) from any and all claims, causes of action, damages, wages, benefits, expenses, penalties, debts, liabilities, demands, obligations, attorneys’ fees, costs, and any other form of relief or remedy in law, equity, or whatever kind or nature, that are alleged in the Complaint, or that could have been alleged based on the facts alleged in the Complaint, and that arose from Settlement Class members’ employment with Good-West, including claims for: (i) unpaid overtime wages under Cal. Labor Code §§ 204, 510, 558, 1194, 1198; (ii) unpaid minimum wages under Cal. Labor Code §§ 1182.12, 1194, 1194.2, 1197, 1198; (iii) failure to authorize and permit rest periods under Cal. Labor Code §§ 226.7, 516, 558; (iv) failure to provide meal periods under Cal. Labor Code §§ 226.7, 512, 558; (v) failure to issue accurate itemized wage statements under Cal. Labor Code § 226; (vi) failure to timely pay final wages under Cal. Labor Code §§ 201-203; and all claims for unfair competition (Cal. Bus. & Prof. Code § 17200 *et seq.*) based on the above violations (“Class Released Claims”). The release of the Class Released Claims shall run for the duration of the Class Period. In addition, all Settlement Class members (regardless whether they opt out) who worked for Good-West in California at any time from April 3, 2019 through the end of the Class Period (“PAGA Period”) shall release Good-West from any claims for civil penalties under the PAGA based on the above violations arising during the PAGA Period (“PAGA Released Claims”).
- B. **Release by Plaintiff.** In light of Plaintiff’s Class Representative Incentive Award (discussed below), Plaintiff has agreed to release, in addition to the Class Released Claims and PAGA Released Claims described above, all claims, whether known or unknown, under federal or state law, against the Released Parties, to the extent permitted by law, through the date this Settlement is signed by Plaintiff (“Plaintiff’s Released Claims”). Plaintiff understands that this release includes unknown claims and that he is, with respect to Plaintiff’s Released Claims, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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

Specifically excluded from Plaintiff’s otherwise Released Claims are any and all claims that cannot be released as a matter of law, including, but not limited to, claim(s) under the Workers’ Compensation Laws of the State of California or California Unemployment benefits (EDD). No Workers’ Compensation claims/actions are being settled, resolved or released under this Settlement Agreement.

3. **Gross Settlement Amount.** As consideration, Good-West agrees to pay a “Gross Settlement Amount” or “GSA” of Eight Hundred Thousand Dollars (\$800,000.00) in full and complete settlement of this matter, as follows:
- A. The Parties have agreed to engage Phoenix Settlement Administrators (“Phoenix”) as the “Settlement Administrator” to administer this Settlement.
 - B. The Gross Settlement Amount shall be deposited with the Settlement Administrator within twenty-one (21) calendar days after Final Approval (which, for this purpose, shall be defined as the date on which the Court enters an Order granting Final Approval) or, solely in the event that there are any objections to the settlement (the filing of an objection being a prerequisite to the filing of an appeal), either (i) twenty-one (21) days after the last date on which any appeal might be filed, with no appeal having been filed; or (ii) if an appeal is filed, twenty-one (21) days after the successful resolution of any appeal(s).
 - C. This is a non-reversionary settlement. The Gross Settlement Amount includes:
 - (1) All payments (including interest) to the Settlement Class;
 - (2) All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than \$8,500.00;
 - (3) Up to \$5,000.00 for Plaintiff’s Class Representative Incentive Award, in recognition of his contributions to the Actions and his service to the Settlement Class;
 - (4) Class Counsel attorney fees of one-third of the GSA (currently estimated to be \$266,666.67), plus litigation costs and expenses incurred by Class Counsel in relation to the Action as supported by declaration, which are currently estimated to be no greater than \$35,000.00;
 - (5) The Parties have set aside \$60,000.00 of the Gross Settlement Amount as PAGA civil penalties. Per Labor Code § 2699(i), 75% of such penalties, or \$45,000.00, will be payable to the Labor & Workforce Development Agency (“LWDA”), and the remaining 25%, or \$15,000.00, will be payable to certain Settlement Class members as the “PAGA Amount” as discussed below.
 - D. Good-West’s share of payroll taxes on any wage portion of the payments to the Settlement Class shall be paid by Good-West separately from, and in addition to, the Gross Settlement Amount.
 - E. **Escalator Clause.** Good-West represents that Settlement Class members worked approximately 23,144 workweeks for Good-West in California during the Class Period (“Workweeks”). The Parties agree that this is a material term of the Settlement. If the number of Workweeks is actually more than 5% above 23,144 (i.e., if there are 24,302 or more Workweeks), then the GSA shall increase proportionally with the increase in Workweeks. For example, if the number of Workweeks is 7% higher than 23,144, the GSA will increase by 7%.

4. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment from the Settlement (“Settlement Award”).

Settlement Awards will be determined and paid as follows:

- A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel’s attorneys’ fees, Class Counsel’s costs and expenses, Plaintiff’s Class Representative Incentive Award, the Settlement Administrator’s administration costs, and PAGA civil penalties. The remaining amount shall be known as the “Net Settlement Amount” or “NSA.” Settlement Awards will be the total of each Settlement Class member’s (i) payment from NSA and (ii) payment, if any, from the PAGA Amount, as described below.
- B. Payments from the Net Settlement Amount: The Settlement Administrator will calculate payments from the NSA based on each participating Settlement Class member’s proportionate Workweeks worked during the Class Period. Specifically, each participating Settlement Class member’s payment from the NSA will be calculated by multiplying the NSA by a fraction, the numerator of which is the participating Settlement Class member’s number of Workweeks worked during the Class Period, and the denominator of which is the total Workweeks worked by all participating Settlement Class members during the Class Period.
- C. Payments from the PAGA Amount: In addition to the NSA, 25% of the amount set aside as PAGA civil penalties (i.e., \$15,000.00) has been set aside as the “PAGA Amount,” as mentioned above. The PAGA Amount shall be paid to all Settlement Class members (regardless whether they opt out) who worked for Good-West at any time during the PAGA Period, based on their proportional number of pay periods worked for Good-West in California during the PAGA Period (“Pay Periods”). Specifically, each Settlement Class member’s payment from the PAGA Amount will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the Settlement Class member’s number of Pay Periods worked during the PAGA Period, and the denominator of which is the total Pay Periods worked by all Settlement Class members during the PAGA Period.
- D. Within seven (7) business days following Good-West’s deposit of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate Settlement Awards, as well as calculate the employer’s share of payroll taxes, and provide the same to Class Counsel and Defense Counsel for review and approval. Within five (5) business days of approval by counsel, the Settlement Administrator will prepare and mail Settlement Awards, less applicable taxes and withholdings, to participating Settlement Class members, as well as the Plaintiff’s Incentive Award to Plaintiff, the LWDA’s PAGA payment to the LWDA, and Class Counsel’s attorneys’ fees and costs to Class Counsel. The Settlement Administrator shall simultaneously pay all applicable withholdings to the applicable authorities with the necessary reports, submitting copies to Defense Counsel. Good-West shall also remit the employer’s share of payroll taxes within this time frame to the Settlement Administrator, who shall promptly transmit such sum to the appropriate taxing authorities.

- E. For purposes of calculating applicable taxes and withholdings for payments to Settlement Class members, each Settlement Award shall be allocated as follows: for amounts paid from the PAGA Amount, 100% penalties; for amounts paid from the Net Settlement Amount, one-third as wages, one-third as penalties, and one-third as interest. The Settlement Administrator will be responsible for issuing to participating Settlement Class members an IRS Form W-2 for amounts deemed “wages” and an IRS Form 1099 for the portions allocated as penalties and interest. As stated above, Good-West is responsible for its share of the payroll taxes on the wages portion of the Settlement Awards, and these taxes will not be deducted from the Gross Settlement Amount. Notwithstanding the treatment of the payments to each participating Settlement Class member above, none of the payments called for by this Settlement Agreement are to be treated as earnings, wages, pay, or compensation for any purpose of any applicable bonus, benefit, or retirement plan, unless required by such plans.
- F. Each participating Settlement Class member who is mailed a Settlement Award must cash his/her Settlement Award check within 180 days from the date the Settlement Administrator mails it. Any funds payable to participating Settlement Class members whose checks were not cashed within 180 days after mailing will be deposited by the Settlement Administrator with the California State Controller to be deposited in the Unclaimed Property Fund in the name of the Participating Class Member.
- G. Neither Plaintiff nor Good-West, nor their respective counsel, shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys’ Fees and Costs.** Class Counsel will request a total award of attorneys’ fees of one-third of the Gross Settlement Amount (currently estimated at \$266,666.67), plus actual costs and expenses as supported by declaration in an amount not to exceed \$35,000.00. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court’s approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. As noted above, the Settlement Administrator will mail Class Counsel the attorneys’ fees and cost award when it mails the Settlement Awards to Settlement Class members. The Settlement Administrator will issue Class Counsel IRS Forms 1099 when the Settlement Administrator pays the fee and cost award allowed by the Court.

