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ANDRES ARCOS, individually and on behalf
of others similarly situated,

Plaintiff,

vs.

AXIOM MATERIALS, INC., a California
Corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No.: 30-2020-01144794-CU-OE-CXC
(Related to: *Steve Valenzuela v. Axiom
Materials, Inc.*, Case No. 30-2020-01140945-
CU-OE-CXC; *William Zelaya v. Axiom
Materials Inc.*, Case No. 30-2020-01155811-
CU-OE-CXC; and *Andres Arcos v. Axiom
Materials, Inc.*, Case No. 30-2020-01168863-
CU-OE-CXC)

Assigned for all purposes to the Hon. James D
Cesare, Dept. C16

**CLASS ACTION SETTLEMENT
AGREEMENT**

Complaint Filed: June 24, 2020
Trial date: None



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19 Attorneys for Plaintiff
20 ANDRES ARCOS

21 I. INTRODUCTION AND SUMMARY OF SETTLEMENT TERMS

22 The above-referenced actions were brought by Plaintiffs Steve Valenzuela ("Valenzuela"),
23 William Zelaya ("Zelaya"), and Andres Arcos ("Arcos") (collectively "Plaintiffs" or
24 "Representative Plaintiffs"), individually and on behalf of all non-exempt California employees
25 of Defendant Axiom Materials, Inc. ("Axiom" or "Defendant") who worked for Defendant in
26 California during the Class Period, as defined below. Plaintiffs each separately filed complaints
27 in the Superior Court of the State of California for the County of Orange against Defendant
28 alleging claims under the Private Attorneys General Act, Cal. Lab. Code §§ 2698-2699.5
("PAGA") (i.e., Case Nos. 30-2020-01140945-CU-OE-CXC, 30-2020-01155811-CU-OE-CXC
& 30-2020-01168863-CU-OE-CXC). In addition, Arcos filed a Class Action Complaint, in which
he alleges: (1) failures to pay overtime wages; (2) failures to provide compliant meal breaks; (3)
failures to provide compliant rest breaks; (4) failures to provide accurate wage statements; (5)
failures to pay all wages due upon separation of employment; and (6) violations of the California
Business & Professions Code section 17200, et seq. (the "UCL") (Case No. 30-2020-01144794-

1 CU-OE-CXC). Defendant denies that it violated California law in any respect and denies that it
2 owes Plaintiffs and the other employees on whose behalf the lawsuit was filed any additional
3 wages, penalties, or other relief.

4 Under the terms of the Settlement and after final approval and entry of judgment pursuant
5 to California Rule of Court 3.769, Defendant will pay a gross settlement amount of Eight Hundred
6 Fifty Thousand Dollars and Zero Cents (\$850,000.00) ("Gross Settlement Amount"), plus the
7 employer's share of payroll taxes. The Settlement will be administered by ILYM Group, Inc., a
8 third-party settlement administrator with experience administering class action settlements of this
9 type. Until distribution, the Gross Settlement Amount will be held in an Escrow Account
10 established by the Settlement Administrator. This is a non-reversionary, opt-out settlement, and
11 Class Members (as defined in Section II) will receive a settlement payment unless they opt-out of
12 the settlement. Class Members shall not be required to submit a claim form.

13 The Parties agree that the following disbursements will be made from the Gross Settlement
14 Amount, subject to Court approval at the final approval hearing:

15 A. Settlement Administration Costs, currently estimated not to exceed \$7,000.00.

16 B. Class Counsel's Attorneys' Fees, to be approved by the Court, in an amount not to
17 exceed two hundred eighty three thousand three hundred thirty-three dollars (\$283,333.33), which
18 is one-third of the Gross Settlement Amount;

19 C. Class Counsel's reasonable and actual litigation costs, as approved by the Court,
20 currently estimated not to exceed \$30,000.00;

21 D. A Service and Release Award to each Representative Plaintiff in the amount of
22 \$5,000.00 (for a total of \$15,000.00) as payment for their time and efforts in pursuing this Action
23 and for the broader release that each Representative Plaintiff will be providing to Defendant;

24 E. A payment of \$50,000.00 for the settlement of all PAGA claims, 75% of which
25 shall be paid to the California Labor & Workforce Development Agency ("LWDA") and 25% of
26 which shall be paid to PAGA Members on a *pro rata* basis as set forth in section IV.J.1, below.

27 F. The remainder of the Gross Settlement Amount (the "Net Settlement Amount")
28 will be distributed to Settlement Class Members based on the methodology discussed in section

1 IV.J.1, below. It is estimated that the Net Settlement Amount will be approximately \$464,666.67
2 after deductions for Class Counsel's Attorneys' Fees, Class Counsel's Costs, Settlement
3 Administration Costs, and the Service and Release Award.

4 Defendant represents that it has employed approximately 74 Class Members who worked
5 approximately 14,500 Qualifying Workweeks during the Settlement Class Period.

6 **II. DEFINITIONS**

7 As used in this Agreement, the following terms shall have the meanings set forth below:

8 A. The "Actions" collectively means the Valenzuela Lawsuit, the Zelaya Lawsuit,
9 Arcos PAGA Lawsuit, and Arcos Class Action (as defined below).

10 B. "Agreement" or "Stipulation" means this Class Action Settlement Agreement.

11 C. The "Arcos Class Action" means the putative class action pending in the Superior
12 Court for the County of Orange entitled *Andres Arcos v. Axiom Materials, Inc.*, Case Number 30-
13 2020-01144794-CU-OE-CXC, Court of Appeal Case Number G059763.

14 D. The "Arcos PAGA Lawsuit" means the representative class action pending in the
15 Superior Court for the County of Orange entitled *Andres Arcos v. Axiom Materials, Inc.*, Case
16 Number 30-2020-01168863-CU-OE-CXC, in which Arcos asserts claims under PAGA.

17 E. "Class" means all current and former non-exempt employees of Defendant in
18 California who worked for Defendant or any predecessor or successor company of Defendant in
19 California at any time during the Class Period. Defendant represents that there are approximately
20 74 Class Members.

21 D. "Class Counsel" means Protection Law Group, LLP, Aegis Law Firm, PC, and
22 Melmed Law Group, P.C., AS LISTED ON Exhibit A of this Agreement.

23 E. "Class Counsel's Attorneys' Fees" means the amount to be paid to Class Counsel
24 for attorneys' fees, subject to Court approval at the final approval hearing.

25 F. "Class Counsel's Costs" means the amount to be reimbursed to Class Counsel for
26 their costs and expenses incurred in the Actions, subject to Court approval at the final approval
27 hearing. Specifically, Defendant agrees not to oppose or impede any application or motion by
28 Class Counsel for attorneys' fees of up to one-third of the Gross Settlement Amount



1 (\$283,333.33), plus the reimbursement of costs and expenses associated with Class Counsel's
2 litigation and settlement of the Actions, which are currently estimated not to exceed \$30,000.00,
3 both of which will be paid from the Gross Settlement Amount. Any portion of the requested fees
4 or costs that is not awarded by the Court to Class Counsel shall be reallocated to the Net Settlement
5 Amount and distributed to Participating Class Members as provided in this Agreement.

6 G. "Class Data" means each Class Member's full name, employee ID number while
7 employed with Defendant (if applicable), last known address, telephone number, email address (if
8 known), social security number, number of Qualifying Workweeks, and number of Qualifying
9 PAGA Workweeks worked by such Class Member.

10 H. "Class Member" is a person who is a member of the Class.

11 I. "Class Period" means the period from May 26, 2016, through the date of
12 preliminary approval of the settlement.

13 J. "Complaints" mean the applicable complaints, as amended, filed in each of the
14 Actions.

15 K. "Court" means the Superior Court of the State of California, in and for the County
16 of Orange, where all Actions are pending.

