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21 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

22 **FOR THE COUNTY OF ORANGE**

23 BRYCE RENSHAW, individually and on behalf
24 of all others similarly situated,

25 Plaintiff,

26 vs.

27 SC LABORATORIES, INC.; and DOES 1
28 through 20, inclusive,

Defendants.

CASE NO.: 30-2019-01088271-CU-OE-CXC

*Assigned for all purposes to:
Hon. Peter Wilson, Dept. CX102*

JOINT STIPULATION OF SETTLEMENT

1 It is stipulated and agreed by and among the undersigned Parties, subject to the approval of
2 the Court pursuant to the California Rules of Court, that the Settlement of this Action shall be
3 effectuated upon and subject to the following terms and conditions. Capitalized terms used herein
4 shall have the meanings set forth in Article I or as defined elsewhere in this Joint Stipulation of
5 Settlement (“Agreement” or “Settlement”).

6 This Agreement is made by and between Named Plaintiff Bryce Renshaw (“Named
7 Plaintiff”) and the Class Members, on the one hand, and Defendant SC Laboratories, Inc. (“SC Labs”
8 or “Defendant”), on the other hand. Named Plaintiff and Defendant collectively are referred to in this
9 Agreement as “the Parties.”

10 The Parties agree that the Action shall be, and hereby is, ended, settled, resolved, and
11 concluded by agreement of Defendant to pay the settlement amount of Four Hundred Thousand
12 Dollars (\$400,000.00) as provided in Section 3.06(a) below (“Gross Settlement Amount”) pursuant
13 to the terms and conditions of this Agreement and for the consideration set forth herein, including
14 but not limited to, a release of all claims by Named Plaintiff and the Class Members as set forth
15 herein.

16 ARTICLE I

17 DEFINITIONS

18 Unless otherwise defined herein, the following terms used in this Agreement shall have the
19 meanings ascribed to them as set forth below:

20 a. “Action” means the action described as follows: *Bryce Renshaw v. SC Laboratories,*
21 *Inc.*” Case No. 30-2019-010882719-CU-OE-CXC, commenced on August 6, 2019, in the Superior
22 Court of the State of California for the County of Orange.

23 b. “Agreement” means this Joint Stipulation of Settlement, including the attached
24 Exhibit(s).

25 c. “Class” means all current and former non-exempt employees who are or were
26 employed by Defendant in California at any time during the Class Period.

27 d. “Class Counsel” means the attorneys for the Class and the Class Members, who are:
28 Kashif Haque

Samuel A. Wong
Jessica L. Campbell
Fawn F. Bekam
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Irvine, California 92618
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e. “Class List” means a list based on Defendant’s business records that identifies each Class Member’s name, last known home or mailing address, Social Security number or, as applicable, other taxpayer identification number, and the number of Qualifying Workweeks worked during the Class Period.

f. “Class Member(s)” means all members of the Class.

g. “Class Period” means August 6, 2015 through May 5, 2020.

h. “Court” means the California Superior Court for the County of Orange, where the Action is currently pending.

i. “Date of Finality” means the later of the following: (1) the date the Final Order is signed if no objections are filed to the Settlement; (2) if objections are filed and overruled, and no appeal is taken of the Final Order, sixty-five (65) days after the Final Order; or (3) if an appeal or other judicial review is taken from the Court’s overruling of objections to the settlement, ten (10) days after the appeal is withdrawn or after an appellate decision affirming the Final Order becomes final.

j. “Defendant” means Defendant SC Laboratories, Inc.

k. “Defense Counsel” means counsel for Defendant:

Barry Z. Brodsky
Brian Peters
Amir Benakote
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1 l. “Disposition” means the method by which the Court approves the terms of the
2 Settlement and retains jurisdiction over its enforcement, implementation, construction,
3 administration, and interpretation.

4 m. “Final Order Approving Settlement of Class Action” or “Final Order” means the final
5 formal court order signed by the Court following the Final Fairness and Approval Hearing in
6 accordance with the terms herein, approving this Agreement.

7 n. “Gross Settlement Amount” means Four Hundred Thousand Dollars and Zero Cents
8 (\$400,000.00) to be paid by Defendant as provided by this Agreement to settle this Action. All claims
9 of the Class and all administration costs, attorney’s fees and costs, and Incentive Awards, pursuant
10 to Section 3.06(a) below, shall be paid out of the Gross Settlement Amount. The employer’s share
11 of payroll taxes arising from the payments made under this settlement shall be paid by Defendant
12 separate from and in addition to the Gross Settlement Amount. The Gross Settlement Amount is
13 subject to a pro rata increase pursuant to Section 3.04(e) below. No part of the Gross Settlement
14 Amount shall revert to Defendant.

15 o. “Incentive Awards” means a monetary amount of up to Five Thousand Dollars
16 (\$5,000.00) for the Named Plaintiff, subject to Court approval, in recognition of his effort and work
17 in prosecuting the Action on behalf of Class Members, and for their general release of claims.

18 p. “Individual Settlement Payment(s)” means each Participating Class Member’s
19 respective share of the Net Settlement Amount. Individual Settlement Payments will be determined
20 by the calculations provided in this Agreement.

21 q. “LWDA” means The State of California Labor and Workforce Development Agency.

22 r. “LWDA Payment” means 75% of the \$20,000 allocated to the settlement of PAGA
23 claims which, subject to Court approval, will be paid to the LWDA pursuant to Section 3.06(e) of
24 this Agreement, as provided for below.