6. **Class Representative Incentive Award.** Plaintiff will request a Class Representative Incentive Award of \$5,000.00 from the Gross Settlement Amount for Plaintiff’s release of claims, his time and risks in prosecuting the Action, and his service to the Settlement Class. This award will be in addition to Plaintiff’s Settlement Award as a Settlement Class member and shall be reported on an IRS Form 1099 by the Settlement Administrator. The Settlement Administrator will mail Plaintiff the Class Representative Incentive Award and issue Plaintiff an IRS Form 1099 when it mails the Settlement Awards to participating Settlement Class members.

7. **Settlement Administrator.** The parties will request the appointment of Phoenix as Settlement Administrator. Good-West will not object to Plaintiff's seeking permission to pay up to \$8,500.00 from the Gross Settlement Amount for the Settlement Administrator's services. The Settlement Administrator shall be responsible for sending notices in English and Spanish, calculating Settlement Awards and preparing all checks and mailings, posting the Judgment to its website, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount only after Settlement Awards have been mailed to Settlement Class members.

8. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Paul K. Haines, Tuvia Korobkin, and Alexandra R. McIntosh of Haines Law Group, APC as Class Counsel;
- C. Appointing Plaintiff as Class Representative for the Settlement Class;
- D. Approving Phoenix as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice and the Notice of Estimated Settlement Award, attached hereto as Exhibits A and B, respectively), and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within ten (10) business days after entry of an order preliminarily approving this Agreement, Good-West will provide the Settlement Administrator with the name, last known address, last known phone number, social security number, and dates of employment as a non-exempt employee in California (including any leaves of absence or other periods of inactive status), for each Settlement Class member (the "Class Data"). The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator.
- B. Within ten (10) business days from receipt of the Class Data, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address ("NCOA") database to determine any updated addresses for Settlement Class members; (ii) update the addresses of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Award for each Settlement Class member, and provide Class Counsel and Defense Counsel with its calculations for their approval; (iv) provide Class Counsel and Defense Counsel with formatted versions of the Notice Packets to be sent to Settlement Class members; and (v) after receiving approval from all counsel, mail a Notice Packet (in English and Spanish)

to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.

- C. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the settlement must complete and mail an Exclusion Letter (defined below) to the Settlement Administrator on or before sixty (60) calendar days after the date of the initial mailing of the Notice Packets (the “Response Deadline”). The Exclusion Letter is a document prepared by the Settlement Class member that must: (1) contain the Settlement Class member’s name, address, telephone number, and last four digits of his/her Social Security number; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Exclusion Letter does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from this settlement, except an Exclusion Letter not containing a Settlement Class member’s last four digits of the Social Security number will be deemed valid. The date of the postmark on the Exclusion Letter shall be the exclusive means used to determine whether an Exclusion Letter has been timely submitted. Any Settlement Class member who excludes himself or herself from the Settlement Class will not be entitled to any recovery under this Settlement Agreement (except for any share from the PAGA Amount, if applicable), will not be bound by the terms of the Settlement Agreement (except for release of the PAGA Released Claims, if applicable), and will not have any right to object, appeal, or comment thereon. The Settlement Administrator will provide the Parties with weekly updates regarding the number of Exclusion Letters received. The Parties and their counsel agree not to take any action to encourage any Settlement Class member to opt out of the settlement.
- D. Objections. Members of the Settlement Class who do not request exclusion may object to this Settlement Agreement by submitting a written objection to the Settlement Administrator as explained in the Class Notice. The Settlement Administrator shall, within two (2) business days of receipt, serve any written objection(s) as received on Class Counsel and Defense Counsel, and Class Counsel shall then file all such objections with the Court. Defense Counsel and Class Counsel shall file and serve any responses to objections no later than five (5) calendar days prior to the Final Approval hearing. To be valid, any objection must: (1) be in writing; (2) contain the objecting Settlement Class member’s full name, current address, and telephone number, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (3) include all objections and the factual and legal bases for same; (4) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence supporting the objection; and (5) be postmarked no later than the Response Deadline. A Settlement Class member who wishes to submit an objection but who fails to comply with the procedures set forth herein and/or in the Class Notice shall be deemed not to have submitted an objection. Any attorney who intends to represent an objecting Settlement Class member at the Final Approval hearing must submit a Notice of Appearance to the Court and serve it on all Parties

on or before the Response Deadline. The Parties and their counsel agree not to take any action to encourage any Settlement Class member to object to the settlement.