17 L. "Defendant's Counsel" means Matthew Disbrow of Honigman LLP, 2290 First
18 National Bldg., 660 Woodward Ave., Detroit, MI 48226.

19 M. "Effective Date" means the date of entry of a final judgment which grants final
20 approval of this Settlement, if no Objection to Settlement is filed and Plaintiffs and Class Counsel
21 waive their rights to appeal the final judgment. If a timely Objection to Settlement is filed, the
22 "Effective Date" shall be the later of: (a) the date on which the time for all appeals relating to
23 Objections to Settlement and the Final Approval Order has expired; or (b) if an appeal, review or
24 writ is sought, the date on which the highest reviewing court renders its decision denying any
25 petition (where the immediately lower court affirmed the Final Judgment) or affirming the Final
26 Judgment.

1 N. "Employer's Withholding Share" means the employer's share of all federal, state,
2 and local taxes and required withholdings, including without limitation, FICA, Medicare tax,
3 FUTA, and state unemployment taxes.

4 O. "Escrow Account" means a federally insured bank account to be established by the
5 Settlement Administrator into which all payments from Defendant related to this Settlement will
6 be deposited and from which all payments authorized by the Court will be made. Such Escrow
7 Account will be established prior to Defendant's deposit of the Gross Settlement Amount.

8 P. "Final Approval Order and Judgment" means the Order Granting Final Approval
9 of Class Action Settlement and Judgment entered by the Court.

10 Q. "Final Fairness and Approval Hearing" means the hearing on Plaintiffs' Motion
11 for Final Approval of Class Action Settlement at which the Court will be asked to give final
12 approval to the settlement terms set forth herein and to enter judgment.

13 R. "Gross Settlement Amount" means Eight Hundred Fifty Thousand Dollars and
14 Zero Cents (\$850,000.00), which Defendant will pay under this Settlement.

15 S. "Net Settlement Amount" means the amount remaining from the Gross Settlement
16 Amount after payments of Court-approved Class Counsel's Attorney's Fees and Class Counsel's
17 Costs, Service and Release Award to the Representative Plaintiffs, Settlement Administration
18 Costs, and payment of PAGA Penalties.

19 T. "Notice of Settlement" means the "Notice of Proposed Class Action Settlement
20 and Final Approval Hearing," the form of which is attached hereto as Exhibit B.

21 U. "Objection to Settlement" means any written objection to this Settlement sent by a
22 Settlement Class Member to the Settlement Administrator as specified herein and in the Notice of
23 Settlement. An Objection to Settlement must be sent to the Settlement Administrator within the
24 time limitations set forth in this Agreement.

25 V. "PAGA Members" means all current and former non-exempt employees of
26 Defendant in California who worked for Defendant or any predecessor or successor company of
27 Defendant in California at any time during the PAGA Period.

1 W. "PAGA Penalties" means the amount the Parties have agreed to allocate in order
2 to settle all claims arising under PAGA, which shall be Fifty Thousand Dollars (\$50,000.00).
3 Seventy-five percent (75%) of the PAGA Penalties (i.e., \$37,500.00) will be paid to the LWDA
4 in accordance with Labor Code §§ 2698 *et seq.* The remaining twenty-five percent (25%) of the
5 PAGA Penalties (i.e., \$12,500), will be distributed to PAGA Members. PAGA Members will
6 receive payment from the employee portion of the PAGA Penalties regardless of their decision
7 to participate in the class action if the PAGA Penalties is approved by the Court.

8 X. "PAGA Period" means the period from May 15, 2019 through the date of
9 preliminary approval of the settlement.

10 Y. "Parties" means the Representative Plaintiffs and Defendant.

11 Z. "Preliminary Approval Date" is the date the Court grants preliminary approval of
12 this Settlement pursuant to California Rule of Court 3.769(c).

13 AA. "Qualifying Workweek" means a week during which a Class Member worked at
14 least one day for Defendant in California during the Class Period.

15 BB. As determined by the Court, "Released Claims" means any and all claims, liens,
16 debts, penalties, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees,
17 damages, interest, equitable relief, or causes of action, of any nature whatsoever, that either were
18 or could have been asserted or sought either under state or Federal law based on or arising from
19 the facts alleged in the Complaints (including, without limitation, (1) failure to pay wages,
20 including but not limited to overtime wages, (2) failure to provide compliant meal and rest breaks
21 and failure to pay premiums for alleged meal and rest break violations, (3) inaccurate wage
22 statements, (4) failure to pay unpaid wages at time of separation, including accrued but unpaid
23 vacation or paid time off, as well as any associated waiting-time penalties, (5) violations of
24 Business & Professions Code §§ 17200 *et seq.*, (6) statutory penalties recoverable under or
25 pursuant to PAGA, and (7) all damages, penalties, attorney fees, costs, interest, and other amounts
26 recoverable pursuant to (1) through (6), above, to the extent permissible under the California Labor
27 Code, California Industrial Welfare Commission Order, and the California Business and
28 Professions Code.

1 CC. "Released Parties" means Defendant and any of its parents, subsidiaries,
2 predecessors, successors, affiliates and assigns, and its and their agents, attorneys, insurers,
3 investors, shareholders, owners, members, partners, officers, directors, managers, and employees.

4 DD. "Representative Plaintiffs" means Valenzuela, Zelaya, and Arcos.

5 EE. "Request for Exclusion" means a written request by a Class Member to be excluded
6 from the Settlement Class that is submitted in accordance with the procedure set forth herein, also
7 known as an "opt-out request."

8 FF. "Service and Release Award" means the payment to be made to the Representative
9 Plaintiffs for their service to the Class and for the broader general release that each Representative
10 Plaintiff is providing to Defendant, which is in addition to whatever payment they otherwise would
11 be entitled to receive as a Settlement Class Member and PAGA Member. Specifically, Defendant
12 agrees not to oppose or object to any application or motion for a Service and Release Award of
13 \$5,000.00 to each of the Representative Plaintiffs. The Service and Release Award is subject to
14 Court approval. Any portion of the requested Service and Release Awards that are not awarded
15 by the Court to the Class Representative shall be reallocated to the Net Settlement Amount and
16 distributed to Settlement Class Members as provided in this Agreement.

17 GG. "Settlement" means the disposition of the Action and all related claims effectuated
18 by this Agreement.

19 HH. "Settlement Administration Costs" means the fees and costs incurred or charged
20 by the Settlement Administrator in connection with the execution of its duties under this
21 Agreement including, but not limited to fees and costs associated with: (1) establishing and
22 maintaining the Escrow Account; (2) preparing, issuing and/or monitoring reports, filings, and
23 notices (including the cost of translating, printing and mailing all notices and other documents to
24 the Class Members) required to be prepared in the course of administering the Settlement; (3)
25 computing the amount of the settlement payments, taxes, and any other payments to be made
26 under this Agreement; (4) handling inquiries about the calculation of individual settlement
27 payments; (5) establishing and operating a settlement payment center website, address, and phone
28 number to receive Class Members' inquiries about the Settlement; (6) providing a due diligence



1 declaration for submission to the Court prior to the final approval hearing; (7) printing and
2 providing Settlement Class Members and the Plaintiff with W-2 and 1099 forms as required under
3 this Agreement and applicable law; (8) preparing, issuing, and filing any tax returns and
4 information returns and any other filings required by any governmental taxing authority or other
5 governmental agency; and (9) for such other tasks as the Parties mutually agree or the Court orders
6 the Settlement Administrator to perform. Settlement Administration Costs will be paid out of the
7 Gross Settlement Amount.

8 II. "Settlement Administrator" refers to ILYM Group, Inc.

9 JJ. "Settlement Class" means all Class Members who have not timely submitted a
10 valid and complete Request for Exclusion.