25 s. “Motion for Final Approval” means Plaintiffs’ submission of a written motion,
26 including any evidence as may be required for the Court to conduct an inquiry into the fairness of
27 the Settlement as set forth in this Agreement, to conduct a Final Fairness and Approval Hearing, and
28 to enter a Final Order in this Action.

t. “Motion for Preliminary Approval” means Plaintiffs’ submission of a written motion, including any evidence as may be required for the Court to grant preliminary approval of the Settlement as required by Rule 3.769 of the California Rules of Court.

u. “Named Plaintiff” means Bryce Renshaw.

v. “Net Settlement Amount” means the Gross Settlement Amount less Court-approved administration costs, Class Counsels’ attorney’s fees and costs, Incentive Awards, and LWDA Payment, pursuant to Section 3.06(a)-(f) below.

w. “Non-Participating Class Member(s)” means any Class Member(s) who submit to the Settlement Administrator a valid and timely written request to be excluded from the Class pursuant to Section 3.04(b) below.

x. “Notice Packet” means the Notice of Proposed Class Action Settlement in a form substantially similar to the Notice Packet attached hereto as **Exhibit A**, subject to Court approval.

y. “PAGA” means the California Private Attorneys General Act of 2004, which is codified in California Labor Code §§ 2698 *et seq.*

z. “PAGA Settlement Amount” means the portion of the Gross Settlement Amount allocated to the resolution of Class Members’ claims arising under PAGA. The Parties have agreed that the PAGA Settlement Amount is Twenty Thousand Dollars (\$20,000), subject to Court approval. Of the PAGA Settlement Amount, 75% will be considered the LWDA Payment, and the remaining 25% will be added to the Net Settlement Amount and distributed to Participating Class Members.

aa. “Participating Class Member(s)” is defined as a Class Member who does not timely exclude himself or herself from the Settlement and will therefore receive his or her share of the Net Settlement Amount automatically without the need to return a claim form. Each Participating Class Member will be paid his/her Individual Settlement Payment.

bb. “Preliminary Approval Date” means the date the Court preliminarily approves the Settlement embodied in this Agreement.

cc. “Qualified Settlement Fund” or “QSF” means a fund within the meaning of Treasury Regulation § 1.468B-1, 26 CFR § 1.468B-1 *et seq.*, that is established by the Settlement Administrator for the benefit of Participating Class Members.

1 dd. “Qualifying Workweeks” means the number of weeks that Class Members worked
2 for Defendant as non-exempt employees during the Class Period.

3 ee. “Released Parties” means Defendant and its past, present and/or future officers,
4 directors, shareholders, employees, agents, operators, principals, owners, heirs, representatives,
5 accountants, auditors, consultants, insurers and reinsurers, successors and predecessors in interest,
6 members, divisions, fiduciaries, trustees, partners, shareholders, investors, and attorneys, if any.

7 ff. “Response Deadline” means the deadline by which Class Members must postmark or
8 fax to the Settlement Administrator requests for exclusion or notices of objection. The Response
9 Deadline will be forty-five (45) calendar days after the initial mailing of the Notice Packet by the
10 Settlement Administrator, unless the forty-fifth (45th) calendar day falls on a Sunday or federal
11 holiday, in which case the Response Deadline will be extended to the next day on which the U.S.
12 Postal Service is open. The Response Deadline will be extended as set forth herein if there is a re-
13 mailing.

14 gg. “Settlement Administration Costs” means all costs incurred by the Settlement
15 Administrator in administration of the Settlement, including, but not limited to, mailing of notice to
16 the class, calculation of Individual Settlement Payments, generation of Individual Settlement
17 Payment checks and related tax reporting forms, administration of unclaimed checks, and generation
18 of checks to Class Counsel for attorneys’ fees and costs, to Named Plaintiffs for their Incentive
19 Awards, and to the LWDA. The Settlement Administration Costs shall be paid from the Gross
20 Settlement Amount.

21 hh. “Settlement Administrator” means ILYM Group, Inc., which the Parties have agreed
22 will be responsible for the administration of the Individual Settlement Payments to be made by
23 Defendant from the Gross Settlement Amount and related matters under this Agreement.

24 **ARTICLE II**

25 **CONTINGENT NATURE OF THE AGREEMENT**

26 **Section 2.01: Stipulation of Class Certification for Settlement Purposes**

27 Because the Parties have stipulated to the certification of the Class with respect to all causes
28 of action alleged in the Action for settlement purposes only, this Agreement requires preliminary and

1 final approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional basis.
2 This Agreement is contingent upon the approval and certification by the Court. If the Date of Finality
3 does not occur, the fact that the Parties were willing to stipulate for the purposes of this Agreement
4 to a Class shall have no bearing on, nor be admissible in connection with, the issue of certification
5 of the Class with respect to all causes of action alleged in the Action. Defendant does not consent to
6 certification of the Class for any purpose other than to effectuate settlement of the Action. If the Date
7 of Finality does not occur, or if Disposition of this Action is not effectuated, any certification of the
8 Class as to Defendant will be vacated and Named Plaintiffs, Defendant, and the Class will be returned
9 to their positions with respect to the Action as if the Agreement had not been entered into. In the
10 event that the Date of Finality does not occur: (a) any Court orders preliminarily or finally approving
11 certification of any class contemplated by this Agreement shall be null, void, and vacated, and shall
12 not be used or cited thereafter by any person or entity; and (b) the fact of the settlement reflected in
13 this Agreement, the fact that Defendant did not oppose the certification of a Class under this
14 Agreement, or that the Court preliminarily approved the certification of the Class, shall not be used
15 or cited thereafter by any person or entity, including in any manner whatsoever, including without
16 limitation any contested proceeding relating to the certification of any class. If the Date of Finality
17 does not occur, this Agreement shall be deemed null and void, shall be of no force or effect
18 whatsoever, and shall not be referred to or used for any purpose whatsoever. Defendant expressly
19 reserves the right to challenge the propriety of class certification in the Action for any purpose, if the
20 Date of Finality does not occur.

