

1 Christopher J. Hamner, Esq. (SBN 197117)
2 HAMNER LAW OFFICES, APLC
3 26565 West Agoura Road, Suite 200-197
4 Calabasas, California 91302
5 Telephone: (888) 416-6654
6 chamner@hamnerlaw.com

7 Jose Garay, Esq. (SBN 200494)
8 JOSE GARAY, APLC
9 249 E. Ocean Blvd., Suite 814
10 Long Beach, California 90802
11 Telephone: (949) 208-3400
12 jose@garaylaw.com

13 Attorneys for Plaintiffs and the proposed class

14 SUPERIOR COURT OF CALIFORNIA

15 COUNTY LOS ANGELES

16 JORGE MONTES, and EDGAR MONTES. Case No.: 20STCV41061

17 Plaintiffs

18 AMENDED CLASS ACTION AND PAGA
19 SETTLEMENT AGREEMENT

20 v.

21 AG CONSTRUCTION aka "AG
22 CONSTRUCTION, INC." company of
23 unknown form, and DOES 1 THROUGH 5
24 inclusive,

25 Defendants.

26 This Class Action and PAGA Settlement Agreement is entered into by and between
27 Plaintiff Edgar Montes as the only proposed class representative, on behalf of herself and all
28 others similarly situated members of the "Settlement Class" (defined below), on the one hand,
and Defendant AG Construction aka "AG Construction, Inc." ("Defendant") on the other hand.
This Class Action and PAGA Settlement Agreement and Release shall be binding on Plaintiff,
the current and former employees she seeks to represent, the Settlement Class and PAGA
Employees, the State of California, and on Defendant and subject to the definitions, recitals, and

1 terms set forth herein and the approval of the Court. The other plaintiff in this matter, Jorge
2 Montes, is not a party to this settlement agreement and will not be presented to the court as a
3 proposed class representative in this court.
4

5 **I. DEFINITIONS**

6 1. "Action" means the lawsuit entitled *Montes v. AG Construction*., Case No.
7 20STCV41061, pending in the Superior Court of California, County of Los Angeles.

8 2. "Plaintiff" means Edgar Montes, only.

9 3. "Defendants" means Defendant AG Construction aka "AG Construction, Inc."

10 4. "Parties" means collectively Plaintiff and Defendants, as defined herein.

11 5. "Court" means the Superior Court of California, County of Los Angeles.

12 6. "Defendants' Counsel" means LANDEGGER VERANO & DAVIS, ALC.

13 7. "Class Counsel" means Hamner Law Offices, APLC and Jose Garay, APLC.

14 8. "Class Member(s)" means all employees who worked as hourly construction
15 workers for Defendant, in the state of California, during the Class Period, a total of approximately
16 337 individuals.

17 9. "Class Period" means between October 26, 2016 to the Date of Preliminary
18 Approval, inclusive.

19 10. "Class Claims" means all wage and hour claims, rights, demands, liabilities and
20 causes of action of every nature and description related to the claims litigated in the Action, or
21 claims that were or could have been brought as part of the Action against Defendants, based on
22 the factual allegations in the SAC, including without limitation statutory, constitutional,
23 contractual or common law claims for wages, damages, unpaid costs, penalties, liquidated
24 damages, punitive damages, interest, restitution, equitable relief, or any other relief, including, but
25 not limited to, claims based on the following categories of allegations during the Class Period: (a)
26 all claims for unpaid overtime; (b) all claims for meal and rest period violations; (c) all claims for
27 unpaid minimum wages; (d) all claims for failure to timely pay wages upon termination; (e) all
28 claims for failure to timely pay wages during employment, including at or after termination of

1 employment; (f) all claims for failure to pay wages; (g) all claims for failure to provide accurate,
2 itemized, or otherwise proper wage statements; (h) all claims for failure to reimburse business
3 expenses; (i) all claims asserted through California Labor Code sections 2699 *et seq* (the Private
4 Attorneys General Act of 2004 ("PAGA")) arising out of the aforementioned claims; (j) all claims
5 asserted through the Fair Labor Standards Act ("FLSA") arising out of the aforementioned
6 claims; (k) all claims asserted through California Business & Professions Code §17200 *et seq*.
7 arising out of the aforementioned claims; and (l) all other claims for penalties, liquidated
8 damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, equitable relief,
9 or additional damages that allegedly arise out of the aforementioned claims. The Class Claims
10 specifically include any and all claims arising under the California Labor Code, including,
11 without limitation, §§ 201-204, 210, 218.5, 226, 226.3, 226.7, 227.3, 510, 512, 558, 1174, 1174.5,
12 1175, 1182.12, 1194, 1194.2, 1197, 1197.1, 2802, 2698-2699.5, Cal. Business & Professions
13 Code §§ 17200, *et seq*, and Cal. Code of Civil Procedure § 1021.5, any derivative claims based
14 on such alleged violations, or any applicable California Industrial Welfare Commission Wage
15 Order.

16 11. "Class Notice" shall mean the document attached hereto as Exhibit A.

17 12. "Date of Preliminary Approval" means the date the Court preliminarily approves
18 this Settlement Agreement, and the exhibits thereto, and enters an order preliminarily approving
19 the Settlement.

20 13. "Class Settlement Payment" is the allocation from the Net Settlement Amount paid
21 to Participating Class Members on a pro rata basis and does not include the PAGA Employee
22 Payment to PAGA employees.

23 14. "Effective Date" means the date the Final Order and Judgment becomes binding.
24 The Final Order and Judgment becomes binding on the later of: (i) fifteen (15) calendar days after
25 entry of the Final Order and Judgment if no appeal is filed; or (ii) if an appeal or motion to
26 intervene is filed, the date of final resolution of any challenge to the Final Order and Judgment
27 where the resolution affirms the final approval order and judgment. The Effective Date cannot
28 occur, and Defendant will not be obligated to fund this Settlement, unless and until there is no

1 possibility of an appeal or further appeal (by anyone who has the right to, or claims to have the
2 ability to, take an appeal) that could potentially prevent this Settlement Agreement from
3 becoming final and binding.

4 15. "Fairness Hearing" means the hearing on Plaintiff's motion for judgment and final
5 approval of this Settlement.

6 16. "Final Order and Judgment" means the final order entered by the Court after the
7 Fairness Hearing, approving the settlement and entering judgment pursuant to this Settlement
8 Agreement.

9 17. "Net Settlement Amount" means the portion of the Gross Settlement Amount
10 eligible for distribution to Participating Class Members. It equals the Gross Settlement Amount
11 less Class Counsel's attorneys' fees and actual litigation costs as ordered to be paid by this Court,
12 Settlement Administration Expenses, the PAGA Payment, and Service Enhancement to Plaintiff.

13 18. "Gross Settlement Amount" is the sum of Four Hundred Ninety Thousand Dollars
14 (\$490,000.00), which represents the maximum amount payable in this Settlement by Defendants,
15 and includes all attorneys' fees, litigation costs, claims administration fees, and incentive payment
16 to the Class Representative.

17 19. "Order Granting Preliminary Approval" means the Order entered by the Court
18 preliminarily approving, *inter alia*, the terms and conditions of this Agreement, the manner and
19 timing of providing notice to the Settlement Employees, and the time period for Class Members
20 to opt-out of and/or make objections to the settlement of the Class Claims under this Settlement.