- E. Notice of Estimated Settlement Award / Disputes. Each Notice Packet mailed to Settlement Class members shall contain a Notice of Estimated Settlement Award, in which shall be disclosed the amount of the Settlement Class member's estimated Settlement Award as well as all of the information that was gleaned from Good-West's records in order to calculate the Settlement Award, including their number of Workweeks worked during the Class Period and number of Pay Periods, if any, worked during the PAGA Period. Settlement Class members will have the opportunity, should they disagree with Good-West's records regarding the information stated in their Notice of Estimated Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with counsel for the Parties to determine whether an adjustment to the Settlement Class member's Settlement Award is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Award under the terms of this Settlement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Award shall be binding upon the Settlement Class member and the Parties.
- F. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within three (3) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member within two (2) business days of obtaining the updated address. 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. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline, whichever is later, to submit an Exclusion Letter, Objection, or dispute, as applicable. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline, if applicable. If a Settlement Class member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet need not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defense Counsel to provide notice of the proposed settlement.
- G. If ten percent (10%) or more of the total number of the Settlement Class Members submit timely and valid Opt-Out Requests, then Good-West shall have the option to void the Settlement in its sole discretion. To exercise this option, Good-West must send written notification to Class Counsel within fourteen (14) days of receiving a report from the Settlement Administrator following the Opt-Out Period Deadline of the total number of timely and valid Opt-Out Requests. If Good-West

chooses to exercise this option, the effect will be precisely the same as if Final Judgment did not occur, as discussed herein, and all Settlement Administration Costs incurred by the Settlement Administrator through that date will be paid by Defendant.

10. **Final Approval.** Following preliminary approval and the close of the period for submitting Exclusion Letters, Objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

- A. Granting final approval of the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiff's and Class Counsel's application for attorneys' fees, costs, Class Representative Incentive Award, PAGA civil penalties to the LWDA, and settlement administration costs; and
- C. Entering judgment pursuant to California Rule of Court 3.769.

If an appeal is filed and results in an order materially modifying, setting aside, or vacating any material portion of the Settlement, with the exception of any modification of the amount of attorneys' fees or costs to be paid to Class Counsel, or the amount of the Class Representative Incentive Award to be paid to the Class Representative, any Party adversely impacted by the order shall have the right, at its sole discretion, to treat such order as an event permanently preventing the occurrence of Final Judgment. To exercise this right, the Party must inform the other Party and the Settlement Administrator, in writing, of the exercise of this right, within fourteen (14) days of receiving notice of any order modifying, setting aside, or vacating any portion of the Settlement. Before either Party elects to exercise its right to treat such order as an event permanently preventing the occurrence of Final Judgment, that Party must meet and confer in good faith with the other Party to determine if an agreement can be reached modifying this Settlement to the mutual satisfaction of the Parties. If a Party chooses to exercise this right, all Settlement Administration Costs incurred by the Settlement Administrator through that date will be paid by such Party.

11. **Non-Admission of Liability.** Good-West denies liability as to the matters alleged in the Complaint. Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this settlement. Good-West denies all claims as to liability, damages, penalties, interest, fees, restitution, injunctive relief and all other forms of relief as well as the class allegations asserted in the Action, as that term is defined herein. Good-West has agreed to resolve the Action via this Settlement, but to the extent this Settlement is deemed void or the Final Approval does not occur, Good-West does not waive, but rather expressly reserves, all rights to challenge all such claims and allegations in the Action upon all procedural, merit, and factual grounds, including, without limitation, the ability to challenge class treatment on any grounds, as well as assert any and all other privileges and potential defenses. Plaintiff agrees not to argue or present any argument, and hereby waives any argument, that based on this Settlement, Good-West cannot contest class certification on any grounds whatsoever, or assert any and all other privileges or potential defenses if this Action were to proceed. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. If Final Approval does not

occur, the Parties agree that this Settlement Agreement is void; it shall be of no force or effect whatsoever; it shall not be referred to or utilized for any purpose whatsoever; and the negotiation, terms and entry into the Settlement shall remain subject to the provisions of California Evidence Code sections 1119 and 1152, and any other analogous rules of evidence that are applicable.

12. **Confidentiality.** Plaintiff and Class Counsel agree that, prior to filing a Motion for Preliminary Approval, they will not disclose or publicize the Settlement Agreement contemplated herein, the fact of the Settlement Agreement, its terms or contents, or the negotiations underlying the Settlement Agreement, in any manner or form, to any person or entity, except to Settlement Class members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein, and except to Plaintiff's spouse or to his attorneys or tax preparers as necessary for those professionals to provide their professional services to Plaintiff.