21 The Parties and their respective counsel shall take all steps that may be requested by the Court
22 relating to the approval and implementation of this Agreement and shall otherwise use their
23 respective best efforts to obtain Court approval and implement this Agreement. If the Court does not
24 grant the Motion for Preliminary Approval and/or the Motion for Final Approval, the Parties agree
25 to meet and confer to address the Court's concerns. If the Parties are unable to agree upon a
26 resolution, the Parties agree to seek the assistance of mediator Eve Wagner to resolve the dispute.

1 **ARTICLE III**

2 **PROCEDURE FOR APPROVAL AND IMPLEMENTATION OF THE SETTLEMENT**

3 The procedure for obtaining Court approval of and implementing this Agreement shall be as
4 follows:

5 **Section 3.01: Motion for Conditional Class Certification and Preliminary Approval**

6 Named Plaintiffs will bring a motion before the Court for an order conditionally certifying
7 the Class to include all claims pled in the Action based on the preliminary approval of this
8 Agreement. The date that the Court grants preliminary approval of this Agreement will be the
9 “Preliminary Approval Date.”

10 **Section 3.02: The Settlement Administrator**

11 The Parties have chosen ILYM Group, Inc. to administer this Settlement and to act as the
12 Settlement Administrator, including but not limited to distributing and responding to inquiries about
13 the Notice Packet, determining the validity of exclusions/opt-outs, calculating the Net Settlement
14 Amount and the Individual Settlement Payments, issuing the Individual Settlement Payment checks
15 and distributing them to Participating Class Members, establishing and maintaining the QSF, and
16 issuing the payment to Class Counsel for attorneys’ fees and costs, the Incentive Award checks to
17 Named Plaintiffs, and the employer payroll taxes to the appropriate taxing authorities. The Settlement
18 Administrator shall expressly agree to all of the terms and conditions of this Agreement.

19 All costs of administering the Settlement, including but not limited to all costs and fees
20 associated with preparing, issuing and mailing any and all notices to Class Members and/or
21 Participating Class Members, all costs and fees associated with computing, processing, reviewing,
22 and mailing the Individual Settlement Payments, all costs and fees associated with preparing any tax
23 returns and any other filings required by any governmental taxing authority or agency, all costs and
24 fees associated with preparing any other checks, notices, reports, or filings to be prepared in the
25 course of administering disbursements from the Net Settlement Amount, and any other costs and fees
26 incurred and/or charged by the Settlement Administrator in connection with the execution of its
27 duties under this Agreement (“Settlement Administration Costs”), shall be paid to the Settlement
28 Administrator from the Gross Settlement Amount.

1 **Section 3.03: Notice to Class Members**

2 No later than five (5) business days after the Preliminary Approval Date, Defendant will
3 provide the Settlement Administrator with a “Class List” in electronic format based on its business
4 records, identifying the names of the Class Members, their last known home addresses, Social
5 Security numbers or, as applicable, other taxpayer identification number, their dates of employment
6 and weeks worked during the Class Period.

7 Within ten (10) business days of receiving a Class List from Defendant, the Settlement
8 Administrator will send Class Members, by first-class mail, at their last known address, the Court
9 approved Notice Packet, including notice of this Settlement and of the opportunity to opt out of the
10 Settlement Class. The Notice Packet will include a calculation of the Class Member’s approximate
11 share of the Net Settlement Amount. Class Members will have forty-five (45) days from the date of
12 mailing in which to postmark requests for exclusion. Prior to the initial mailing, the Settlement
13 Administrator will check all Class Member addresses against the National Change of Address
14 database and shall update any addresses before mailing. The Settlement Administrator will skip trace
15 and re-mail all returned, undelivered mail within five (5) days of receiving notice that a Notice Packet
16 was undeliverable. If a Class Member’s notice is re-mailed, the Class Member shall have fifteen (15)
17 calendar days from the re-mailing, or forty-five (45) calendar days from the date of the initial mailing,
18 whichever is later, in which to postmark requests for exclusion. Class Members shall not be required
19 to submit claim forms in order to receive a proportional share of the Net Settlement Amount.

20 If the Notice Packet is returned with a forwarding address, the Settlement Administrator shall
21 re-mail the Notice Packet to the forwarding address. With respect to those Class Members whose
22 Notice Packet is returned to the Settlement Administrator as undeliverable, the Settlement
23 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or
24 mass search on LexisNexis or comparable databases based on set criteria and, if another address is
25 identified, shall mail the Notice Packet to the newly identified address. It is the intent of the parties
26 that reasonable means be used to locate Class Members and that the Settlement Administrator be
27 given discretion to take steps in order to facilitate notice of the Settlement and delivery of the
28 Individual Settlement Payments to all Participating Class Members.

1 If the Notice Packet is re-mailed, the Settlement Administrator will note for its own records
2 and notify Class Counsel and Defense Counsel of the date of each such re-mailing as part of a weekly
3 status report provided to the Parties.