21 20. "PAGA" means the California Labor Code Private Attorneys General Act,
22 California Labor Code §§ 2698 *et seq.*

23 21. "PAGA Claims" means all claims for PAGA civil penalties that were stated or
24 could have been stated based on the facts alleged in the Action based on the allegations in the
25 SAC and LWDA Notice, including but not limited to claims for PAGA civil penalties based on
26 the Class Claims.

1 22. "PAGA Employees" all employees who worked as hourly construction workers
2 for Defendant, in the state of California, during the PAGA Period.

3 23. "PAGA Period" means the period from November 17, 2019 and the Date of
4 Preliminary Approval of this Settlement.

5 24. "PAGA Payment" means the \$20,000.00 of the Gross Settlement Amount
6 allocated to the settlement of PAGA Claims which is comprised of the LWDA PAGA Penalty
7 Amount and the PAGA Employee Payment.

8 25. "PAGA Employee Payment" is the 25% share of the \$20,000.00 (or \$5,000.00)
9 allocated from the Gross Settlement Amount for PAGA penalties that will be paid to members of
10 the PAGA Group.

11 26. "LWDA" means the California Labor and Workforce Development Agency.

12 27. "LWDA PAGA Penalty Amount" is the 75% share of the \$20,000.00 (or
13 \$15,000.00) allocated from the PAGA Payment for civil penalties that will be paid to the LWDA.

14 28. "Participating Class Members" means those Class Members who do not opt out or
15 otherwise exclude themselves from of the settlement of the Class Claims portion of this
16 Settlement.

17 29. "Participating Settlement Employees" means all Participating Class Members and
18 PAGA Employees.

19 30. "Released Class Claims" means the Class Claims that Participating Class
20 Members are fully and irrevocably releasing the Released Parties from in exchange for the
21 consideration provided by this Settlement Agreement, whether arising at law, in contract, or in
22 equity, and whether for economic or non-economic damages, restitution, injunctive relief,
23 penalties, or liquidated damages.

24 31. "Released PAGA Claims" means the PAGA Claims that Plaintiff, on behalf of
25 herself, the State of California and PAGA Employees, are fully and irrevocably releasing the
26 Released Parties from provided by this Settlement Agreement for the PAGA Period of November
27 17, 2019 to the date of preliminary approval.
28

1 32. “Released Parties” means Defendant and its affiliates, specifically including
2 Alberto Garcia Construction Services, Inc., and each of their divisions, subsidiaries, parents,
3 predecessors, any merged entity or merged entities and/or its or their present and former officers,
4 partners, directors, managers, supervisors, employees, attorneys, agents, shareholders and/or
5 successors, assigns, trustees, heirs, administrators, executors, representatives and/or principals
6 thereof.

7 33. “Request for Exclusion” means a written request to opt out of the settlement of
8 Class Claims in this Settlement completed by a Class Member and timely submitted to the
9 Settlement Administrator as set forth in this Agreement

10 34. “Service Enhancement” means the incentive payment to the Plaintiff, not to
11 exceed Twenty Thousand Dollars (\$20,000).

12 35. “Settlement Administrator” means Phoenix Class Action Administration
13 Solutions.

14 36. “Settlement Administration Expenses” means those expenses incurred by the
15 Settlement Administrator in effectuating the settlement.

16 37. “Settlement Agreement” means this Class Action Settlement and Release.

17 38. “Settlement Employees” means all Class Members and PAGA Employees.

18 39. “Settlement Employee Data” means all information that Defendant provides to the
19 Settlement Administrator that identifies or can be used to identify Settlement Employees,
20 including, without limitation, their names, addresses, phone numbers, email addresses, employee
21 numbers, and social security numbers, and the respective number of workweeks and pay periods
22 each Settlement Employee worked during the Class Period and PAGA Period.

23 40. “Settlement Period” means the applicable Class Period and PAGA Period, as
24 defined herein.

25 **II. LITIGATION BACKGROUND**

26 41. On November 17, 2019, notice to the LWDA was sent for this case. On October
27 26, 2020, the instant lawsuit was filed. On January 21, 2021, Plaintiff filed a First Amended
28 Complaint (“FAC”) alleging wage and hour and derivative claims under the California Labor

1 Code, the Private Attorneys General Act (PAGA), and the Unfair Competition Law. On August
2 21, 2021, the Parties filed a Joint Stipulation for Plaintiffs to file a Second Amended Complaint
3 ("SAC") On September 9, 2021, the court granted Plaintiffs leave to file the SAC. On
4 September 28, 2021, the Plaintiffs filed the SAC.

5 42. Defendant denies Plaintiffs' claims in the SAC, and asserts that, during all relevant
6 times, Class Members were exempt from the various wage and hour laws under the California
7 and federal law. Defendant also asserts that, at all times, Class Members received wage
8 statements that were compliant with the Labor Code, were timely paid all wages as required
9 under the Labor Code, and that Class Members who ended their employment with Defendant
10 during the Class Period were properly compensated for all wages due as required by California
11 law. Consequently, Defendant does not believe that any liability to Plaintiff or Class Members
12 exists, or that Plaintiff or Class Members are entitled to any recovery. In addition, Defendant
13 contends that Plaintiff's claims are not suitable for class, collective, or representative treatment.
14 Defendant has agreed to resolve the Action via this Settlement Agreement, but to the extent this
15 Settlement Agreement is deemed void or the Effective Date does not occur, Defendant does not
16 waive, but rather expressly reserves, all rights to challenge all such claims and allegations in the
17 Action upon all procedural, merit, and factual grounds, including, without limitation, the ability to
18 challenge class and representative treatment on any grounds, the ability to compel some or all
19 claims to individual arbitration, as well as asserting any and all other privileges and potential
20 defenses.

21 43. It is the desire of the Parties to fully, finally, and forever settle, compromise, and
22 discharge all Released Class Claims and Released PAGA Claims against the Released Parties. As
23 such, for settlement purposes only, Defendant waives all objections or defenses to Plaintiffs'
24 PAGA claims in the SAC.

25 44. It is the intention of the Parties that this Settlement Agreement shall constitute a
26 full and complete settlement and release of the Released Class Claims and Released PAGA
27 Claims as to all of the Released Parties.
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

III. JURISDICTION AND VENUE

45. This Court has jurisdiction over the Parties and the subject matter of this Action. This Court will have continuing jurisdiction over the terms and conditions of this Class Action Settlement Agreement and Release, until all payments and obligations provided for herein have been fully executed.

IV. TERMS OF SETTLEMENT

46. Non-Admission. Nothing in this Settlement Agreement, or any communications, papers, or orders related to this Settlement Agreement, shall be construed to be or deemed an admission by the Released Parties of any liability, culpability, or wrongdoing toward Plaintiff, the Settlement Employees, or any other person, and Defendant specifically disclaims any liability, culpability, or wrongdoing toward Plaintiff, the Settlement Employees, or any other person, or that class certification or a representative action is appropriate in this or any other matter. Each of the Parties has entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and contingencies. This Settlement Agreement and any communications, papers, or orders related to the Settlement Agreement may not be cited or otherwise admitted as evidence of liability or that class certification is appropriate or that a representative action could ever be manageably tried before a court. There has been no final determination by any court as to whether a class should be certified, or whether the representative claims can manageably be adjudicated, other than for settlement purposes only.