13. **Continuing Jurisdiction.** Except as otherwise specifically provided for herein, the Court shall retain jurisdiction to construe, interpret and enforce this Settlement, to supervise all notices, the administration of the Settlement, and to hear and adjudicate any dispute arising from or related to the Settlement. The Parties agree that the Court has jurisdiction over the Settlement pursuant to California Code of Civil Procedure, Section 664.6.

14. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by counsel for all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

15. **Enforcement Action.** In the event either Party brings an action to enforce the terms of this Settlement, the prevailing party in such action shall be entitled to recover his/its reasonable attorneys' fees and costs incurred.

16. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Good-West: Diana M. Estrada, Wilson, Elser, Moskowitz, Edelman & Dicker
LLP, 555 S. Flower Street, Suite 2900, Los Angeles, CA 90071;
diana.estrada@wilsonelser.com

if to Plaintiff: Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive, Suite
180, El Segundo, CA 90245; phaines@haineslawgroup.com

17. **Applicable Law.** All terms and conditions of this Settlement Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law or choice of law principles.

18. **Captions and Interpretations.** Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

19. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

20. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

21. **Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Settlement. This Settlement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

DATED: 7-26, 2021

Good-West Rubber Corp.

By: Christian Gooch

Its: President

DATED: _____, 2021

Ulisses Lopez

By: _____
Plaintiff and Class Representative

APPROVED AS TO FORM:

DATED: 7/26, 2021

WILSON ELSEER MOKOWITZ EDELMAN &
DICKER LLP

By: [Signature]
Diana M. Estrada
Attorneys for Defendant

DATED: _____, 2021

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Attorneys for Plaintiff and the Settlement Class

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21. **Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Settlement. This Settlement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

DATED: _____, 2021

Good-West Rubber Corp.

By: _____

Its: _____

DATED: 07/23, 2021

Ulisses Lopez

By: 
Ulisses Lopez (Jul 23, 2021 15:52 PDT)
Plaintiff and Class Representative

APPROVED AS TO FORM:

DATED: _____, 2021

WILSON ELSEER MOKOWITZ EDELMAN &
DICKER LLP

By: _____
Diana M. Estrada
Attorneys for Defendant

DATED: July 23, 2021

HAINES LAW GROUP, APC

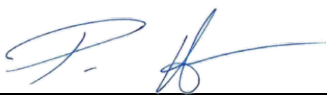
By: 
Paul K. Haines
Attorneys for Plaintiff and the Settlement Class

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

ULISSES LOPEZ,

Plaintiff,

vs.

GOOD-WEST RUBBER CORP.

Defendants.

Case No. CIVDS2011219

**NOTICE OF PENDENCY OF CLASS ACTION
AND PROPOSED SETTLEMENT**

To: All current and former non-exempt employees hired directly by Good-West Rubber Corp. (“Good-West”) (i.e., not through a staffing company) and who worked for Good-West in California at any time from April 1, 2016 through June 11, 2021 (“Class Period”).

**PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT.**

Why should you read this Notice?

The San Bernardino County Superior Court (“Court”) has granted preliminary approval of a proposed class action settlement (the “Settlement”) in *Ulisses Lopez v. Good-West Rubber Corp.*, San Bernardino County Superior Court Case No. CIVDS2011219 (the “Action”). Because your rights may be affected by the Settlement, it is important that you read this Notice carefully.

You may be entitled to money from the Settlement. Good-West’s records show that you were employed directly by Good-West in California at some point between April 1, 2016 through June 11, 2021 and are therefore part of the proposed “Settlement Class.” The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Action, to inform you of the terms of the proposed Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment. If final judgment is entered in this case, it will be posted to the Settlement Administrator’s website, www.phoenixclassaction.com.

What is this case about?

Plaintiff Ulisses Lopez (“Plaintiff”) has filed a lawsuit alleging that Good-West violated California law by: (i) failing to pay all overtime wages due; (ii) failing to pay at least the minimum wage for all hours worked; (iii) failing to provide meal periods; (iv) failing to authorize and permit rest periods; (v) failing to issue accurate itemized wage statements; (vi) failing to pay all wages owing upon separation of employment; and, as a result of the above, (vii) engaging in unlawful business practices. In addition, Plaintiff seeks recovery of derivative civil penalties under the California Labor Code Private Attorneys General Act (“PAGA”), interest, and attorneys’ fees and costs. Plaintiff is known as the “Class Representative.” Plaintiff’s attorneys, who also represent the interests of all Settlement Class members, are known as “Class Counsel.”