4 In the event a Class Member's Notice Packet remains undeliverable sixty (60) calendar days
5 after the Notice Packet was initially mailed, the Settlement Administrator will not mail the Class
6 Member's Individual Settlement Payment. The Settlement Administrator will hold the Class
7 Member's Individual Settlement Payment during the check cashing period on behalf of the Class
8 Member. If at the conclusion of the check cashing period the Class Member's Notice Packet and
9 Individual Settlement Payment remain undeliverable and/or unclaimed and uncashed, the Settlement
10 Administrator will distribute the funds from unclaimed/uncashed checks in accordance with the
11 procedures set forth in Section 3.06(f) below within 30 days of the date the check cashing period
12 expires.

13 No later than twenty (20) court days prior to the Final Fairness and Approval Hearing, the
14 Settlement Administrator shall provide Defense Counsel and Class Counsel with a declaration
15 attesting to completion of the notice process, including any attempts to obtain valid mailing addresses
16 for and re-sending of any returned Notice Packets, as well as the number of valid requests for
17 exclusion and objections that the Settlement Administrator received.

18 **Section 3.04: Responses to Notice**

19 **a. Class Member Disputes**

20 If any Class Member disagrees with Defendant's records as to his or her Qualifying
21 Workweeks during the Class Period as reflected in the Notice Packet, the Class Member shall set
22 forth in writing the Qualifying Workweeks he/she claims to have worked during the Class Period
23 and submit such writing to the Settlement Administrator by the Response Deadline, along with any
24 supporting documentation. The Notice will also provide a method for the Class Member to challenge
25 the employment data on which his or her Individual Settlement Payment is based. The Settlement
26 Administrator shall contact the Parties regarding the dispute and the Parties will work in good faith
27 to resolve it. If the Parties are unable to resolve the dispute, the Court has the final decision on any
28

disputes. The Court shall have the right to review and reverse any decision made by the Settlement Administrator regarding a claim dispute.

b. Requests for Exclusion from Class

In order for any Class Member to validly exclude himself or herself from the Class and this Settlement (*i.e.*, to validly opt out), a written request for exclusion must be signed by the Class Member or his or her authorized representative, and must be sent to the Settlement Administrator, postmarked no later than the Response Deadline (or fifteen (15) days after the Settlement Administrator re-mails the Notice to the Class Member, whichever is later). The Notice Packet shall contain instructions on how to validly exclude himself or herself from the Class and this Settlement (*i.e.*, opt out). The date of the initial mailing of the Notice Packet, and the date the signed request for exclusion was postmarked, shall be conclusively determined according to the records of the Settlement Administrator. Any Class Member who timely and validly requests exclusion from the Class and this Settlement will not be entitled to any Individual Settlement Payment, will not be bound by the terms and conditions of this Agreement, and will not have any right to object, appeal, or comment thereon.

Any Class Member who fails to timely submit a request for exclusion shall automatically be deemed a Class Member whose rights and claims with respect to the issues raised in the Action are determined by the Court's Final Order Approving Settlement of Class Action, and by the other rulings in the Action. Thus, said Class Member's rights to pursue any claims covered by the Action and/or released in this Agreement will be extinguished.

Should the number of Class Members who submit valid requests for exclusion exceed 15, Defendant shall have the right to elect to void the Settlement. Should Defendant exercise the right to void the Settlement, Defendant shall be responsible for the Settlement Administrator's costs incurred to date.

c. Objections to Settlement

For any Class Member to object to this Agreement, or any term of it, the person making the objection must not submit a request for exclusion (*i.e.*, must not opt out), and should send to the Settlement Administrator, postmarked or faxed no later than the Response Deadline (or fifteen (15)

1 days after the Settlement Administrator re-mails the Notice to the Class Member, whichever is later),
2 a written statement of the grounds of objection, signed by the objecting Class Member or his or her
3 attorney, along with all supporting papers. The date of the initial mailing of the Notice Packet, and
4 the date the signed objection was postmarked, shall be conclusively determined according to the
5 records of the Settlement Administrator. The Settlement Administrator shall send any objections it
6 receives to Defense Counsel and Class Counsel within three (3) business days of receipt. Class
7 Members may also appear at the final approval hearing to object. The Court retains final authority
8 with respect to the consideration and admissibility of any Class Member objections.

9 **d. Encouragement of Class Members**

10 The Parties to this Agreement and the counsel representing such Parties shall not, directly or
11 indirectly, through any person, encourage or solicit any Class Member to exclude him or herself from
12 this Settlement (opt out), or to object to it. However, Class Counsel may respond to inquiries from
13 Class Members.

14 **e. Right of Plaintiff to Adjust Gross Settlement Amount**

15 Defendant has estimated the number of Class Members as 208. If the number of Class
16 Members increases by more than 7% (which is more than 222 Class Members) as of the end of the
17 Class Period, there will be a pro rata adjustment to the Gross Settlement Amount equal to \$1,923.08
18 per additional class member.

19 **Section 3.05: Final Fairness and Approval Hearing**

20 On the date set forth in the Order for Preliminary Approval and Notice Packet, a Final
21 Fairness and Approval Hearing shall be held before the Court in order to (1) review this Agreement
22 and determine whether the Court should give it final approval, and (2) consider any objections made
23 and all responses by the Parties to such objections. At the Final Fairness and Approval Hearing, the
24 Parties shall ask the Court to grant final approval to this Agreement and shall submit to the Court a
25 Proposed Final Order Approving Settlement of Class Action.