11 KK. "Settlement Class Member" is a person who is a member of the Settlement Class.

12 LL. The "Valenzuela Lawsuit" means the representative action pending in the Superior
13 Court for the County of Orange entitled *Steve Valenzuela v. Axiom Materials, Inc.*, Case Number
14 30-2020-01140945-CU-OE-CXC, in which Valenzuela asserts claims under PAGA.

15 MM. The "Zelaya Lawsuit" means the representative action pending in the Superior
16 Court for the County of Orange entitled *William Zelaya v. Axiom Materials, Inc.*, Case Number
17 30-2020-01155811-CU-OE-CXC, in which Zelaya asserts claims under PAGA.

18 III. BACKGROUND

19 During the Class Period, Defendant or a predecessor company has operated a facility that
20 manufactures composite materials and engineered products in Santa Ana, California. Class
21 Members are non-exempt employees who worked for Defendant in California during the
22 Settlement Class Period. Among other things, Plaintiffs contend that Class Members were denied
23 compliant meal and rest breaks, were not provided with accurate wage statements, and were not
24 paid for all wages earned during employment and upon termination, including accrued but unpaid
25 vacation time or other paid leave. Defendant denies all of Plaintiffs' claims and contends, among
26 other things, that all Class Members were properly paid for all work within the required time
27 frame, that Class Members were provided with compliant meal and rest breaks, and that all wage
28 statements accurately reflected the information required by Labor Code section 226.



1 The Parties have undertaken significant investigation and informal discovery during the
2 prosecution of these Actions. Such discovery and investigation include extensively interviewing
3 the Representative Plaintiffs and other Class Members and Defendant's production and Class
4 Counsels' review of personnel records, policy manuals, and other detailed information relevant to
5 the Class Members' claims. Counsel for the Parties have investigated the law as applied to the
6 facts discovered regarding the alleged claims of the Class and potential defenses thereto, and the
7 potential damages claimed by the Class, including the review of the records produced by
8 Defendant to Class Counsel for the purposes of mediation and with an eye towards class
9 certification. Class Counsel has also analyzed this documentation to determine the scope of Class
10 damages.

11 The Parties' attorneys have engaged in extensive discussions about the strengths and
12 weaknesses of the claims and defenses in the Actions. On March 22, 2021, the Representative
13 Plaintiffs and Class Counsel, and Defendant and Defendant's Counsel, attended a mediation
14 session before an experienced and well-regarded mediator, Ret. Judge Raul Ramirez. Although
15 the mediation did not immediately result in a resolution, the Parties continued to engage in arms-
16 length settlement discussions, which form the principal elements of this Agreement.

17 Plaintiffs and Class Counsel have concluded, after considering the sharply disputed factual
18 and legal issues involved in these Actions, the risks attending further prosecution, and the
19 substantial benefits to be received pursuant to the compromise and settlement of the Actions as
20 set forth in this Agreement, that this Settlement is in the best interests of the Representative
21 Plaintiffs and the Settlement Class and is fair and reasonable.

22 Similarly, Defendant has concluded that there are benefits associated with settling these
23 Actions. After considering the sharply disputed factual and legal issues involved in the Actions,
24 the expense and burden of protracted litigation, and its desire to put the controversy to rest,
25 Defendant believes that this Settlement is in Defendant's best interests and is fair and reasonable.

26 This Settlement contemplates: (i) entry of an order preliminarily approving the Settlement
27 and approving certification of a provisional Class for settlement purposes only, contingent upon
28 final approval of the Settlement; (ii) dissemination of a notice to Class Members about the



1 settlement; (iii) entry of a Final Approval Order granting final approval of the Settlement; and (iv)
2 entry of final judgment.

3 **IV. SETTLEMENT APPROVAL AND IMPLEMENTATION PROCEDURE**

4 **A. Preliminary Approval of Settlement**

5 As soon as practicable, Class Counsel and Defendant's Counsel will submit this
6 Agreement to the Court for preliminary approval. Such submission will include such motions,
7 pleadings, and evidence as may be required for the Court to determine that this Agreement is fair
8 and reasonable, as required by California Code of Civil Procedure section 382 and California Rule
9 of Court 3.769, including a motion filed by Class Counsel requesting that the Court enter a
10 preliminary approval order. Such submission will also include a proposed order. Defendant shall
11 not oppose Class Counsel's motion for preliminary approval of the settlement to the extent it is
12 consistent with the terms and conditions of this Agreement. Defendant may, however, provide a
13 written response to any characterization of the law or facts contained in the motion for preliminary
14 approval.

15 The Parties have agreed to the certification of the Class for the sole purposes of
16 effectuating this Settlement. Should the Settlement be terminated for any reason, or should the
17 Settlement not be approved by the Court or the judgment not become final, the fact that the Parties
18 were willing to stipulate to class certification as part of the Settlement will have no bearing on,
19 and will not be admissible in connection with, the issue of whether a class should be certified in a
20 non-settlement context in this Action, and in any of those events, Defendant expressly reserves
21 the right to oppose class certification. Additionally, if the Settlement does not become final, this
22 Agreement and all negotiations, court orders, and proceedings related thereto shall be without
23 prejudice to the rights of all Parties hereto, and evidence relating to the Agreement and all
24 negotiations shall not be admissible in the Actions or otherwise. The Parties further agree that if,
25 for any reason, the Settlement is not approved, the certification for purposes of this Settlement
26 will have no force or effect and will be immediately revoked.

1 Should the Court decline to conditionally certify the Class or to preliminarily approve all
2 material aspects of the Settlement, the Settlement will be null and void and the Parties will have
3 no further obligations under it.

4 If the Court grants preliminary approval but does not grant final approval of the Settlement,
5 then the preliminary approval order shall be vacated in its entirety, unless the Court orders
6 otherwise. The Parties agree to stipulate to or move for the vacation of the preliminary approval
7 order in such circumstances.

8 **B. Cooperation**

9 1. The Parties agree to fully cooperate with each other to accomplish the terms of
10 this Agreement, including but not limited to, execution of such documents and to take such other
11 reasonably necessary action to implement the terms of this Agreement, , seeking the Court's approval of
12 the Settlement, and working cooperatively to address any questions raised by the Court and making any
13 amendments required by the Court in order to obtain preliminary and final approval. No party, nor any
14 of its attorneys or agents, shall solicit or encourage any Class Member to opt out of or object to the
15 Settlement. Except in the ordinary course of business, Defendant agrees not to obtain any settlement
16 agreement waivers, Pick Up Stix agreements or arbitration agreements from any Class Member
17 prior to the funding of the Gross Settlement Amount concerning claims released via this
18 Agreement,. In the event the Court fails to approve this Settlement for any reason, the Parties agree to
19 attend mediation again in an effort to reach a settlement that will be approved by the Court.

20 **C. Notice of Settlement**

21 As soon as practicable, but no later than fourteen (14) calendar days after the Preliminary
22 Approval Date, Defendant will provide the Settlement Administrator with the Class Data in an
23 electronic format acceptable to the Settlement Administrator, containing each Class Member's full
24 name, employee ID number while employed with Defendant (if applicable), last known address,
25 telephone number, social security number, and number of Qualifying Workweeks worked by such
26 Class Member. At the same time, Defendant will provide the Class Data, without Class Member
27 names, contact information and social security numbers, to Class Counsel. This information will
28 remain confidential and will not be disclosed to anyone, except as required to applicable taxing
authorities, pursuant to Defendant's express written authorization, by order of the Court, or as



1 otherwise provided for in this Agreement. The timely provision of the Class Data to the Settlement
2 Administrator is a material term of the Settlement, and if Defendant fails to comply, Plaintiffs
3 shall have the right to void the Settlement; provided, however Plaintiffs may not seek to void the
4 Settlement without first providing Defendant with: (i) written notice of any alleged breach of this
5 Section within five (5) business days of the alleged breach; and (ii) five (5) business days from
6 any such notice to cure the breach.