Good-West has denied and continues to deny that it has done anything wrong, and believes it has acted in compliance with all applicable laws and that Plaintiff’s claims have no merit. Good-West also denies that it owes any wages, restitution, penalties, or other damages. By agreeing to settle, Good-West is not admitting liability on any of the factual allegations or claims asserted in the Action or that the Action can or should proceed as a class action in a non-settlement context.

The Court has not ruled on the merits of Plaintiff’s claims. However, to avoid additional expense, inconvenience, and interference with its business operations, Good-West has concluded that it is in its best interests to settle the Action on the terms summarized in this Notice. After Good-West provided relevant

information to Class Counsel, the Settlement was reached after mediation and arm's-length negotiations between the parties.

The Class Representative and Class Counsel also support the Settlement. Among the reasons for support are the defenses to liability potentially available to Good-West, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with litigation.

If you are still employed by Good-West, your decision about whether to participate in the Settlement will not affect your employment. California law and Good-West's company policies strictly prohibit unlawful retaliation. Good-West will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class member because of the Settlement Class member's decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for Plaintiff / the Settlement Class: HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com Tuvia Korobkin tkorobkin@haineslawgroup.com Alexandra R. McIntosh amcintosh@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 www.haineslawgroup.com	Attorneys for Good-West: WILSON, ELSER, MOSKOWITZ, EDELMAN & DICKER, LLP Diana M. Estrada diana.estrada@wilsonelser.com Jennifer A. Brody jennifer.brody@wilsonelser.com 555 S. Flower Street, Suite 2900 Los Angeles, California 90071 Tel.: (213) 443-5100 Fax: (213) 443-5101 www.wilsonelser.com
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What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court granted preliminary approval of the Settlement on behalf of a Settlement Class consisting of all current and former non-exempt employees hired directly by Good-West who worked for Good-West in California and at any time from April 1, 2016 through June 11, 2021. Settlement Class members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release claims against Good-West as specifically described below.

Good-West has agreed to pay \$800,000.00 (the "Gross Settlement Amount") to fully resolve all claims in the Action, including claims by Settlement Class members, attorneys' fees, costs, settlement administration costs, PAGA civil penalties, and the Class Representative's enhancement award.

The following deductions from the Gross Settlement Amount will be requested by the parties:

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside up to \$8,500 from the Gross Settlement Amount to pay the Settlement administration costs.

Attorneys' Fees and Expenses. Class Counsel will ask for fees of up to one-third of Gross Settlement Amount, currently estimated to be \$266,666.67, as reasonable compensation for the work Class Counsel performed, and will continue to perform, in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$35,000 for reimbursement of verified costs Class Counsel incurred in connection with the Action.

Class Representative Enhancement Award. Class Counsel will ask the Court to approve an enhancement award of \$5,000 to the Class Representative. This award is to compensate the Class Representative for his service and extra work provided on behalf of the Settlement Class members.

PAGA Civil Penalties. The parties have agreed to allocate \$60,000 of the Gross Settlement Amount as alleged civil penalties for the settlement of Plaintiff's PAGA claim. Pursuant to the requirements of the PAGA, 75% of that amount, or \$45,000, will be paid to the California Labor & Workforce Development Agency ("LWDA"). The remaining \$15,000 has been designated as the "PAGA Amount" and will be paid to certain Settlement Class members as described below.

Calculation of Settlement Class Members' Settlement Awards. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount ("NSA"), which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion (described below). The NSA is estimated to be approximately \$424,833.33. Together with the \$15,000 PAGA Amount, the total amount to be distributed to Settlement Class members is estimated to be \$439,833.33. Settlement Class members' payments will be calculated as follows:

- (i) Payment from NSA: The NSA will be distributed to all Settlement Class members, and will be allocated proportionally based on each Settlement Class member's total weeks worked for Good-West in California ("Workweeks") during the Class Period.
- (ii) Payment from PAGA Amount: In addition to the NSA, \$15,000 of the Gross Settlement Amount has been designated as the "PAGA Amount" as described above, and will be allocated to all Settlement Class members who worked for Good-West in California at any time from April 3, 2019 to June 11, 2021 (the "PAGA Period"), in proportion to the number of pay periods that each Settlement Class member worked for Good-West in California during that time period.

Deposit of Gross Settlement Amount. Good-West will deposit the Gross Settlement Amount with the Settlement Administrator within 21 days of the Settlement becoming "Final" as that term is defined in the Settlement (i.e., within 21 days of final approval by the Court if no objections are filed, or, if objections are filed, when the Settlement can no longer be appealed).