26 Notice of the Final Approval Order and Judgment shall be posted on the Settlement
27 Administrator's website. The URL for the website shall be printed on the checks sent to Participating
28 Class Members.

1 **Section 3.06: Settlement Payment Procedures**

2 **a. Settlement Amount**

3 In exchange for the Released Claims set forth in this Agreement, Defendant agrees to pay the
4 Gross Settlement Amount in the amount of Four Hundred Thousand Dollars (\$400,000.00), subject
5 to a pro rata increase under the condition set forth in Section 3.04(e). The Gross Settlement Amount
6 includes all Individual Settlement Amounts to Participating Class Members, all administration costs,
7 Class Counsel's attorney's fees and costs, PAGA Settlement Amount, and the Incentive Payments.

8 Within ten (10) calendar days after the Court signs the Final Order, Defendant shall transfer
9 the Gross Settlement Amount plus Defendant's share of employer-side payroll taxes, as set forth
10 herein, into a QSF established by the Settlement Administrator either directly or by sending the funds
11 to the Settlement Administer to be deposited and distributed. The Settlement Administrator will use
12 these funds to fund payment of the Individual Settlement Payments to Participating Class Members,
13 Class Counsel's attorneys' fees and costs, the Incentive Awards, the LWDA Payment, and the
14 Settlement Administration Costs.

15 Within ten (10) court days after receiving Defendants' final payment, funding the Gross
16 Settlement Amount in full, the Settlement Administrator will pay the Individual Settlement Payments
17 to Participating Class Members, Class Counsel's attorneys' fees and costs, LWDA Payment, the
18 Incentive Awards, and employer and employee tax withholdings applicable to the Net Settlement
19 Amount allocated to wages. Prior to this distribution, the Settlement Administrator will perform a
20 search based on the National Change of Address Database to update and correct for any known or
21 identifiable address changes.

22 **b. Payment of Attorneys' Fees and Costs**

23 Class Counsel shall submit an application for an award of attorneys' fees of up to one-third
24 of the Gross Settlement Amount, which, based on the current Gross Settlement Amount, is One
25 Hundred Three-Three Thousand Three Hundred and Thirty-Two Dollars and Zero Cents
26 (\$133,333.33). Class Counsel shall submit an application for an award of costs not to exceed Twenty-
27 Five Thousand Dollars (\$25,000.00). Such application for attorneys' fees and costs shall be heard
28 by the Court at the Final Fairness and Approval Hearing. Defendant shall not object to or oppose any

1 such application in these amounts. Class Counsel shall serve Defendant with copies of all documents
2 submitted in support of their application for an award of attorneys' fees and costs.

3 Any attorneys' fees and costs awarded to Class Counsel by the Court shall be paid from the
4 Gross Settlement Amount and shall not constitute payment to any Class Member(s). The attorneys'
5 fees and costs for Class Counsel approved by the Court shall encompass all work performed, costs,
6 and expenses related to the investigation, prosecution, and settlement of the Action incurred through
7 the Date of Finality. To the extent that the Court approves less than the amount of attorney's fees
8 and/or costs that Class Counsel requests, the difference between the requested and awarded amounts
9 will be reallocated to the Net Settlement Amount.

10 **c. Payment of Settlement Administration Costs**

11 The Settlement Administration Costs shall be paid out of the Gross Settlement Amount and
12 shall not constitute payment to any Participating Class Member(s). The amount shall not exceed
13 Eight Thousand Five Hundred Dollars (\$8,500.00).

14 **d. Payment of Incentive Award to Named Plaintiffs**

15 Subject to Court approval, the Named Plaintiff shall each receive an Incentive Award of up
16 to Five Thousand Dollars (\$5,000.00), the request for which Defendant will not object to or oppose.
17 The Incentive Awards shall be paid out of the Gross Settlement Amount and shall not constitute
18 payment to any Participating Class Member(s) other than Named Plaintiffs. To the extent that the
19 Court approves less than the amount of incentive award that Class Counsel request, the difference
20 between the requested and awarded amounts will be reallocated to the Net Settlement Amount.

21 Because it is the intent of the Parties that the Incentive Awards represent payment to Named
22 Plaintiffs for their service to the Class Members, and not wages, the Settlement Administrator will
23 not withhold any taxes from the Incentive Awards. The Incentive Awards will be reported on a Form
24 1099, which the Settlement Administrator will provide to Named Plaintiffs and to the pertinent taxing
25 authorities as required by law.

26 **e. Payment to the Labor and Workforce Development Agency**

27 In consideration of claims made under PAGA, Class Counsel will request that the Court
28 approve allocation of Twenty Thousand Dollars (\$20,000) of the Gross Settlement Amount to these

1 claims. Seventy-five percent (75%) of this payment will be paid to the California Labor and
2 Workforce Development Agency (“LWDA Payment”), and twenty-five percent (25%) will be paid
3 to the Net Settlement Amount for distribution to Class Members. Defendant will not oppose this
4 request. The entire PAGA Settlement Amount will be paid out of the Gross Settlement Amount. The
5 Court’s adjustment, if any, of the amount allocated to Named Plaintiffs’ PAGA claim in the Action,
6 will not invalidate this Agreement.