7 Using the Class Data, the Settlement Administrator will: (1) finalize and print the Notice
8 of Settlement in both English and Spanish; (2) check all addresses against the National Change of
9 Address database; and (3) within five (5) calendar days of receiving the Class Members'
10 information, send to each Class Member via First-Class United States mail a Notice of Settlement
11 to the most recent address known for each Class Member. It will be conclusively presumed that if
12 an envelope so mailed has not been returned within fifteen (15) calendar days of the mailing, the
13 Class Member received the Notice of Settlement.

14 **D. Re-Sending Class Notices**

15 In the event that Defendant's Counsel or Class Counsel becomes aware of new addresses
16 for any Class Member, prior to the filing of the motion for final approval, such information must
17 immediately be communicated to the Settlement Administrator. The Settlement Administrator will
18 then re-send a Notice of Settlement to the Class Member(s) at the new address.

19 For any Notice of Settlement that is returned as undeliverable, the Settlement
20 Administrator will perform a utility database search within three (3) calendar days of receiving
21 any such Notice. The returned Notices of Settlement will be re-mailed to the new addresses
22 obtained for such Class Members within three (3) calendar days of locating an updated address. It
23 will be conclusively presumed that if an envelope so re-mailed has not been returned within fifteen
24 (15) calendar days of re-mailing, the Class Member received the Notice of Settlement.

25 **E. Requests for Exclusion (Opt-Outs)**

26 Any Class Member who wishes to be excluded from the Settlement must notify the
27 Settlement Administrator in writing of his or her desire to be excluded by mailing his or her own
28 written statement to the Settlement Administrator that clearly expresses such desire and is signed

1 by such Class Member. Any such statement shall include the Class Member's name (and former
2 names, if any), current address, telephone number, and last four numbers of the Class Member's
3 social security number. To be valid, the Request for Exclusion must be postmarked no later than
4 sixty (60) days after the original date of the Settlement Administrator's mailing of the Notice of
5 Settlement or re-mailing for Class Members whose Notices of Settlement were re-mailed. Any
6 Class Member who submits a valid and timely request to be excluded from the Settlement shall
7 be barred from participating in this Settlement, shall be barred from objecting to this Settlement,
8 and shall receive no benefit from this Settlement. The postmark date will be deemed the exclusive
9 means for determining that the request for exclusion is timely. In furtherance of the foregoing, any
10 Class Members who submits a valid and timely request to be excluded from the Settlement shall
11 be deemed to have waived all objections and opposition to the fairness, reasonableness, and
12 adequacy of this Settlement. However, all PAGA Members shall release all claims arising under
13 PAGA during the PAGA Period regardless of their opt-out of the class settlement.

14 Any Class Member who fails to submit a timely, complete, and valid Request for Exclusion
15 shall be barred from opting out of the Settlement. It shall be conclusively presumed that, if a
16 Request for Exclusion is not postmarked on or before the expiration of the period to submit a
17 Request for Exclusion, the Class Member did not make the request in a timely manner. Under no
18 circumstances shall the Settlement Administrator have the authority to extend the deadline for
19 Class Members to file a Request for Exclusion.

20 Unless a Class Member submits a timely, complete, and valid Request for Exclusion, he
21 or she shall be bound by the terms and conditions of this Agreement. The releases provided for in
22 this Agreement shall conclusively preclude any Settlement Class Member from asserting any of
23 the Released Claims against any of the Released Parties in any judicial, administrative, or arbitral
24 forum.

25 The Settlement Administrator shall promptly provide Class Counsel and Defendant's
26 Counsel with copies of all Requests for Exclusion that it receives.

27 **F. Prohibition on Filing Complaints or Proceedings Pending Final Approval**

28 From the date of entry of the Preliminary Approval Order through the date of the Final



1 Fairness and Approval Hearing, Class Members who do not exclude themselves from the
2 Settlement shall be prohibited from receiving any monetary recovery from a complaint or charge
3 of any kind filed with the California Division of Labor Standards Enforcement or the Labor
4 Commissioner or from initiating any lawsuit or other legal proceeding regarding any of the
5 Released Claims as defined in this Agreement.

6 **G. Covenant Not to Sue or Participate in Any Other Action**

7 Subject to the Court's granting final approval, any Class Member who does not exclude
8 himself or herself from the Settlement in compliance with the procedures set forth above shall be
9 forever barred from filing any other action or proceeding or participating either as a named
10 plaintiff or as an unnamed class member in any other lawsuit against the Released Parties,
11 including a class action, collective action, and/or representative action in any state or federal court,
12 administrative tribunal, or in any arbitration regarding any of the Released Claims during the Class
13 Period as defined herein.

14 **H. Declaration of Compliance**

15 As soon as practicable following the Preliminary Approval Date, the Settlement
16 Administrator shall provide Class Counsel and Defendant's Counsel with a declaration attesting
17 to completion of the notice process set forth in this Section IV, including the number of notices
18 sent and returned, an explanation of efforts to resend undeliverable notices, and copies of all
19 Requests for Exclusion, which shall be filed with the Court by Class Counsel along with their
20 papers requesting final approval of the Settlement.

21 **I. Sufficient Notice**

22 Compliance with the procedures described in this Section IV shall constitute due and
23 sufficient notice to Class Members of this Settlement and of the Final Fairness and Approval
24 Hearing, shall satisfy the requirements of due process, and nothing else shall be required of the
25 Representative Plaintiffs, Class Counsel, Defendant, Defendant's Counsel, or the Settlement
26 Administrator to provide notice of the Settlement and the Final Fairness and Approval Hearing.

27 **J. Objections to Settlement**

28 **1. Deadline for Objections**



1 Any Class Member wishing to object to the approval of this Settlement shall inform the
2 Settlement Administrator in writing of his or her intent to object by following the procedure set
3 forth in the Notice of Settlement within sixty (60) calendar days of mailing (or within sixty (60)
4 calendar days of any re-sending pursuant to Section IV(D)) of the Notice of Settlement. The
5 postmark date will be deemed the exclusive means for determining that the Objection is timely.
6 A Class Member who does not submit a valid and timely Request for Exclusion and who objects
7 to the Settlement will still be considered a Settlement Class Member.

8 **2. Responses to Objections**

9 Class Counsel and Defendant's Counsel shall file any written objections from Class
10 Members submitted to the Settlement Administrator in accordance with this Agreement, and Class
11 Counsel's and Defendant's Counsel's responses to such objections, at least five (5) court days
12 before the Final Fairness and Approval Hearing.

13 **3. Waiver of Appeal**

14 Any Class Member who does not timely submit an objection to the Settlement waives any
15 and all rights to appeal the Final Approval Order and Judgment, including all rights to any post-
16 judgment proceeding and appellate proceeding such as a motion to vacate the judgment, motion
17 for new trial, and extraordinary writs. This waiver does not include a waiver of the right to oppose
18 any appeals, appellate proceedings or post judgment proceedings, if any.

19 **K. Final Fairness and Approval Hearing**

20 On the date set by the Court, the Final Fairness and Approval Hearing shall be held before
21 the Court in order to: (1) determine whether the Court should give this Agreement final approval;
22 (2) determine whether Class Counsel's application for attorneys' fees and costs, and request for
23 the Service and Release Payment to the Representative Plaintiffs, should be granted; and (3)
24 consider any timely Objections to Settlement, including Class Counsel's and Defendant's
25 Counsel's responses thereto. At the Final Fairness and Approval Hearing, the Representative
26 Plaintiffs, Class Counsel, and Defendant's Counsel shall ask the Court to give final approval to
27 this Settlement. Upon final approval, the Court shall enter a Final Approval Order and Judgment
28 (in a form submitted by Class Counsel and approved by Defendant's Counsel) which has the effect

1 of adjudicating all claims set forth in the Complaints and implementing the release of Released
2 Claims, as set forth in this Agreement. The Final Approval Order and Judgment will be posted on
3 the Settlement Administrator's website.