Payments to Settlement Class Members: Settlement Class members payments, known as "Settlement Shares," will be mailed approximately 12 business days after Good-West deposits the Gross Settlement Amount with the Settlement Administrator.

Allocation and Taxes. For tax purposes, Settlement Awards shall be treated as follows: all amounts from the PAGA Amount will be treated as 100% penalties, and all amounts from the NSA will be treated as 1/3 wages, 1/3 penalties, and 1/3 interest. The Settlement Administrator will issue IRS forms W-2 for all amounts designated as "wages," and will issue IRS forms 1099 for all amounts designated as penalties and interest. Settlement Class members are responsible for the proper income tax treatment of the Settlement Awards. The Settlement Administrator, Good-West and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement and the Settlement becomes final, and upon the Settlement being fully funded, the Class Representative and every member of the Settlement Class (except those who opt out) will release and discharge Good-West, and its DBAs and affiliates, including but not limited to Goodyear Rubber, Good-West Linings and Coatings, and Bear Products, and its current and former officers, directors, and agents, and the successors and assigns of all such entities and individuals ("Released Parties") from any and all claims, causes of action, damages, wages, benefits, expenses, penalties, debts, liabilities, demands, obligations, attorneys' fees, costs, and any other form of relief or remedy in law, equity, or whatever kind or nature, that are alleged in the Complaint, or that could have been alleged based on the facts alleged in the Complaint, and that arose from Settlement Class members' employment with Good-West, including claims for: (i) unpaid overtime wages under Cal. Labor Code §§ 204, 510, 558, 1194, 1198; (ii) unpaid minimum wages under Cal. Labor Code §§ 1182.12, 1194, 1194.2, 1197, 1198; (iii) failure to authorize and permit rest periods under Cal. Labor Code §§ 226.7, 516, 558; (iv) failure to provide meal periods under Cal. Labor Code §§ 226.7, 512, 558; (v) failure to issue accurate itemized wage statements under Cal. Labor Code § 226; (vi) failure to timely pay final wages under Cal. Labor Code §§ 201-203; and all claims for unfair competition (Cal. Bus. & Prof. Code § 17200 et seq.) based on the above violations ("Class Released Claims"). The release of the Class Released Claims shall run for the duration of the Class Period. In addition, all Settlement Class members (regardless whether they opt out) who worked for Good-West in California at

any time during the PAGA Period shall release Good-West from any claims for civil penalties under the PAGA based on the above violations arising during the PAGA Period (“PAGA Released Claims”).

Conditions of Settlement. By granting preliminary approval of the Settlement, the Court has determined that the Settlement falls within the range of possible approval as fair, reasonable, and adequate. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement.

How can I claim money from the Settlement?

Do Nothing. You do not need to do anything if you want to receive payment from and participate in the Settlement. If you do nothing, you will be entitled to your Settlement Award based on the number of Workweeks you worked for Good-West in California during the Class Period, and the number of pay periods, if any, you worked for Good-West in California during the PAGA Period. Your estimated individual Settlement Award is included in the enclosed Notice of Estimated Settlement Award. You also will be bound by the Settlement, including the release of claims stated herein.

Check Cashing Deadline and Uncashed Checks. You must cash or deposit your Settlement Award checks within 180 days from the date that the Settlement Administrator mails the check to you. If you do not cash or deposit your check within 180 days, your check will be voided and the funds from the check will be sent to *cy pres* recipient Bet Tzedek Employment Rights Project, a nonprofit that provides legal services to indigent clients.

What other options do I have?

Disputing Information in Notice of Estimated Settlement Award. Your estimated Settlement Award has been calculated and is included in the enclosed Notice of Estimated Settlement Award. As stated above, your estimated Settlement Award is based on the number of Workweeks you worked for Good-West in California during the Class Period, and the number of pay periods, if any, you worked for Good-West in California during the PAGA Period. The information gleaned from Good-West’s records regarding each of these factors is listed on the accompanying Notice of Estimated Settlement Award. If you disagree with the information in your Notice of Estimated Settlement Award, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Estimated Settlement Award. Any disputes, along with supporting documentation, must be postmarked no later than **<<RESPONSE DEADLINE>>**. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.** The parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. The Settlement Administrator’s decision regarding any dispute will be final.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the class Settlement, you may exclude yourself by sending to the Settlement Administrator a written “Request for Exclusion” letter or postcard, postmarked no later than **<<RESPONSE DEADLINE>>**, with your full name (as well as any former names you used while you were employed by Good-West), your current address, telephone number, last 4 digits of your social security number, and your signature. The Request for Exclusion should state:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE LOPEZ V. GOOD-WEST LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THE CLASS CLAIMS IN THIS LAWSUIT.”