47. Certification of Class Members as to Class Claims and Approval of Representative Action. The Parties stipulate, for settlement purposes only, to the certification by the Court of a class of Class Members as to all Class Claims asserted in the Action for settlement purposes only. The Parties also stipulate to the approval by the Court of a PAGA representative action as to all PAGA Claims asserted in the Action for settlement purposes only. The Parties further stipulate that, for settlement purposes only, Hamner Law Offices, APLC and Jose Garay, APLC, may be preliminarily and conditionally appointed as Class Counsel. Defendant's stipulation to the certification of a class of Class Members and to a representative

1 action for PAGA Employees shall not be construed as an admission or acknowledgment of any
2 kind that any class should be certified or that any claims should be given class or representative
3 action treatment

4 48. Non-Approval By The Court. In the event that this Settlement Agreement is not
5 approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the
6 Court:

7 (a) The Settlement Agreement shall have no force or
8 effect, other than the confidentiality and non-disclosure provisions and the non-admission
9 provisions;

10 (b) The Settlement Agreement shall not be admissible in
11 any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue,
12 substantive or procedural;

13 (c) The preliminary certification of the class of Class
14 Members and the approval of a representative action shall become null and void, and the fact that
15 the Parties stipulated to the certification of Class Members and Class Claims, and to approval of
16 representative treatment of the PAGA Claims, for purposes of this Settlement shall not be
17 admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to
18 any issue, substantive or procedural; and

19 (d) None of the Parties to this Settlement Agreement
20 will be deemed to have waived any claims, objections, defenses or arguments with respect to the
21 issue of class certification, representative treatment, or the merits of Plaintiff's claims

22 49. Settlement Allocation. Defendant agrees to pay a Gross Settlement Amount of
23 Four Hundred Ninety Thousand Dollars (\$490,000.00). The Parties agree, subject to Court
24 approval, to the following allocations:

25 (a) From the Gross Settlement Amount, Class Counsel may seek from the
26 Court a maximum of \$161,700.00 (33%) of the Gross Settlement Amount
27 in attorneys' fees in addition to actual litigation costs of up to \$15,000.00
28

1 for serving as Class Counsel, which Defendant will not oppose.

- 2 (b) From the Gross Settlement Amount, Plaintiff may seek from the Court
3 Service Enhancement not to exceed \$20,000.00 each for their efforts and
4 service leading to this Settlement, which Defendant will not oppose, and
5 which may be unilaterally reduced by the Plaintiff at time of seeking
6 approval based on a decision of Plaintiff and his counsel, or may be
7 ultimately reduced by the Judge at final approval.
- 8 (c) From the Gross Settlement Amount, the Parties agree to allocate the
9 payment of Settlement Administration Expenses in a reasonable amount,
10 which amount shall not exceed \$9,000.00.
- 11 (d) If the Court approves a lesser amount of attorney's fees, litigation costs,
12 Service Enhancements, or Settlement Administration Expenses than those
13 sought by Plaintiff and/or Class Counsel, any amount disallowed by the
14 Court shall be added to the Net Settlement Amount and apportioned
15 equally to Participating Class Members.
- 16 (e) From the Gross Settlement Amount, the Parties agree to allocate
17 \$20,000.00 to the PAGA Payment as follows: (1) the \$15,000.00 LWDA
18 Penalty Amount, and (2) the \$5,000.00 PAGA Employee Payment on a pro
19 rata basis based on the number of pay periods that PAGA employees were
20 employed during the PAGA Period. Defendant shall provide the
21 Settlement Administrator the number of pay periods worked by PAGA
22 Employees during the PAGA Period. The number of pay periods worked
23 by PAGA Employees shall be determined solely based on Defendant's
24 employment records. The PAGA Employee Payment shall be treated as
25 miscellaneous income, which shall be reported on an IRS 1099 without
26 withholdings.
- 27 (f) The Net Settlement Amount is estimated to be \$264,300. The Net
28 Settlement Amount shall be used to pay all Settlement Payment amounts

1 due to Participating Class Members based on their weeks worked in the
2 Class Period.

3 50. Objections by Participating Class Members to the Settlement of Class Claims.

4 Any Class Member who opts out of the settlement of the Class Claims may not object to the
5 settlement. Any Class Member who does not opt out will become a Participating Class Member,
6 and will still be bound by the settlement even if s/he objects to the settlement and his/her
7 objection is overruled.

8 51. Opt Outs By Class Members from the Settlement of Class Claims. Class

9 Members who wish to "opt-out" of and be excluded from the settlement of the Class Claims must
10 submit a written Request for Exclusion to the Class Claims aspects of the settlement. Even if a
11 Class Member opts out of the settlement of the Class Claims, he/she shall receive his/her portion
12 of the PAGA Employee Payment, and shall be deemed to have fully, finally, and forever released
13 the Released Parties from the Released PAGA Claims as set forth in full in Section VI, below. In
14 the event any Class Members opts out of the Settlement, Defendant has the right to retain the
15 Settlement share of any Class Member who opts out.

16 52. Releases. Upon the Effective Date and provided Defendant has fully funded the
17 Gross Settlement Amount, all Participating Settlement Employees shall be deemed to have fully,
18 finally, and forever released all Released Parties from the Released Class Claims and Released
19 PAGA Claims as set forth in full in Section VI, below.

20 53. No Reliance. All Parties represent that they have not received, and shall not rely
21 on, advice or representations from other Parties or their agents or attorneys regarding the tax
22 treatment of payments under federal, state, or local law.

23 54. Entry of Judgment. At the Fairness Hearing, the Parties will request that the
24 Court, among other things: (a) certify the Class Members and Class Claims for purposes of
25 settlement only; (b) enter a Final Order and Judgment; (c) approve the settlement of the Class
26 Claims as fair, adequate, reasonable, and binding on all Participating Settlement Employees; (d)
27 approve the settlement of the PAGA Claims as providing genuine and meaningful relief,
28

1 consistent with the underlying purpose of the PAGA to benefit the public; (e) enter a Judgment
2 terminating the Action with prejudice; (f) enter an order permanently enjoining all Participating
3 Settlement Employees from pursuing and/or seeking to reopen claims that have been released by
4 this Agreement; and (f) incorporate the terms of this Settlement Agreement into its Final Order
5 and Judgment.

6 55. Notice to the LWDA. In connection with their filing of a motion requesting
7 preliminary approval of the Settlement, Plaintiff and Class Counsel shall notify the LWDA of the
8 existence of this Amended Settlement Agreement as required pursuant to Labor Code Section
9 2699 et seq

10 V. SETTLEMENT ADMINISTRATION

11 56 Summary of Duties. The Settlement Administrator shall be responsible for:
12 (a) estimating each Settlement Employee's recovery from the Net Settlement Amount;
13 (b) preparing and mailing Class Notices with estimated settlement payment amounts to all
14 Settlement Employees, including taking appropriate steps to trace, update and locate any
15 individual Settlement Employee whose address or contact information as provided to the
16 Settlement Administrator is inaccurate or outdated; (c) receiving and serving on Class Counsel,
17 Defendant's Counsel, and the Court, any opt out statements, copies of written objections, and any
18 withdrawal and rescission statements from Class Members; (d) providing to Class Counsel and
19 Defendant's Counsel a weekly report of activity; (e) establishing a toll-free telephone line and
20 responding to inquiries and requests for information or assistance from Settlement Employees; (f)
21 maintaining the Gross Settlement Amount account at a federally insured banking institution;
22 (g) determining and paying the final amounts due to be paid to Participating Settlement
23 Employees after adjustment for funds due to Class Members who opt out of the settlement of
24 Class claims; (h) preparing and delivering to Participating Settlement Employees necessary tax
25 reporting documents, including Form 1099 where applicable, (i) reporting to Class Counsel,
26 Defendant's Counsel, and the Court regarding the completion of the tasks identified in this
27 paragraph; (j) calculating and submitting Defendant's share, as employer, of payroll taxes and
28

1 advising Defendant of the amount owed; and (k) carrying out other related tasks in accordance
2 with the terms of this Settlement Agreement.