7 **f. Payment of Individual Settlement Payments to Participating Class Members**

8 The Parties agree that the Net Settlement Amount shall be used to fund Individual Settlement
9 Payments. The Parties agree that the Net Settlement Amount shall be divided between all
10 Participating Class Members in proportion to the number of individual Qualifying Workweeks for
11 each Class Member. To calculate the minimum amount each Class Member will receive based on
12 their individual Qualifying Workweeks, the Net Settlement Amount will be divided by the total
13 number of Qualifying Workweeks by all Class Members during the Class Period and then allocated
14 on a pro rata basis. Qualifying Workweeks will be rounded up to the next whole integer. Each Class
15 Member’s approximate Individual Settlement Payment amount will be included in his or her Notice
16 Packet. After final approval by the Court, the Net Settlement Amount will be dispersed to
17 Participating Class Members (those who did not exclude themselves) on a pro rata basis based on the
18 individual Qualifying Workweeks worked during the Class Period by each Participating Class
19 Member.

20 Each Individual Settlement Payment will represent wages and penalties allocated using the
21 following formula: 15% allocated to wages; 5% allocated to expense reimbursements; 30% allocated
22 to interest, and 50% allocated to penalties. The amounts paid as wages shall be subject to all tax
23 withholdings customarily made from an employee’s wages and all other authorized and required
24 withholdings and shall be reported by W-2 forms. The employer-side taxes will be paid separate from
25 and in addition to the Gross Settlement Amount. The amounts paid as penalties and interest shall be
26 subject to all authorized and required withholdings other than the tax withholdings customarily made
27 from employees’ wages and shall be reported by IRS 1099 forms.
28

1 No later than ten (10) business days after receiving the Gross Settlement Amount from
2 Defendant, the Settlement Administrator shall prepare and mail the checks for the Individual
3 Settlement Payments to Participating Class Members. Individual Settlement Payments paid from the
4 Net Settlement Amount allocated to wages will be reduced by applicable employer and employee
5 tax withholdings, and the Settlement Administrator will issue a Form W-2 for the wage portion of
6 the Individual Settlement Payments if required. The Settlement Administrator will issue a Form 1099
7 to the extent required by law for the interest and penalty portions of the Individual Settlement
8 Payments. Participating Class Members shall have 180 days from the date their Individual
9 Settlement Payment checks are dated to cash their Settlement checks. Any checks that are not cashed
10 upon the expiration of that 180-day time period will be void, and the uncashed funds shall be paid to
11 the State Controller Unclaimed Property Fund in the name of the Class Member for whom the funds
12 are designated within 30 days of the date the check cashing period expires.

13 If a check is returned to the Settlement Administrator as undeliverable, the Settlement
14 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or
15 a mass search on LexisNexis or a comparable databases based on set criteria and, if another address
16 is identified, the Settlement Administrator shall mail the check to the newly identified address. If the
17 Settlement Administrator is unable to obtain a valid mailing address through this process, the
18 Settlement Administrator will tender the funds from the undeliverable checks to the State Controller
19 Unclaimed Property Fund in the name of the Class Member for whom the funds are designated within
20 30 days of the date the check cashing period expires.

21 **g. Default on Payment.**

22 Defendant's failure to fund the Gross Settlement Amount within ten (10) calendar days after
23 the date that the Court grants final approval of the Settlement shall be considered a default. In the
24 event Defendant fails to timely fund the Gross Settlement Amount, the Settlement Administrator will
25 provide notice to Class Counsel and Defendant's counsel within three (3) business days of the missed
26 payment. Thereafter, Defendant will have seven (7) days to cure the default and tender payment to
27 the Settlement Administrator. In the event Defendant fails to cure the default within the times set
28 forth herein, Named Plaintiffs may elect to enter judgment against Defendant, on an ex parte basis,

1 for the balance of the unpaid Gross Settlement Amount to date, and Named Plaintiffs will be entitled
2 to recover interest at ten percent (10%) per year from the due date for such payment and reasonable
3 attorneys' fees and costs.

4 **h. No Credit Toward Benefit Plans.**

5 The Individual Settlement Payments made to Participating Class Members under this
6 Agreement, as well as any other payments made pursuant to this Agreement, will not be utilized to
7 calculate any additional benefits under any benefit plans to which any Class Members may be
8 eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase
9 plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties'
10 intention that this Agreement will not affect any rights, contributions, or amounts to which any Class
11 Members may be entitled under any benefit plans.

12 **ARTICLE IV**

13 **RELEASES**

14 **Section 4.01: Released Claims by Class Members**

15 Upon the Date of Finality, Named Plaintiff and Participating Class Members who do not opt
16 out of the Settlement, release Defendant SC Laboratories, Inc., and all of its former and present
17 parent, subsidiary, and its current and former shareholders, partners, members, officers, directors,
18 managers, employees, and agents, and its respective predecessors and successors, assigns, and legal
19 representatives of all such entities and individuals ("the Released Parties") from the following claims
20 alleged in Named Plaintiffs' Operative Complaint, during the Class Period: all wage and hour claims,
21 all unfair business claims, and all Private Attorneys General Act of 2004 ("PAGA") claims arising
22 from the facts alleged in the operative complaint, and specifically claims for unpaid wages (including
23 claims for minimum wages, liquidated damages, regular wages, overtime, and meal and rest period
24 premiums), interest, penalties (including waiting time penalties pursuant to Labor Code section 203,
25 wage statement penalties pursuant to Labor Code section 226, and civil penalties pursuant to PAGA,
26 claims pursuant to Labor Code sections 200, 201, 202, 203, 204, 210, 218.5, 226, 226.3, 226.7, 510,
27 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2698, *et seq.*, 2800, 2802, Code of Civil
28 Procedure sections 3287 and 1021.5, California Code of Regulations, Title 8, section 11050, the

1 Industrial Welfare Commission Orders, and claims under Business and Professions Code section
2 17200, *et seq.*, claims for attorneys' fees and costs, and unfair business practices to the extent they
3 arise from the facts alleged in Plaintiff's operative complaint ("Released Claims").