4 **L. Settlement Payments to Participating Settlement Class Members and PAGA**
5 **Members**

6 1. Payments under this Settlement Agreement shall be made by the Settlement
7 Administrator as follows, subject to Court approval at the Final Fairness and Approval Hearing:
8 Defendant will determine the amount of each participating Settlement Class Member's
9 "Qualifying Workweeks" (as that term is defined in Section II herein).

10 The Net Settlement Amount shall be divided among and distributed to individual
11 Settlement Class Members using the following formula:

12 **(Settlement Class Member's Qualifying Workweeks ÷ All Qualifying**
13 **Workweeks) x Net Settlement Amount**

14 The employee-share of PAGA Penalties shall be divided among and distributed to
15 PAGA Members using the following formula:

16 **(PAGA Member's Qualifying Workweeks during the PAGA ÷ All Qualifying**
17 **Workweeks during the PAGA Period) x Employee Share of PAGA Penalties**

18 The Settlement Administrator, on Defendant's and Class Counsel's collective behalf, shall
19 have the authority and obligation to make payments, credits, and disbursements, including
20 payments and credits in the manner set forth herein, to Settlement Class Members and PAGA
21 Members calculated in accordance with the methodology set out in this Agreement and orders of
22 the Court.

23 The Parties acknowledge and agree that the formula used to calculate individual settlement
24 payments does not imply that all the elements of damages alleged in the Actions are not being
25 considered. The above formula was devised as a practical and logistical tool to simplify the
26 settlement process.

27 **2. Inclusion of Qualifying Workweeks and Estimated Settlement**
28 **Payment Information in Notice of Settlement.**



1 The Notice of Settlement sent to each Class Member shall state the amount of the Class
2 Member's Qualifying Workweeks, as reflected in the Class Data. Each Notice of Settlement shall
3 also include an estimate of the Class Member's settlement payment as a member of the Settlement
4 Class, including any portion of PAGA Penalties to those Class Members who also qualify as
5 PAGA Members. The estimated settlement payment included in the Notice of Settlement will be
6 calculated by assuming that no Class Members will be excluded from the Settlement.

7 **3. Eligibility**

8 Settlement Class Members (but not Class Members who exclude themselves (or opt-out)
9 of the Settlement), will become eligible to receive a settlement payment from Defendant,
10 distributed through the Settlement Administrator.

11 Should any question arise regarding the determination of eligibility for, or the amounts of,
12 any settlement payments under the terms of this Agreement, Class Counsel and Defendant's
13 Counsel shall meet and confer in an attempt to reach agreement and, if they are unable to do so,
14 the issue shall be submitted to the Court for determination on an expedited basis, through the
15 submission of letter briefs of no more than three pages.

16 **4. Disputes about Qualifying Workweeks**

17 If a Class Member disagrees with the number of Qualifying Workweeks as stated in his or
18 her Notice of Settlement, he or she may dispute that figure by informing the Settlement
19 Administrator of the number of Qualifying Workweeks in dispute and submitting supporting
20 documentation (such as, without limitation, payroll or time keeping records, and paycheck stubs)
21 prior to the deadline for objecting to the Settlement. Class Members must notify the Settlement
22 Administrator of any such dispute within 60 days of mailing the Notice of Settlement (or within
23 sixty (60) calendar days of any re-sending pursuant to Section IV(D)). If there is a dispute, the
24 Settlement Administrator will consult with Class Counsel and Defendant's Counsel to determine
25 whether an adjustment is warranted. However, the Settlement Administrator shall have the sole
26 discretion to determine any such disputes.

27 **5. Allocation of Settlement Payments**

28

1 Payment to each Settlement Class Member shall be allocated as follows: twenty (20)
2 percent shall be attributed to wages, to be reported on a W-2 form; and forty (40) percent as
3 penalties; and forty (40) percent as interest. The amount of interest and penalties will be reported
4 on an IRS Form 1099.

5 **6. Payment of Payroll Taxes.**

6 The amount paid to each participating Settlement Class Member attributable to wages shall
7 be subject to all applicable taxes and other withholdings and shall be net of the participating
8 Settlement Class Member's share of all federal, state, and local taxes and required withholdings,
9 including without limitation, FICA, Medicare tax, FUTA, and state unemployment taxes. The
10 Employer's Withholding Share shall be paid by Defendant separately and in addition to
11 Defendant's payment of the Gross Settlement Amount.

12 For each participating Settlement Class Member, the Settlement Administrator shall
13 determine the Employer's Withholding Share. Information related to the Employer's Withholding
14 Share for each participating Settlement Class Member shall be provided to Defendant by the
15 Settlement Administrator. If Defendant disagrees with the Settlement Administrator's
16 determination of the Employer's Withholding Share, it will communicate with and share
17 information reasonably necessary to reach a good faith determination of the correct Employer's
18 Withholding Share.

19 **7. Payments to Participating Settlement Class Members and PAGA**
20 **Members**

21 Within ten (10) days of Defendant's deposit of the Gross Settlement Amount with the
22 Settlement Administrator, the Settlement Administrator will make the settlement payments to
23 Settlement Class Members and PAGA Members based on the payment formula set forth herein.
24 The payments made to Participating Class Members and PAGA Members shall prominently state
25 the expiration date or a statement that the settlement check will expire in one hundred eighty (180)
26 days, or alternatively, such a statement may be made in a letter accompanying the Settlement
27 check.

28 **M. The Settlement Administrator**

1 The Settlement Administrator will perform the duties specified in this Stipulation and any
2 other duties incidental to such obligations. The Settlement Administrator's duties shall include,
3 without limitation: preparing and distributing the Notice of Settlement in both English and
4 Spanish; calculating and directing the disbursement of payments to Settlement Class Members,
5 PAGA Members, Class Counsel, the Class Representative and the LWDA; calculating and timely
6 paying any and all payroll taxes from the wages portion of the Net Settlement Amount to the
7 appropriate tax authorities, as required under this Agreement and applicable law; handling
8 inquiries about the calculation of individual settlement payments; preparing and filing any tax
9 returns and information returns and any other filings required by any governmental taxing
10 authority or other governmental agency; providing weekly status reports to the Parties' counsel;
11 advising Defendant and Class Counsel of any Class Members who submit objections and/or
12 requests for exclusions from the Settlement; providing a due diligence declaration for submission
13 to the Court prior to the final approval hearing; posting a notice of final judgment, after entry of
14 the Final Approval Order and Judgment, online at the Settlement Administrator's website so a
15 period of at least sixty (60) days pursuant to California Rules of Court 3.769; printing and
16 providing Settlement Class Members and Plaintiffs with W-2 and 1099 forms as required under
17 this Agreement and applicable law; arranging for and remitting funds from any uncashed
18 settlement payment to the designated *cy pres* recipient, as determined by the Court; and for such
19 other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to
20 perform. The Settlement Administrator shall establish a settlement payment center address,
21 telephone number, facsimile number, and email address to receive Class Members' inquiries about
22 the Notice of Settlement, requests to be excluded from the Settlement and settlement payments.

23 The Parties confirm, and Class Counsel and Defendant's Counsel confirm, that they do not
24 have any financial interest in the Settlement Administrator or otherwise have a relationship with
25 the Settlement Administrator that could create a conflict of interest.