3 57. Use of Settlement Employee Data. The Settlement Administrator has, and will
4 maintain for as long as it accesses, processes, stores or transmits any Settlement Employee Data
5 supplied by Defendant, a comprehensive, written information security program that complies with
6 applicable law and industry best practices (the "Security Program"). The Security Program will
7 apply to all locations, systems, devices and equipment used by the Settlement Administrator (or
8 any vendors, subcontractors, or third parties retained by Administrator) to access, process, store,
9 or transmit Settlement Employee Data ("Administrator Systems"), and it will include physical,
10 administrative, and technical security controls that prevent unauthorized access to, disclosure of,
11 loss of, or use of the Administrator Systems and the Settlement Employee Data that those
12 Administrator Systems process, store, or transmit. In the event that the Settlement Administrator
13 suspects that any Administrator Systems or Settlement Employee Data that the Administrator
14 Systems or the Settlement Administrator processes, stores, or transmits is subject to any suspected
15 or actual unauthorized access, use, or disclosure, the Settlement Administrator will immediately
16 notify counsel for Defendant. The Settlement Administrator shall use Settlement Employee Data
17 only to the extent necessary to administer the settlement, shall securely delete Settlement
18 Employee Data when no longer required for that purpose or by law; and shall not disclose
19 Settlement Employee Data to any third party.

20 58. Disputes. All disputes relating to the Settlement Administrator's ability and need
21 to perform its duties shall be referred to the Court, if necessary, which will have continuing
22 jurisdiction over the terms and conditions of this Settlement Agreement, until all payments and
23 obligations contemplated by the Settlement Agreement have been fully executed.

24 59. Objections. Class Members may only object to the settlement of the Class
25 Claims. The Settlement Administrator shall receive any objections from Participating Class
26 Members, and verify their timeliness. All objections must be sent to the Settlement Administrator
27 no later than sixty (60) days from the date of mailing of the Notice (the "Response Deadline"),
28 and such deadline applies notwithstanding any argument regarding non-receipt of the notice.

1 Class Members to whom Class Notices are re-mailed after having been returned as undeliverable
2 to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-
3 mailing, or until the Response Deadline has expired, whichever is later, to submit an Objection,
4 Request for Exclusion, or dispute. The date of the postmark on the envelope containing the
5 objection shall be the exclusive means used to determine whether the objection has been timely
6 submitted. Anyone who fails to postmark an objection in this manner shall be deemed to have
7 waived any objections and shall be foreclosed from making any objection to the Settlement and
8 from filing any appeal from any Final Order and Judgment issued by the Court. The Parties may
9 file a response to any objections submitted by Participating Class Members at or prior to the
10 Fairness Hearing. Participating Class Members shall be permitted to withdraw their objections in
11 writing by submitting a withdrawal statement to the Settlement Administrator not later than one
12 (1) business day prior to the Court's Fairness Hearing, or as otherwise ordered by the Court. The
13 Court will review any objection, request for exclusion or disputed workweeks, even if untimely.
14 The Court, for good cause, may hear all objections, even if untimely or considered invalid by the
15 Claims Administrator.

16 60. Requests for Exclusion. Class Members may only opt out of the settlement of the
17 Class Claims. The Settlement Administrator shall receive any opt outs from Class Members, and
18 verify their timeliness and compliance with these terms. Any request to opt out must bear a post-
19 mark within sixty (60) days from the date of mailing of the Notice. The request to opt-out must
20 include: (a) the Class Member's name; (b) a statement that the Class Member desires to exclude
21 himself or herself from the case; and (c) the last four digits of the Class Member's social security
22 number. If a Class Member submits a deficient opt-out, the Settlement Administrator shall notify
23 the Class Member of the deficiency within five (5) business days of receipt. The Class Member
24 shall have ten (10) business days after the notice of deficiency is sent by the Settlement
25 Administrator to cure said deficiencies. Otherwise, if his or her Request for Exclusion is not
26 postmarked within ten (10) business days of the date of the notice of deficiency, his or her request
27 to opt out will be rejected. The date of the postmark on the envelope containing the request for
28 exclusion shall be the exclusive means used to determine whether a request for exclusion has

1 been timely submitted. Requests for exclusion must be exercised individually by a Class Member.
2 Attempted group, class, or subclass requests for exclusions shall be ineffective and disregarded by
3 the Settlement Administrator. Class Members submitting untimely or deficient opt-outs shall
4 become Participating Class Members. shall be bound by the Settlement, and will receive a Class
5 Settlement Payment. The Settlement Administrator shall not accept late opt-out Forms without
6 the written authorization of Defendant.

7 61. Final List of Participating Settlement Employee Payments. When and if the
8 Court enters the Final Order and Judgment, and the Effective Date as defined herein has passed,
9 the Settlement Administrator shall prepare a final list of all Participating Settlement Employees
10 and their applicable estimated Class Settlement Payment and/or PAGA Employee Payment. The
11 Settlement Administrator shall calculate applicable federal and state deductions for the Class
12 Settlement Payment and shall include such information in the final list. The Settlement
13 Administrator shall provide this list to Defendant within five (5) court days after the Effective
14 Date. For each Participating Settlement Employee on this list, the Settlement Administrator will
15 issue checks payable to said Participating Settlement Employees.

16 62. Calculation of Payments to Settlement Employees. The Settlement
17 Administrator will calculate pro rata Class Settlement Payments to Participating Class Members
18 based on each Participating Class Member's relative percentage of eligible employee work weeks
19 in the Class Period as reflected on Defendant's internal records. This same percentage will also
20 determine the pro rata share of the PAGA Employee Payment to the PAGA Employees based on
21 the PAGA Period of November 17, 2019 to the date of preliminary approval. After deducting for
22 attorney's fees, litigation costs, the Service Enhancement, the PAGA payment (both the LWDA
23 PAGA Penalty Amount and the PAGA Group Payments paid to the PAGA Group), and
24 Settlement Administration Expenses, the remainder of the Gross Settlement Amount will be
25 allocated to Class Members as the Net Settlement Amount.

26 63. Allocation of Payments to Settlement Employees. All Class Settlement
27 Payments to Participating Class Members shall be allocated as follows: (a) 25% as wages, (b)
28 50% as penalties, and (c) 25% as interest. All PAGA Employee Payments will be allocated

1 entirely to penalties. Defendant is responsible for funding the payment of the employer tax
2 contributions as required by law. Plaintiff and Participating Class Members must pay their own
3 portion of payroll and all applicable income taxes on the 25% of Class Settlement Payment that is
4 allocated as wages, and such amounts will be withheld from Class Settlement Payments. Plaintiff
5 and Participating Class Members shall be exclusively liable for any and all tax liability, if any,
6 other than for the employer tax contributions.