4 **Section 4.02: Named Plaintiffs' Release of Unknown Claims**

5 Upon the Date of Finality, Named Plaintiff, waives, releases, acquits, and forever discharges
6 the Released Parties from any and all claims, actions, charges, complaints, grievances, and causes of
7 action, of any nature arising from Named Plaintiffs' employment with Defendant, whether known or
8 unknown, which exist or may exist as of the Parties' execution of this Agreement.

9 Section 1542 of the California Civil Code provides as follows:

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

14 Plaintiff's general release provided herein is made with an express waiver and relinquishment
15 of any claim, right, or benefit under California Civil Code § 1542.

16 **ARTICLE V**

17 **LIMITATIONS ON USE OF THIS SETTLEMENT**

18 **Section 5.01: No Admission**

19 Defendant disputes the allegations in the Action and disputes that, but for this Settlement, a
20 Class should not have been certified in the Action. This Agreement is entered into solely for the
21 purpose of settling highly disputed claims. Nothing in this Agreement is intended nor will be
22 construed as an admission of liability or wrongdoing by Defendant.

23 **Section 5.02: Non-Evidentiary Use**

24 Whether or not the Date of Finality occurs, neither this Agreement, nor any of its terms, nor
25 the Settlement itself, will be: (a) construed as, offered, or admitted in evidence as, received as, or
26 deemed to be evidence for any purpose adverse to Defendant or any other of the Released Parties,
27 including but not limited to, evidence of a presumption, concession, indication, or admission by any
28 of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or

(b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further proceeding in the Action, except for the purposes of effectuating the Settlement pursuant to this Agreement or for Defendant to establish that a Class Member has resolved any of his or her claims released through this Agreement.

Section 5.03: Nullification

The Parties have agreed to the certification of the Class encompassing all claims alleged in the Action for the sole purpose of effectuating this Agreement. If (a) the Court should for any reason fail to certify this Class for settlement, or (b) the Court should for any reason fail to approve this Settlement, or (c) the Court should for any reason fail to enter the Final Order, or (d) the Final Order is reversed, or declared or rendered void, or (e) the Court should for any reason fail to dispose of the Action in its entirety, then (i) this Agreement shall be considered null and void; (ii) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; (iii) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court; and (iv) the fact that the Parties were willing to stipulate to class certification of all causes of action pled in the Action as part of the Settlement will have no bearing on, and will not be admissible in connection with, the issue of whether the Class should be certified by the Court in a non-settlement context in this Action or any other action, and in any of those events, Defendant expressly reserves the right to oppose certification of the Class.

In the event of a timely appeal from the Final Order, the Final Order shall be stayed and the Gross Settlement Amount shall not be distributed pending the completion of the appeal.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.01: Amendments or Modification

The terms and provisions of this Agreement may be amended or modified only by an express written agreement that is signed by all the Parties (or their successors-in-interest) and their counsel.

Section 6.02: Assignment

None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, Class Member, Class Counsel, or Defense Counsel without the express written

1 consent of each other Party and their respective counsel. The representations, warranties, covenants,
2 and agreements contained in this Agreement are for the sole benefit of the Parties under this
3 Agreement and shall not be construed to confer any right or to avail any remedy to any other person.

4 **Section 6.03: Governing Law**

5 This Agreement shall be governed, construed, and interpreted, and the rights of the Parties
6 shall be determined, in accordance with the laws of the State of California, without regard to conflicts
7 of laws.

8 **Section 6.04: Entire Agreement**

9 This Agreement, including the Exhibits referred to herein, which form an integral part hereof,
10 contains the entire understanding of the Parties with respect to the subject matter contained herein.
11 In case of any conflict between text contained in Articles I through VI of this Agreement and text
12 contained in the Exhibits to this Agreement, the former (*i.e.*, Articles I through VI) shall be
13 controlling, unless the Exhibits are changed by or in response to a Court order. There are no
14 restrictions, promises, representations, warranties, covenants, or undertakings governing the subject
15 matter of this Agreement other than those expressly set forth or referred to herein. This Agreement
16 supersedes all prior agreements and understandings among the Parties with respect to the settlement
17 of the Action, including correspondence between Class Counsel and Defense Counsel and drafts of
18 prior agreements or proposals.

19 **Section 6.05: Waiver of Compliance**

20 Any failure of any Party, Defense Counsel, or Class Counsel hereto to comply with any
21 obligation, covenant, agreement, or condition set forth in this Agreement may be expressly waived
22 in writing, to the extent permitted under applicable law, by the Party or Parties and their respective
23 counsel entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver or
24 failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or
25 condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

26 **Section 6.06: Counterparts and Fax/PDF Signatures**

27 This Agreement, and any amendments hereto, may be executed in any number of counterparts
28 and any Party and/or their respective counsel may execute any such counterpart, each of which when

1 executed and delivered shall be deemed to be an original. All counterparts taken together shall
2 constitute one instrument. A fax or PDF signature on this Agreement shall be as valid as an original
3 signature.

4 **Section 6.07: Meet and Confer Regarding Disputes**

5 Should any dispute arise among the Parties or their respective counsel regarding the
6 implementation or interpretation of this Agreement, a representative of Class Counsel and a
7 representative of Defense Counsel shall meet and confer in an attempt to resolve such disputes prior
8 to submitting such disputes to the Court.