26 **N. Time for Payment by Defendant**
27
28



1 Within sixty (60) calendar days after the Effective Date, Defendant shall wire the Gross
2 Settlement Amount and Employer's Withholding Share to the Escrow Account once wiring
3 instructions are received from the Settlement Administrator.

4 If, after the Court enters a Final Approval Order, Defendant fails to timely pay the amount
5 required to satisfy its payment obligation under this Agreement, Plaintiffs may seek to collect all
6 amounts owed under the Final Approval Order and Judgment, but only after the Settlement
7 Administrator has sent written notice to Defendant and Defendant's Counsel of Defendant's
8 failure to satisfy its payment obligation hereunder and Defendant has not remedied that omission
9 within five (5) business days of such the written notice. In the event that it is necessary for
10 Plaintiffs to seek collection of amounts due under the Settlement pursuant to this provision,
11 Plaintiffs shall be entitled to recover reasonable attorneys' fees and costs.

12 **O. Payments to Class Counsel and the Representative Plaintiffs**

13 Within ten (10) days of Defendant's deposit of the Gross Settlement Amount with the
14 Settlement Administrator, the Settlement Administrator shall make payment from the Escrow
15 Account to: (1) Class Counsel, consisting of both the Class Counsel's Attorneys' Fees and Class
16 Counsel's Costs, as awarded to Class Counsel by the Court; and (2) Representative Plaintiffs, in
17 the amount of the Service and Release Awards approved by the Court. These payments will be
18 reported on an IRS Form 1099.

19 **P. Payments to the California Labor and Workforce Development Agency**

20 Within ten (10) days of Defendant's deposit of the Gross Settlement Amount with the
21 Settlement Administrator, the Settlement Administrator will make the payment to the LWDA of
22 \$37,500.00, or such other amount as approved by the Court.

23 **Q. Un-negotiated Settlement Payment Checks**

24 If any Class Member's or PAGA Member's settlement payment check has not been
25 negotiated sixty (60) days after disbursement, the Settlement Administrator shall attempt to
26 contact each individual to advise them to cash their checks, and to offer to replace any checks
27 reported as either lost or stolen. In attempting to contact such persons, the Settlement
28 Administrator will only send notices by mail to the individuals' last known addresses (as provided



1 by Defendant) after first checking those addresses against the NCOA database and utility database
2 and by telephoning or emailing such persons, in the event that Defendant provides telephone
3 numbers and/or email addresses for such persons.

4 If a Class Member's or PAGA Member's check is not cashed within 180 days, the check
5 will be void and a stop payment order may be placed on the check. In such event, the Settlement
6 nevertheless will be binding upon the Settlement Class Member or PAGA Member. The funds
7 represented by all uncashed settlement checks will be distributed to the Controller of the State of
8 California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500, *et*
9 *seq.* for the benefit of those Class Members and/or PAGA Members who did not cash their checks
10 until such time that they claim their property. The Parties agree that this disposition results in no
11 "unpaid residue" under California Civil Procedure Code § 384, as the entire Net Settlement
12 Amount will be paid out to Class Members and PAGA Members, whether or not they all cash
13 their Settlement checks. Therefore, Defendant will not be required to pay any interest on such
14 amounts. Expired Settlement checks to Class Members and PAGA Members will not be reissued,
15 except for good cause and as mutually agreed by the Parties in writing. The parties agree no
16 unclaimed funds will result from the settlement process detailed in this Settlement.

17 **R. Class Counsel Attorneys' Fees and Costs and Service and Release Award to**
18 **Representative Plaintiffs**

19 Defendant will not oppose Plaintiffs' application for a Service and Release Award in the
20 amount of Five Thousand Dollars (\$5,000.00) to each Representative Plaintiff, for a total of
21 \$15,000.00.

22 Defendant will further not oppose Class Counsel's application for an award of attorneys'
23 fees of up to two hundred eighty three thousand three hundred thirty-three dollars (\$283,333.33),
24 which is one-third of the Gross Settlement Amount.

25 Defendant will not oppose Class Counsel's application for an award of their reasonable
26 litigation expenses and costs, which are currently estimated not to exceed \$30,000.00.

27 Class Counsel's Attorney's Fees and Class Counsel's Costs, as awarded by the Court, shall
28 be paid from the Gross Settlement Amount.

1 Any portion of the requested fees or costs to Class Counsel and/or Service and Release
2 Award to Representative Plaintiffs that is not awarded by the Court shall be reallocated to the Net
3 Settlement Amount and distributed to Settlement Class Members as provided in this Agreement.

4 Upon the payment of the Court-approved amount of Class Counsel's Attorneys' Fees and
5 Class Counsel's Costs, and except as otherwise provided by this Agreement, all Class Counsel
6 waive any claim to costs and attorneys' fees and expenses against Defendant arising from or
7 related to any and all of the Actions, including but not limited to claims based on the California
8 Labor Code, the California Code of Civil Procedure, or any other statute or law. Provided,
9 however, that in the event of a breach of this Agreement by Defendant, nothing in this Agreement
10 shall prevent Class Counsel from seeking additional fees for (a) enforcing the terms of this
11 Agreement and (b) investigating and recovering amounts owed under this Agreement.

12 **S. Taxes**

13 **1. Withholding and Reporting Requirements**

14 The Settlement Administrator shall be responsible for ensuring that all taxes owed by
15 Settlement Class Members for amounts received pursuant to this Settlement are timely paid to the
16 appropriate tax authorities. The Settlement Administrator's responsibilities include the following:
17 (a) filing all Federal, state, and local employment tax returns, tax withholding returns, and any
18 other tax returns associated with the taxes, (b) timely and proper filing of all required Federal,
19 state, and local information returns (e.g., 1099s, W-2s, etc.) with the appropriate taxing authorities,
20 and (c) completion of any other steps necessary for compliance with any tax obligations of the
21 settlement fund under Federal, state and/or local law. To verify the Settlement Administrator's
22 compliance with the foregoing withholding and reporting requirements, as soon as
23 administratively practicable, the Settlement Administrator shall furnish Class Counsel and
24 Defendant's Counsel with copies of all filed tax returns and information returns (including all
25
26
27
28

1 1099 and W-2 information returns), and a final accounting adequate to demonstrate full
2 compliance with all tax withholding, payment and reporting obligations.

3
4 **2. Circular 230 Disclaimer**

5 Each party to this Agreement (for purposes of this section, the “Acknowledging Party”;
6 and each party to this Agreement other than the Acknowledging Party, and “Other Party”)
7 acknowledges and agrees that: (1) no provision of this Agreement, and no written communication
8 or disclosure between or among the Parties or their attorneys and other advisers, is or was intended
9 to be, nor shall any such communication or disclosure constitute or be construed or be relied upon
10 as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR
11 Part 10, as amended); (2) the Acknowledging Party (a) has relied exclusively upon his, her, or its
12 own, independent legal and tax advisers for advice (including tax advice) in connection with this
13 Agreement, (b) has not entered into this Agreement based upon the recommendation of any other
14 party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any
15 communication or disclosure by any attorney or advisor to any other party to avoid any tax penalty
16 that may be imposed on the Acknowledging Party; and (3) no attorney or advisor to any other
17 party has imposed any limitation that protects the confidentiality of any such attorney’s or
18 adviser’s tax strategies (regardless of whether such limitation is legally binding) upon disclosure
19 by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any
20 transaction contemplated by this Agreement.

21 **T. Confirmation of Workweeks**

22 The Gross Settlement Amount is based on Defendant’s representation that Class Members
23 worked approximately 14,500 Qualifying Workweeks during the Class Period. Prior to the filing
24 of Plaintiff’s Motion for Preliminary Approval Defendant provided the Class List to the
25 Settlement Administrator, ILYM Group, Inc., who confirmed the workweeks through August
26 2021, do not exceed this amount.