7 64. Qualified Settlement Fund. Defendant shall provide payment to the Settlement
8 Administrator within ten (10) court days after the Effective Date. The Settlement Administrator
9 shall create a Qualified Settlement Fund ("QSF"), to be funded by Defendant and administered by
10 the Settlement Administrator.

11 65. Timing of Distribution of Settlement Checks. Within seven (7) court days after
12 Defendant funds the Settlement as set forth herein, the Settlement Administrator shall distribute
13 checks to all Participating Settlement Employees, pay Plaintiff his Service Enhancement, issue a
14 check to the LWDA for the LWDA PAGA Penalty Amount, and pay Class Counsel's attorney's
15 fees and costs.

16 66. Declaration of Settlement Administrator. The Settlement Administrator shall
17 provide a declaration of payment, which will be filed with the Court and served on Class Counsel
18 and Defendant within thirty (30) calendar days of mailing the payments to Participating
19 Settlement Employees, Plaintiff, and Class Counsel.

20 67. Uncashed Settlement Checks. Participating Settlement Employees who are sent
21 Settlement payments shall have at least one hundred and eighty (180) calendar days after mailing
22 by the Settlement Administrator to cash their settlement checks and will be so advised of such
23 deadline. If any Participating Settlement Employees do not cash their checks within that period,
24 those checks will become void. Five (5) court days after the 180th day elapses, the Parties shall
25 report to the Court the total amount that was actually paid to Participating Settlement Employees
26 who cashed their check(s). Funds represented by Settlement checks returned as undeliverable and
27 checks remaining uncashed for more than one hundred and eighty (180) calendar days after
28 issuance shall be sent to the State Controller's Office under the Unclaimed Property Law Statutes.

1 V. NOTICE OF SETTLEMENT

2 68. Within twenty (20) calendar days after the Date of Preliminary Approval by the
3 Court, Defendant shall provide to the Settlement Administrator the Settlement Employee Data.

4 69. The Settlement Administrator shall prepare for mailing the Class Notice. Class
5 data for Settlement Employees shall not be disclosed to Plaintiff, Class Counsel, or any other
6 Settlement Employees without the written consent of Defendants.

7 70. Prior to mailing the Class Notices, the Settlement Administrator will update the
8 Settlement Employee Data using the National Change of Address database and other available
9 resources deemed suitable by the Settlement Administrator. Any returned envelopes from the
10 initial mailing with forwarding addresses will be used by the Settlement Administrator to locate
11 Settlement Employees and re-mail the Class Notice to the correct or updated address. The
12 Settlement Administrator will use all appropriate tracing methods, including skip tracing, to
13 ensure that the Class Notices are received by Settlement Employees. The Settlement
14 Administrator shall also take reasonable steps including skip tracing to locate any Settlement
15 Employees whose Class Notice is returned as undeliverable.

16 71. The Parties agree that the procedures set forth in this Section comply with due
17 process requirements, constitute reasonable and the best practicable notice under the
18 circumstances, and constitute an appropriate and sufficient effort to locate current addresses for
19 Class Members such that no additional efforts to do so shall be required. Any Class Members
20 who do not receive the Class Notice after these procedures have been followed will nonetheless
21 be bound by this Settlement.

22 VI. RELEASES BY PARTICIPATING SETTLEMENT EMPLOYEES

23 72. General Release by Plaintiff. The releases agreed upon and made part of the
24 settlement by Plaintiff Edgar Montes shall include a release of Released Parties from all claims,
25 actions, causes of action, lawsuits, debts, dues, sums of money, accounts, reckonings, bonds, bills,
26 specialties, covenants, contracts, bonuses, controversies, agreements, promises, claims, charges,
27 complaints and demands whatsoever, whether in law or equity, known or unknown, which against
28

1 the Released Parties, the Plaintiff and the Plaintiff's heirs, executors, administrators, successors,
2 and assigns, may now have or hereafter later determine that they have or had upon, or by reason
3 of, any cause or thing whatsoever relating to their employment or termination of employment,
4 including, but not limited to, claims arising under the Americans With Disabilities Act, the
5 National Labor Relations Act, the Fair Labor Standards Act, the Equal Pay Act, the Employee
6 Retirement Income Security Act of 1974, 29 U.S.C. § 1001 *et seq.*, as amended, but not limited
7 to, breach of fiduciary duty and equitable claims to be brought under § 1132(a)(3) ("ERISA"), the
8 Worker Adjustment and Retraining Notification Act, as amended, Title VII of the Civil Rights
9 Act of 1964, the Vocational Rehabilitation Act of 1973, the Civil Rights Acts of 1866, 1871 and
10 1991, including Section 1981 of the Civil Rights Act, the Family and Medical Leave Act (to the
11 extent permitted by law), the California Family Rights Act ("CFRA"), California's PAGA, Cal.
12 Bus. and Prof. Code § 17200 *et seq.* ("UCL"), the California Labor Code, and/or any other
13 federal, state or local human rights, civil rights, wage-hour, pension or labor law, rule, statute,
14 regulation, constitution or ordinance and/or public policy, contract or tort law, or any claim of
15 retaliation under such laws, or any claim of breach of any contract (whether express, oral, written
16 or implied from any source), or any claim of intentional or negligent infliction of emotional
17 distress, tortious interference with contractual relations, wrongful or abusive or constructive
18 discharge, defamation, prima facie tort, fraud, negligence, loss of consortium, malpractice, breach
19 of duty of care, breach of fiduciary duty or any action similar thereto against Releasees, including
20 any claim for attorneys' fees, expenses or costs based upon any conduct up to and including the
21 date of this General Release; provided, however, that Plaintiff does not waive any right to file an
22 administrative charge with the Equal Employment Opportunity Commission ("EEOC") or the
23 National Labor Relations Board ("NLRB"), subject to the condition that Plaintiff agrees not to
24 seek, or in any way obtain or accept, any monetary award, recovery or settlement therefrom and
25 agrees that she understands that such limitation does not in any way restrict her ability to file and
26 pursue such charge consistent with the confidentiality obligations set forth in this Settlement
27 Agreement; and further provided, however, that Plaintiff does not waive any rights with respect
28 to, or release Released Parties from, any claims for California Workers' Compensation benefits.

1 Plaintiff expressly does not release any claim for unemployment compensation benefits or for
2 harassment, discrimination, retaliation or wrongful termination.

3 73. Thus, for the purpose of implementing a full and complete release and discharge of
4 the Released Parties, Plaintiff expressly acknowledges that this General Release is intended to
5 include in its effect, without limitation, all claims which Plaintiff does not know or suspect to
6 exist in Plaintiff's favor at the time of execution hereof, and that this General Release
7 contemplates the extinguishment of any such claim or claims.

8 74. In connection with such waiver and relinquishment, Plaintiff hereby acknowledges
9 that he or his attorneys may hereafter discover claims or facts in addition to, or different from,
10 those which they now know or believe to exist, but that Plaintiff expressly agrees to fully, finally
11 and forever settle and release any and all claims, known or unknown, suspected or unsuspected,
12 which exist or may exist on their behalf against Released Parties at the time of execution of the
13 Settlement Agreement, including, but not limited to, any and all claims relating to or arising from
14 Plaintiff's employment with Defendant or the cessation of that employment. Plaintiff and
15 Defendant further acknowledge, understand and agree that this representation and commitment is
16 essential to each Party and that this Settlement Agreement would not have been entered into were
17 it not for this representation and commitment.