9 **Section 6.08: Agreement Binding on Successors**

10 This Agreement will be binding upon, and inure to the benefit of, the successors in interest
11 of each of the Parties.

12 **Section 6.09: Cooperation in Drafting**

13 The Parties have cooperated in the negotiation and preparation of this Agreement. This
14 Agreement will not be construed against any Party on the basis that the Party, or the Party's counsel,
15 was the drafter or participated in the drafting of this Agreement.

16 **Section 6.10: Fair and Reasonable Settlement**

17 The Parties believe that this Agreement reflects a fair, reasonable, and adequate settlement of
18 the Action and have arrived at this Agreement through arm's-length negotiation and in the context
19 of adversarial litigation, taking into account all relevant factors, current and potential. The Parties
20 further believe that the Settlement is consistent with public policy, and fully complies with applicable
21 law.

22 **Section 6.11: Headings**

23 The descriptive heading of any section or paragraph of this Agreement is inserted for
24 convenience of reference only and does not constitute a part of this Agreement and shall not be
25 considered in interpreting this Agreement.

26 **Section 6.12: Notice**

27 Except as otherwise expressly provided in the Agreement, all notices, demands, and other
28 communications under this Agreement must be in writing and addressed as follows:

To Named Plaintiffs and the Class:

Kashif Haque
Samuel A. Wong
Jessica L. Campbell
Fawn F. Bekam
AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: (949) 379-6250
Facsimile: (949) 379-6251

And

To Defendant:

Barry Z. Brodsky
Brian Peters
Amir Benakote
KAUFMAN, DOLOWICH & VOLUCK LLP
11755 Wilshire Boulevard, Suite 2400
Los Angeles, California 90025
Telephone: (310) 775-6511
Facsimile: (310) 525-9720

Section 6.13: Enforcement of Settlement and Continuing Court Jurisdiction

To the extent consistent with class action procedure, this Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6 and California Rule of Court 3.769(h). The Final Order entered by the Court will not adjudicate the merits of the Action or the liability of the Parties resulting from the allegations of the Action. Its sole purpose is to adopt the terms of the Settlement and to retain jurisdiction over its enforcement. To that end, the Court shall retain continuing jurisdiction over this Action and over all Parties and Class Members, to the fullest extent to enforce and effectuate the terms and intent of this Agreement. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

1 **Section 6.14: Mutual Full Cooperation**

2 The Parties agree fully to cooperate with each other to accomplish the terms of this
3 Agreement, including but not limited to the execution of such documents, and the taking of such
4 other action, as may reasonably be necessary to implement the terms of this Agreement. The Parties
5 to this Agreement shall use their best efforts, to effectuate and implement this Agreement and its
6 terms. In the event the Parties are unable to reach agreement on the form or content of any document
7 needed to implement the Settlement, or on any supplemental provisions that may become necessary
8 to effectuate the terms of the Settlement, the Parties agree to seek the assistance of the Court.

9 **Section 6.15: Authorization to Act**

10 Class Counsel warrants and represents that they are authorized by Named Plaintiffs, and
11 Defense Counsel warrants that they are authorized by Defendant, to take all appropriate action
12 required to effectuate the terms of this Agreement, except for signing documents, including but not
13 limited to this Agreement, that are required to be signed by the Parties themselves. Defendant
14 represents and warrants that the individual executing this Agreement on its behalf has the full right,
15 power, and authority to enter into this Agreement and to carry out the transactions contemplated
16 herein.

17 **Section 6.16: No Reliance on Representations**

18 The Parties have made such investigation of the facts and the law pertaining to the matters
19 described herein and to this Agreement as they deem necessary, and have not relied, and do not rely,
20 on any statement, promise, or representation of fact or law, made by any of the other parties, or any
21 of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted
22 rights, or with regard to the advisability of entering into and executing this Agreement, or with respect
23 to any other matters. No representations, warranties, or inducements, except as expressly set forth
24 herein, have been made to any party concerning this Agreement.

25 **EXECUTION BY PARTIES AND COUNSEL**

26 The Parties and their counsel hereby execute this Agreement.
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Dated: 12/8/2020

BRYCE RENSHAW

By: 
Named Plaintiff

Dated:

SC LABORATORIES, INC.

By: _____
(Signature)

(Printed Name)

(Title)

Dated: 12/8/2020

AEGIS LAW FIRM, PC

By: 
Kashif Haque
Samuel A. Wong
Jessica L. Campbell
Fawn F. Bekam

Attorneys for Named Plaintiff Bryce Renshaw

Dated:

**KAUFMAN, DOLOWICH & VOLUCK
LLP**

By: _____
Barry Z. Brodsky
Brian Peters
Amir Benakote

Attorneys for Defendant SC Laboratories, Inc.

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Dated: _____

BRYCE RENSHAW

By: _____
Named Plaintiff

Dated: 12-14-2020

SC LABORATORIES, INC.

By: _____
(Signature)

JEFF GRAY

(Printed Name)

CEO

(Title)

Dated: _____

AEGIS LAW FIRM, PC

By: _____

Kashif Haque
Samuel A. Wong
Jessica L. Campbell
Fawn F. Bekam

Attorneys for Named Plaintiff Bryce Renshaw

Dated: December 15, 2020

KAUFMAN, DOLOWICH & VOLUCK
LLP

By: _____

Barry Z. Brodsky
Brian Peters
Amir Benakote

Attorneys for Defendant SC Laboratories, Inc.