27 **V. LIMITATIONS ON USE OF THIS SETTLEMENT**

28 **A. No Admission of Liability**

1 Neither the acceptance nor the performance by Defendant of the terms of this Agreement
2 any of the related negotiations or proceedings is or shall be claimed to be, construed as, or deemed
3 a precedent or an admission by Defendant of the truth or merit of any allegations in the Complaint,
4 or that it has any liability to the Representative Plaintiffs or the Class Members on their claims.
5 Defendant denies that it has engaged in any unlawful activity, has failed to comply with the law
6 in any respect, or has any liability to anyone under the claims asserted in the Action. This
7 Agreement is entered into solely for the purpose of compromising highly disputed claims.

8 **B. Nullification**

9 If the Court for any reason does not approve this Settlement, this Agreement shall be null
10 and void and all Parties to this Settlement shall stand in the same position, without prejudice, as if
11 the Settlement had been neither entered into nor filed with the Court.

12 Invalidity of any material portion of this Agreement shall invalidate this Settlement in
13 its entirety unless the Parties shall agree in writing that the remaining provisions shall remain in
14 full force and effect. Before declaring any provision of this Agreement invalid, the Court will first
15 attempt to construe the provision as valid to the fullest extent possible consistent with applicable
16 precedents so as to define all provisions of this Agreement valid and enforceable.

17 **C. Termination for Lack of Sufficient Participation**

18 If ten percent (10%) or more of the Class Members makes a valid request to be excluded
19 from the Class, Defendant will have the right, but not the obligation, to void the Agreement. If
20 Defendant exercises that right to void the Agreement, then the Parties will have no further
21 obligations under the Agreement, including any obligation by Defendant to pay the Gross
22 Settlement Amount, or any amounts that otherwise would have been owed under this
23 Agreement, except that Defendant will pay the Settlement Administrator's reasonable fees and
24 expenses incurred as of the date that Defendant exercises the right to void the Agreement.
25 Defendant shall meet and confer with Class Counsel prior to exercising its right to rescind the
26 Agreement under the this provision, and shall notify Class Counsel, in writing via USPS and email,
27 and the Court whether it is exercising its right to void the Agreement no later than five (5) business
28 days after the Settlement Administrator notifies the Parties of the final total number of valid



1 requests to be excluded. If Defendant exercises its right to void the Agreement, then Defendant
2 will pay the cost of the settlement administration as stated herein.

3 **VI. RELEASE**

4 It is the desire of the Representative Plaintiffs, Class Members (except those who exclude
5 themselves from the Settlement), and Defendant to fully, finally, and forever settle, compromise,
6 and discharge the Released Claims. Upon the final approval by the Court of this Settlement
7 Agreement and remittance of the Gross Settlement Amount by Defendant to the Settlement
8 Administrator, and except as to such rights or claims as may be created by this Settlement
9 Agreement, the Class Members shall fully release and discharge the Released Parties from any
10 and all Released Claims that accrued during the Settlement Class Period. This release shall be
11 binding on all Class Members who have not timely submitted a valid and complete Request for
12 Exclusion, including each of their respective attorneys, agents, spouses, executors,
13 representatives, guardians ad litem, heirs, successors, and assigns, and shall inure to the benefit of
14 the Released Parties.

15 **VII. RELEASE BY THE REPRESENTATIVE PLAINTIFFS**

16 Upon final approval of this Settlement and remittance of the Gross Settlement Amount
17 by Defendant to the Settlement Administrator, the Representative Plaintiffs, and each of them, fully
18 release and forever discharge Defendant, the Released Parties, and Defendant's respective present and
19 former officers, directors, employees, shareholders, members, agents, trustees, representatives, attorneys,
20 insurers, investors, parent companies, subsidiaries, divisions, affiliates, predecessors, successors, assigns,
21 and any individual or entity that could be jointly liable with Defendant, from any and all claims, causes of
22 action, damages, wages, benefits, expenses, penalties, debts, liabilities, demands, obligations, attorney's
23 fees, costs, interest, and any other form of relief or remedy in law, equity, or whatever kind or nature,
24 whether known or unknown, suspected or unsuspected, exclusive of any workers compensation claims,
25 including but not limited to (1) all Released Claims, (2) the Actions and any claims arising out of or related
26 to the Actions, (3) any claims under Federal, state or local law for or relating to wages, benefits,
27 compensation, vacation or other paid time off, and claims for liquidated damages, penalties, or costs and
28 fees associated therewith, (4) wrongful termination, discrimination, harassment, and/or retaliation, (5) any
act, omission, or occurrence or claim arising out of or related to the Actions or Plaintiffs' employment or



secession of employment with Defendant taking place on or before the Effective Date of the Settlement, and (6) and any other form of relief or remedy of any kind, nature, or description whatsoever, whether premised on statute, contract, tort, or other theory of liability under state, federal, or local law. This release specifically excludes claims for unemployment insurance, disability, social security, and workers' compensation (with the exception of claims arising pursuant to California Labor Code sections 132(a) and 4553).

VIII. SECTION 1542 DISCLOSURE

The Representative Plaintiffs hereby agree that, notwithstanding § 1542 of the California Civil Code, all claims that the Representative Plaintiffs may have, known or unknown, suspected or unsuspected, are hereby released. Section 1542 provides:

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

The Representative Plaintiffs expressly waive the provisions of Section 1542 with full knowledge and with the specific intent to release all known or unknown, suspected or unsuspected, claims arising on or before the Effective Date of the Settlement, and therefore specifically waive the provisions of any statute, rule, decision, or other source of law of the United States or of any state of the United States or any subdivision of a state which prevents release of unknown claims.

IX. CONSOLIDATION OF THE ACTIONS

To effectuate the release of all claims and the dismissal of all Actions, Class Counsel will file a motion to approve this Settlement before the Court in the Arcos Class Action. In order to facilitate global resolution of the Actions, the Parties, in conjunction with Plaintiffs' motion for preliminary approval, will file a stipulation and proposed order to consolidate the Actions for settlement purposes, to designate the Arco Class Action as the lead case, and to conduct Settlement approval proceedings before the Honorable James Di Cesare. Until a Final Approval Order has been entered, the Parties will continue to work together to provide status to the Court in all Actions regarding the status of settlement proceedings. It is the intention of the Parties under this Agreement that the entry of a Final Approval Order and Judgment in a consolidated case involving



1 all Actions shall result in the resolution and closure of all Actions. Should the court decide not to
2 consolidate all Actions, the Parties will work together to dismiss all Actions that remain open and
3 unconsolidated.

4 **X. MISCELLANEOUS PROVISIONS**

5 **A. Amendments**

6 This Settlement Agreement may only be modified or changed by a writing signed by the
7 Parties or by their counsel.

8 **B. Integrated Agreement**

9 After this Agreement is signed and delivered by all Parties to the Action and their counsel,
10 this Agreement and its exhibits will constitute the entire agreement between the Parties to the
11 Action relating to the Settlement, and it will then be deemed that no oral representations,
12 warranties, covenants, or inducements have been made to any Party concerning this Agreement
13 or its exhibits other than the representations, warranties, covenants, and inducements expressly
14 stated in this Stipulation and its exhibits.

15 **C. No Inducements**

16 Plaintiffs and Defendant acknowledge that they are entering into this Agreement as a free
17 and voluntary act without duress or undue pressure or influence of any kind or nature whatsoever
18 and that neither Plaintiffs nor Defendant have relied on any promises, representations, or
19 warranties regarding the subject matter hereof other than as set forth in this Agreement.