18 75. It is further understood and agreed that as a condition of this General Release,
19 Plaintiff Edgar Montes hereby expressly waives and relinquishes any and all claims, rights or
20 benefits that she may have under California Civil Code Section 1542, which provides as follows:

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

24 76. Nothing in this General Release shall prohibit or restrict Plaintiff from:
25 (i) providing information to, or otherwise assisting in, an investigation by Congress, the Equal
26 Employment Opportunity Commission or the NLRB, the Securities and Exchange Commission
27 ("SEC") or any other federal regulatory or law enforcement agency or self-regulatory
28 organization ("SRO"); (ii) testifying, participating, or otherwise assisting in a proceeding relating

1 to an alleged violation of any federal law relating to fraud or any rule or regulation of the SEC or
2 any SRO; or (iii) complying with a lawful subpoena or other legal process, subject to the terms of
3 the Settlement Agreement.

4 77. If any of the provisions, terms, clauses, waivers or releases of claims and rights
5 contained in this General Release are declared illegal, unenforceable, or ineffective in a legal
6 forum of competent jurisdiction, such provisions, terms, clauses, waivers or releases of claims or
7 rights shall be modified, if possible, in order to achieve, to the extent possible, the intentions of
8 the parties and, if necessary, such provisions, terms, clauses, waivers and releases of claims and
9 rights shall be deemed severable, such that all other provisions, terms, clauses and waivers and
10 releases of claims and rights contained in this General Release shall remain valid and binding
11 upon all parties, provided, however, that, notwithstanding any other provision of this General
12 Release, if any portion of the waiver or release of claims or rights is held to be unenforceable,
13 Defendant may, at its option, seek modification or severance of such portion, or terminate the
14 Settlement Agreement pursuant to Section XI.

15 78. Release by Participating Class Members. As of the Effective Date and provided
16 Defendant has fully funded the Gross Settlement Amount, in exchange for the consideration set
17 forth in this Agreement, Plaintiff and Participating Class Members release the Released Parties
18 from the Released Class Claims. Released Class Claims include all wage and hour claims, rights,
19 demands, liabilities and causes of action of every nature and description related to the claims
20 litigated in the Action, or claims that were or could have been brought as part of the Action
21 against Defendants based on the factual allegations in the SAC, including, without limitation,
22 statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs,
23 penalties, liquidated damages, punitive damages, interest, restitution, equitable relief, or any other
24 relief, including, but not limited to, claims based on the following categories of allegations during
25 the Class Period: (a) all claims for unpaid overtime; (b) all claims for meal and rest period
26 violations; (c) all claims for unpaid minimum wages; (d) all claims for failure to timely pay
27 wages upon termination; (e) all claims for failure to timely pay wages during employment,
28 including at or after termination of employment; (f) all claims for failure to pay wages; (g) all

1 claims for failure to provide accurate, itemized, or otherwise proper wage statements; (h) all
2 claims for failure to reimburse business expenses; (i) all claims asserted through California Labor
3 Code sections 2699 *et seq.* (the Private Attorneys General Act of 2004 ("PAGA")) arising out of
4 the aforementioned claims; (j) all claims asserted through the Fair Labor Standards Act ("FLSA")
5 arising out of the aforementioned claims; (k) all claims asserted through California Business &
6 Professions Code § 17200 *et seq.* arising out of the aforementioned claims; and (l) all other claims
7 for penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs,
8 restitution, equitable relief, or additional damages that allegedly arise out of the aforementioned
9 claims.

10 79. The Released Class Claims specifically include any and all claims arising under
11 the California Labor Code, including, without limitation, §§ 201-204, 210, 218.5, 226, 226.3,
12 226.7, 227.3, 510, 512, 558, 1174, 1174.5, 1175, 1182.12, 1194, 1194.2, 1197, 1197.1, 2802,
13 2698-2699.5, Cal. Business & Professions Code §§ 17200, *et seq.*, and Cal. Code of Civil
14 Procedure § 1021.5, any derivative claims based on such alleged violations, including those under
15 any applicable California Industrial Welfare Commission Wage Order

16 80. All Participating Class Members will release any and all causes of action under the
17 FLSA relating to claims alleged or which could have been alleged in the Action based on the
18 factual allegations in the SAC. *See Rangel v. PLS Check Cashers of California, Inc.*, 899 F.3d
19 1106 (9th Cir. 2018).

20 81. The period of the Released Class Claims shall extend to the limits of the Class
21 Period. The judgment entered as a result of this settlement shall have res judicata effect to the
22 fullest extent allowed by law. The definition of Released Class Claims shall not be limited in any
23 way by the possibility that Plaintiff or Participating Class Members may discover new facts, legal
24 theories or legal arguments not alleged in the Action as to Defendant but which might serve as an
25 alternative basis for pursuing the same claims, causes of action, or legal theories of relief falling
26 within the definition of Released Class Claims. Any Class Member who submits a timely and
27 valid request for exclusion to the settlement of the Class Claims will not be bound by the release
28

1 of the Released Class Claims. However, he/she will still be bound by the release of the Released
2 PAGA Claims.

3 82. Release of PAGA Claims. On the Effective Date and provided Defendant has
4 fully funded the Gross Settlement Amount, Plaintiff, on behalf of himself, the State of California
5 and all PAGA Employees, release the Released Parties from the Released PAGA Claims for the
6 PAGA Period of November 17, 2019 to the date of preliminary approval. No PAGA Employee
7 may opt out of this release. The Released PAGA Claims include all claims against Defendant
8 during the PAGA Period.

9 83. The period of the Released PAGA Claims shall extend to the limits of the
10 PAGA Period. The judgment entered as a result of this settlement shall have res judicata effect to
11 the fullest extent allowed by law. The definition of Released PAGA Claims shall not be limited
12 in any way by the possibility that Plaintiff may discover new facts, legal theories or legal
13 arguments not alleged in the Action which might serve as an alternative basis for pursuing the
14 same claims, causes of action, or legal theories of relief falling within the definition of Released
15 PAGA Claims.

16
17 VII. DUTIES OF THE PARTIES PRIOR TO PRELIMINARY APPROVAL AND
18 BETWEEN PRELIMINARY AND FINAL APPROVAL

19 84. Class Counsel will submit this Settlement Agreement to the Court together with a
20 Motion for Preliminary Approval of Settlement and Certification of the Class Members, and shall
21 report the settlement to the LWDA and otherwise comply with Section 2699(f) of the Labor
22 Code. The motion shall also seek an order:

- 23 (a) Preliminarily approving the settlement;
- 24
25
26
27
28

- (1) Approving as to form and content the proposed Class Notice;
- (2) Directing the mailing of the Class Notice and instructions by first class mail to Settlement Employees;
- (3) Preliminarily certifying the Class Members and Class Claims for purposes of settlement and preliminarily appointing Plaintiff and Class Counsel as representatives of the Class Members;
- (4) Preliminarily approving settlement administration services to be provided by the Settlement Administrator; and
- (5) Scheduling a Fairness Hearing on the question of whether the proposed settlement should be finally approved as fair, reasonable and adequate as to the Class Members.

85. Defendant shall provide to the Settlement Administrator the Settlement Employee Data within twenty (20) calendar days after the Date of Preliminary Approval. Defendant shall submit this information in electronic format as specified by the Settlement Administrator.