Send the Request for Exclusion directly to the Settlement Administrator at **<<INSERT ADMINISTRATOR CONTACT INFO>>**. Any person who submits a valid and timely Request for Exclusion shall, upon receipt, no longer be a Settlement Class member with respect to the class claims alleged, shall be barred from participating in the class portion of the Settlement, and shall receive no benefits from the class portion of the Settlement. Any person who submits a valid and timely Request for Exclusion will also lack standing to submit any objection to the Settlement. However, all Settlement Class members who worked for Good-West during the PAGA Period, including those who opt out, will be bound by the PAGA portion of the Settlement and will receive a portion from the PAGA Amount.

Objecting to the Settlement. If you do not submit a Request for Exclusion, you have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you must mail a written Objection to the Settlement Administrator. Your written Objection must include your full name (as well as any former names used while employed by Good-West), current address and phone number, last 4 digits of your social security number, the name and contact information of any attorney representing you, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection, including any supporting papers, briefs, written evidence, declarations, and/or other evidence. All objections or other correspondence must state the name and number of the case, which is *Ulisses Lopez v. Good-West Rubber Corp.*, San Bernardino County Superior Court Case No. CIVDS2011219. Any Objections must be in writing and must be postmarked on or before <<RESPONSE DEADLINE>>.

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing. You have the right to appear either in person or through your own attorney at this hearing. If you wish to appear at the Final Approval Hearing and/or retain an attorney to represent you at the hearing, you must do so at your own expense. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before <<RESPONSE DEADLINE>>. All objections or other correspondence must state the name and number of the case, which is *Ulisses Lopez v. Good-West Rubber Corp.*, San Bernardino County Superior Court Case No. CIVDS2011219.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object. In other words, by submitting an Objection, you are not excluding yourself from the Settlement.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department S-26 of the San Bernardino County Superior Court, located at 247 W. Third Street, San Bernardino, California 92415. At the Final Approval Hearing, the Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of expenses, the incentive award to the Class Representative, and the Settlement administration costs. The Final Approval Hearing may be postponed without further notice to the Settlement Class. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing at their own expense.**

If you plan on attending the hearing or otherwise visiting the Court, please consult the Court's website, www.sb-court.org, for information regarding court operations during COVID-19 as well as face covering and social distancing requirements.

How can I get additional information?

This Notice is only a summary of the Action and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the San Bernardino County Superior Court, located at 247 W. Third Street, San Bernardino, California 92415, during regular court hours. You may also contact the Settlement Administrator or Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT FOR INFORMATION ABOUT THIS SETTLEMENT.

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is <<RESPONSE DEADLINE>>. These deadlines will be strictly enforced.

EXHIBIT B

NOTICE OF ESTIMATED SETTLEMENT AWARD

ULISSES LOPEZ v. GOOD-WEST RUBBER CORP.
SAN BERNARDINO COUNTY SUPERIOR COURT CASE NO. CIVDS2011219

Please complete, sign, and return this Form to <<ADMINISTRATOR CONTACT INFO>> **ONLY IF** (1) your personal contact information has changed, and/or (2) you wish to dispute any of the items listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

Phone number (if you wish to be contacted by phone)

(III) Information Used to Calculate Your Estimated Settlement Award:

Based on information contained in Good-West Rubber Corp.'s ("Good-West") records:

- (a) you worked [REDACTED] Workweeks for Good-West in California between April 1, 2016 and June 11, 2021; and
- (b) you worked [REDACTED] pay periods for Good-West in California between April 3, 2019 and June 11, 2021.

Based on the above, your Settlement Award is estimated at \$ [REDACTED].

(IV) If you disagree with either of the items (a) - (b) in Section (III) above, please explain why in the space below and include copies of any supporting evidence or documentation with this Form:

If you dispute the above information gleaned from Good-West's records, Good-West's records will control unless you are able to provide documentation that establishes that Good-West's records are mistaken. If there is a dispute about whether Good-West's information or yours is accurate, the dispute will be resolved by the Parties and the Settlement Administrator as described in the "Notice of Class Action Settlement" that accompanies this Form. The Settlement Administrator's determination will be final.

Date: _____

Signature: _____

ANY DISPUTES (INCLUDING SUPPORTING DOCUMENTS) MUST BE POSTMARKED NO LATER THAN <<RESPONSE DEADLINE>>.