86. The Parties shall cooperate with each other and the Settlement Administrator during the process of giving Settlement Employees notice and Class Members the opportunity to opt out of the settlement of the Class Claims, in every way necessary and appropriate to assure effective communication to individual Class Members of information concerning their rights and obligations under this Settlement Agreement.

87. Class Counsel shall provide the Court in connection with the Motion for Final Approval of the Settlement a declaration by the Settlement Administrator of due diligence and proof of mailing of the Notice of Settlement required to be mailed to Class Members by this Settlement Agreement, and of the delivery results of the Settlement Administrator's mailings including tracing and re-mailing efforts.

VIII. DUTIES OF THE PARTIES AFTER FINAL COURT APPROVAL

88. Class Counsel will submit a proposed Final Order and Judgment for approval, which shall include findings and orders:

- 1
- 2 (b) Confirm that Plaintiffs provided adequate notice to the LWDA of the
- 3 PAGA portions of the settlement;
- 4 (c) Approving the PAGA portions of the settlement as providing genuine and
- 5 meaningful relief, consistent with the underlying purpose of the PAGA to
- 6 benefit the public;
- 7 (d) Approving the settlement of the Class Claims, adjudging the terms thereof
- 8 to be fair, reasonable and adequate, and directing that its terms and
- 9 provisions be carried out;
- 10 (1) Approving the payment of Service Enhancements to the
- 11 Plaintiff;
- 12 (2) Approving Class Counsel's application for an award of
- 13 attorneys' fees and reimbursement of out-of-pocket
- 14 litigation expenses; and
- 15 (3) Providing that the Court will retain jurisdiction to
- 16 oversee administration and enforcement of the terms of
- 17 the Settlement and the Court's orders.

18 89. Following entry of the Court's Final Order and Judgment approving the Settlement

19 Agreement, the parties will each act to assure its timely execution and the fulfillment of all its

20 provisions, including but not limited to the following:

- 21 (a) Should an appeal be taken from the Final Order and Judgment approving
- 22 the Settlement Agreement, all parties will support the Final Order and
- 23 Judgment on appeal;
- 24 (b) The Parties and Class Counsel will certify to the Court completion of all
- 25 payments required to be made by this Settlement Agreement.

26 IX. PRELIMINARY TIMELINE FOR COMPLETION OF SETTLEMENT

27 90. The preliminary schedule for notice, approval, and payment procedures carrying

28 out this Settlement is as follows. This schedule is only intended to summarize pertinent events as

they relate to settlement administration; it does not modify any other provisions of this

Agreement or otherwise alter the Parties' obligations hereunder. The schedule may be modified

1 depending on whether and when the Court grants necessary approvals and orders notice to the
2 class, and sets further hearings. In the event of such modification, the parties shall cooperate in
3 order to complete the settlement procedures as expeditiously as reasonably practicable.
4

5 6 7 8	Within 20 days after the Date of Preliminary Approval	Defendant to provide the Settlement Administrator Settlement Employee Data, as well as any relevant information regarding their dates of employment and the number of workweeks and pay periods worked by Settlement Employees during the applicable Settlement Period.
9 10 11 12	35 days after Preliminary Approval of Settlement	Settlement Administrator to complete any skip trace or other address searched for Settlement Employees, including updating any contact information. Mailing by first class mail of Class Notice.
13	60 days after mailing of Class Notice	Deadline for Class Members to opt-out or object to the settlement of the Class Claims.
14 15	1 business day prior to the hearing on Final Approval	Last day for Class Members to rescind objections or opt-outs to the settlement of the Class Claims.
16 17 18 19 20 21 22 23 24 25 26 27 28	Fifteen (15) days after entry of the Court's order granting final approval of the Settlement Agreement unless an appeal and/or motion to intervene is timely filed. If an appeal or motion to intervene is filed, then "Effective Date" means the date of final resolution of any appeal from the order granting final approval of the Settlement Agreement where the resolution affirms the final approval order and judgment. The Effective Date cannot occur, and Defendant will not be obligated to fund this Settlement, unless and until there is no possibility of an appeal or further appeal that could potentially prevent this Settlement Agreement from becoming final and binding.	Effective Date

Within 5 court days after the Effective Date	Settlement Administrator to make the final calculation of payments from the Net Settlement Amount to be distributed to the Participating Settlement Employees and provide Defendant's counsel with a report listing the amount of all payments to be made to each Participating Settlement Employee.
Within 10 court days after the Effective Date	Defendant to transfer the Gross Settlement Amount to the Settlement Administrator who will deposit in a Settlement Administrator-established account at a federally insured banking institution.
Within 7 court days of Defendant's transfer of Gross Settlement Amount to the Settlement Administrator	Settlement Administrator to distribute and pay: Settlement checks to all Participating Settlement Employees and the LWDA; the Service Enhancements approved by the Court to Plaintiffs; Settlement Administration Expenses; and the attorney's fees and costs approved by the Court to Class Counsel.
180 days after payment of settlement checks	Expiration of Participating Settlement Employees' settlement checks.
Within 5 days of expiration of Participating Settlement Employees' settlement checks	Settlement Administrator to provide a declaration of payment and report regarding uncashed checks, which will be filed with the Court and served on Class Counsel and Defendant. Settlement Administrator to issue checks to the State Controller's Office, Unclaimed Property Division

X. VOIDING OR MODIFYING THE SETTLEMENT AGREEMENT

91. Separate and in addition to the requirements that the conditions precedent set forth herein are fulfilled before this settlement becomes effective, Defendant also has the right to withdraw from the Settlement at any time prior to final approval if: (a) two (2) or more of Class Members opt out of the Settlement; or (b) the Settlement is construed in such a fashion that Defendant is required to pay more than the Gross Settlement Amount (except for Defendant's obligation to pay the employer's share of payroll taxes which is not included in the Gross Settlement Amount and will be funded separately by Defendant); or (c) the Court does not certify the Class Members or does not certify a class releasing the claims set forth herein, or otherwise makes an order inconsistent with any of the terms of this Settlement Agreement; or (d) Plaintiff or

1 his counsel breach this Settlement Agreement. In the event of Defendant's withdrawal,
2 Defendant will pay the costs already incurred by the Settlement Administrator unless the
3 withdrawal is the result of Plaintiff's or their counsel's breach of the Settlement Agreement.

4 92. If for any reason the Settlement is not approved by the court, or if Defendant or
5 Plaintiffs withdraw from the Settlement, this Settlement Agreement and any related settlement
6 documents will be null and void, other than the confidentiality, non-disclosure provisions and the
7 non-admission provisions herein and any class or collective action certified or approved for
8 settlement purposes will be vacated. In such an event, neither this Settlement Agreement, nor the
9 settlement documents, nor the negotiations leading to the Settlement may be used as evidence for
10 any purpose, and Defendant shall retain the right to challenge all claims and allegations in the
11 action, to assert all applicable defenses, and to dispute the propriety of class or collective
12 certification on all applicable grounds.

13 93. If any time period specified in the above three paragraphs passes before the party
14 holding a right or option to request adjustment or rescind exercises that right or option, that party
15 shall be deemed to have waived its right or option and the Settlement Agreement shall proceed on
16 the terms specified herein.

17 94. Other than as specified above, this Settlement Agreement may not be changed,
18 altered, or modified, except in writing and signed by counsel for the Parties hereto, and approved
19 by the Court. This Settlement Agreement may not be discharged except by performance in
20 accordance with its terms or by a writing signed by the Parties hereto.

21
22 **XI. CONFIDENTIALITY AND PUBLICITY**

23 95. Settlement Employee Data shall be kept strictly confidential by the Settlement
24 Administrator who will not release such information to Class Counsel and will only file such
25 information under seal if necessary. Class Counsel agrees that any information they receive or
26 have received in connection with this Settlement, may be used for this action only, and may not
27 be used for any purpose or in any other action or proceeding.
28

1 96. Plaintiff and Class Counsel agree not to disclose the terms of this Settlement,
2 except in court papers, or if required by legal process, as necessary to effectuate and administer
3 the terms of this Settlement, or for accounting or tax reporting purposes. Neither Plaintiff nor
4 Class Counsel, directly or indirectly, shall issue a press release or hold a press conference, publish
5 information about the settlement on any website (other than used by the Settlement Administrator
6 for settlement administration purposes), or otherwise publicize the settlement. Plaintiffs and
7 Class Counsel agree not to respond to any press inquiries concerning the settlement except to
8 refer reporters to the papers filed with the Court. Notwithstanding the foregoing, Class Counsel
9 may refer to the Settlement in any adequacy of counsel declarations, or related court filings.
10

11 **XII. PARTIES' AUTHORITY**

12 97. The signatories hereby represent that they are fully authorized to enter into this
13 Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.
14

15 **XIII. MUTUAL FULL COOPERATION**

16 98. The Parties agree to fully cooperate with each other to accomplish the terms of this
17 Settlement Agreement, including but not limited to, executing such documents and taking such
18 other action as may reasonably be necessary to implement the terms of this Settlement
19 Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all
20 efforts contemplated by this Settlement Agreement and any other efforts that may become
21 necessary by order of the Court or otherwise to effectuate this Settlement Agreement and the
22 terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Class
23 Counsel shall, with the assistance and cooperation of Defendant and its counsel, take all
24 necessary steps to secure the Court's preliminary and final approval of this Settlement
25 Agreement.
26
27
28

1 XIV. NOTICES

2 99. Unless otherwise specifically provided herein, all notices, demands or other
3 communications given hereunder shall be in writing and shall be deemed to have been duly given
4 as of the third business day after mailing by United States registered or certified mail, return
5 receipt requested, addressed as follows

6 To Class Counsel:

7 Christopher J. Hamner, Esq.
8 HAMNER LAW OFFICES, APLC
9 26565 West Agoura Road, Suite 200-197
10 Calabasas, California 91302
11 Telephone: (888) 416-6654
12 channer@hamnerlaw.com

13 Jose Garay, Esq.
14 JOSE GARAY, APLC
15 249 E. Ocean Blvd., Suite 814
16 Long Beach, California 90802
17 Telephone: (949) 208-3400
18 jose@garaylaw.com

19 To Defendant's Counsel:

20 Marie D. Davis, Esq.
21 Evelyn Zarraga, Esq.
22 Landegger Verano & Davis, ALC
23 15760 Ventura Blvd., Suite 1200
24 Encino, California 91436
25 Main: 818 986.7561
26 marie@landeggeresq.com
27 evelyn@landeggeresq.com

28 If the identity of the persons to be notified for any party changes, or their address changes, that
party shall notify all other parties of said change in writing.

29 XV. MISCELLANEOUS PROVISIONS

30 100. Captions and Titles. 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

1 scope of this Settlement Agreement or any provision hereof. Each term of this Settlement
2 Agreement is contractual and not merely a recital.

3 101. Drafting. The Parties hereto agree that the terms and conditions of this Settlement
4 Agreement are the result of lengthy, intensive arms-length negotiations between the Parties
5 supervised by an experienced employment law mediator. Neither party shall be considered the
6 “drafter” of the Settlement Agreement for purposes of having terms construed against that party,
7 and this Settlement Agreement shall not be construed in favor of or against any Party by reason of
8 the extent to which any Party or his, her or its counsel participated in the drafting of this
9 Settlement Agreement.

10 102. Extensions of Time. If a party cannot reasonably comply with an obligation
11 under this Settlement Agreement by the deadline set forth herein applicable to that obligation, that
12 party may apply to the Court for a reasonable extension of time to fulfill that obligation. Consent
13 to such a request for an extension will not be unreasonably withheld by the other party.

14 103. Governing Law. The rights and obligations of the parties hereunder shall be
15 construed and enforced in accordance with, and shall be governed by, the laws of the State of
16 California, without regard to principles of conflict of laws.

17 104. No Impact on Benefit Plans. Neither the Settlement Agreement nor any amounts
18 paid under the Settlement Agreement will modify any previously credited hours or service under
19 any employee benefit plan, policy, or bonus program sponsored by Defendants. Such amounts
20 will not form the basis for additional contributions to, benefits under, or any other monetary
21 entitlement under Defendants’ sponsored benefit plans, policies, or bonus programs. The
22 payments made under the terms of this Settlement shall not be applied retroactively, currently, or
23 on a going forward basis, as salary, earnings, wages, or any other form of compensation for the
24 purposes of Defendants’ benefit plan, policy, or bonus program. Defendants retain the right to
25 modify the language of its benefit plans, policies and bonus programs to effect this intent, and to
26 make clear that any amounts paid pursuant to this Settlement Agreement are not for “hours
27 worked,” “hours paid,” “hours of service,” or any similar measuring term as defined by applicable
28

1 plans, policies and bonus programs for purposes of eligibility, vesting, benefit accrual, or any
2 other purpose, and that additional contributions or benefits are not required by this Settlement
3 Agreement.

4 105. Integration. This Settlement Agreement contains the entire agreement between
5 the Parties relating to the settlement and transaction contemplated hereby, and all prior or
6 contemporaneous agreements, understandings, representations, and statements, whether oral or
7 written and whether by a Party or such Party's legal counsel, are merged herein. No rights
8 hereunder may be waived except in writing.

9 106. No Prior Assignments This Settlement Agreement shall be binding upon and
10 inure to the benefit of the Parties hereto and their respective heirs, trustees, executors,
11 administrators and successors. The Parties hereto represent, covenant, and warrant that they have
12 not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or
13 encumber to any person or entity any portion of any liability, claim, demand, action, cause of
14 action or rights herein released and discharged except as set forth herein.

15
16 XVI. COUNTERPARTS

17 107. Counterparts. This Settlement Agreement may be executed in counterparts with
18 signatures transmitted by facsimile or as an electronic image (including DocuSign) of the original
19 signature. When each Party has signed and delivered at least one such counterpart, each
20 counterpart shall be deemed an original, and, when taken together with other signed counterparts,
21 shall constitute one Settlement Agreement, which shall be binding upon and effective as to all
22 Parties. A facsimile signature or electronic image shall have the same force and effect as the
23 original signature

24
25 SIGNATURES TO FOLLOW
26
27
28

I HAVE READ THIS AGREEMENT AND AGREE TO ITS TERMS.

PLAINTIFF

Edgar Montes

Edgar Montes

DEFENDANT AG CONSTRUCTION

DocuSigned by:

Alberto Garcia

C2E709B3-8453-4918-8B26-BE6E34E648B5

Alberto Garcia

Name:

For: A G Construction