20 **D. No Prior Assignment**

21 The Parties hereto represent, covenant, and warrant that they have not directly or indirectly,
22 assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or
23 entity any portion of any liability, claim, demand, action, cause of action, or rights herein released
24 and discharged except as set forth herein.

25 **E. No Retaliation or Advice**

26 Defendant agrees not to retaliate against any Class Member, and Defendant will not induce
27 or offer any advice to any current or former employee to opt out of, or object to, the Settlement.

28 **F. Attorney's Fees**

1 To the extent that any Party institutes any legal action, arbitration, or other proceeding to
2 enforce the terms of the Settlement, the prevailing Party will be entitled to recover their reasonable
3 attorneys' fees and costs from the other Party or Parties.

4 **G. Applicable Law**

5 All terms and conditions of this Stipulation and its exhibits will be governed by and
6 interpreted according to the laws of the State of California, without giving effect to any conflict
7 of law principles or choice of law principles.

8 **H. Entry of Judgment Pursuant to Terms of Settlement**

9 The Parties agree that upon the Settlement of this case, the Court may enter judgment
10 pursuant to the terms of this Settlement and the Court will retain jurisdiction over the Parties to
11 enforce the Settlement until performance in full of the terms of the Settlement, and to adjudicate
12 any claimed breaches of this Agreement. The Court shall award reasonable attorneys' fees and
13 costs to the prevailing party in any motion or action taken and based on an alleged violation of
14 any material term of the Settlement Agreement.

15 **I. Notices**

16 All notices, requests, demands and other communications required or permitted to be given
17 pursuant to this Agreement shall be in writing, and shall be delivered personally or by first class
18 mail to the undersigned persons at their respective addresses as set forth below:

19 CLASS COUNSEL

20 HEATHER DAVIS, SBN 239372
21 AMIR NAYEBDADASH, SBN 232204
22 S. EMI MINNE, SBN 253179
23 **PROTECTION LAW GROUP, LLP**
24 237 California Street
25 El Segundo, California 90245
26 Telephone: (424) 290-3095
27 Facsimile: (866) 264-7880

28 Attorneys for Plaintiff
STEVE VALENZUELA

JONTHAN MELMED, SBN 290218
MELMED LAW GROUP, P.C.
1801 Century Park East, Suite 850
Los Angeles, California 90067

1 Telephone: 310-824-3828
2 Facsimile: 310-862-6851

3 Attorneys for Plaintiff
4 WILLIAM ZELAYA

5 KASHIF HAQUE, SBN 218672
6 SAMUEL A. WONG, SBN 217104
7 JESSICA L. CAMPBELL, SBN 280626
8 FAWN F. BEKAM, SBN 307312
9 **AEGIS LAW FIRM, PC**
10 9811 Irvine Center Drive, Suite 100
11 Irvine, California 92618
12 Telephone: (949) 379-6250
13 Facsimile: (949) 379-6251

14 Attorneys for Plaintiff
15 ANDRES ARCOS

16 COUNSEL FOR DEFENDANT

17 Matthew S. Disbrow (SBN 294764)
18 Honigman LLP
19 2290 First National Bldg.
20 660 Woodward Ave.
21 Detroit, MI 48226
22 Telephone: (313) 465-7372
23 Facsimile: (313) 465-7373

24 **J. Binding on Successors**

25 This Agreement shall be binding and shall inure to the benefit of the Parties to the Action
26 and their respective successors, assigns, executors, administrators, heirs, and legal representatives.

27 **K. Counterparts**

28 This Agreement, and any amendments hereto, may be executed in any number of
counterparts, each of which when executed and delivered shall be deemed to be an original and
all of which taken together, including facsimile and scanned copies of the signature pages, shall
constitute the same instrument.

L. Warranties and Representations

With respect to themselves, each of the Parties to these Actions and or their agent or
counsel represents, covenants, and warrants that they have full power and authority to enter into
and consummate all transactions contemplated by this Stipulation and have duly authorized the

1 execution, delivery, and performance of this Stipulation.

2 **M. Representation by Counsel**

3 The Parties to these Actions acknowledge that they have been represented by counsel
4 throughout all negotiations that preceded the execution of this Agreement, and that this Agreement
5 has been executed with the consent and advice of counsel.

6 **N. Neutral Employment Reference**

7 Defendant agrees that it will adopt a neutral reporting policy regarding any future employment
8 references related to Plaintiffs. In the event that any potential or future employers of Plaintiffs
9 request a reference regarding Defendant's employment of Plaintiffs, Defendant shall only provide
10 Plaintiffs' dates of employment, job titles during employment, and final rate of pay. Defendant
11 shall not refer to the Actions or this Settlement.

12 **O. California Law Governs**

13 All terms of this Settlement Agreement hereto will be governed by and interpreted according to
14 the laws of the State of California.

15 **P. Captions**

16 The captions, headers and section numbers in this Agreement are inserted for the reader's
17 convenience, and in no way define, limit, construe or describe the scope or intent of the provisions
18 of this Agreement.

19 **Q. Mutual Preparation**

20 The Parties have had a full opportunity to negotiate the terms and conditions of this
21 Agreement. Accordingly, this Agreement will not be construed more strictly against one Party
22 than another merely by virtue of the fact that it may have been prepared by counsel for one of the
23 Parties, it being recognized that, because of the arms-length negotiations between the Parties, all
24 Parties have contributed to the preparation of this Agreement.

25 [REMAINDER OF PAGE INTENTIONALLY LEFT BLANK. SIGNATURES ON
26 FOLLOWING PAGES.]
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Dated: _____

Plaintiff Steve Valenzuela

Dated: _____

Plaintiff William Zelaya

Dated: _____

Plaintiff Andres Arcos

Dated: _____

AXIOM MATERIALS, INC.

By: _____

Its: _____

ALICALISKAN
Board Member

MURAT ARCAN
Board Member

Approved as to form:

Dated: _____

PROTECTION LAW GROUP, LLP

By: _____

Amir Nayebdadash

Attorneys for Plaintiff Steve Valenzuela, individually
and on behalf of all others similarly situated

Dated: _____

MELMED LAW GROUP, P.C.

By: _____

Jonathan Melmed

Attorneys for Plaintiff William Zelaya, individually and
on behalf of all others similarly situated

Dated: _____

AEGIS LAW FIRM, PC

By: _____

Kashif Haque

Attorneys for Plaintiff Arcos Andres, individually and
on behalf of all others similarly situated



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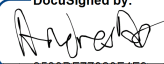
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Plaintiff Steve Valenzuela

Dated: _____

Plaintiff William Zelaya

Dated: 3/9/2022

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Plaintiff Andres Arcos

Dated: _____

AXIOM MATERIALS, INC.

By: _____

Its: _____

Approved as to form:

Dated: _____

PROTECTION LAW GROUP, LLP

By: _____

Amir Nayebdadash

Attorneys for Plaintiff Steve Valenzuela, individually
and on behalf of all others similarly situated

Dated: _____

MELMED LAW GROUP, P.C.

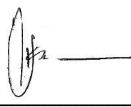
By: _____

Jonathan Melmed

Attorneys for Plaintiff William Zelaya, individually and
on behalf of all others similarly situated

Dated: 3/9/2022

AEGIS LAW FIRM, PC

By:  _____

Kashif Haque

Attorneys for Plaintiff Arcos Andres, individually and
on behalf of all others similarly situated

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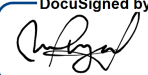
Approved as to form:

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Dated: March 4, 2022

Dated: _____

Plaintiff Steve Valenzuela

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Plaintiff William Zelaya

Plaintiff Andres Arcos

AXIOM MATERIALS, INC.

By: _____

Its: _____

PROTECTION LAW GROUP, LLP

By: _____

Amir Nayebdadash

Attorneys for Plaintiff Steve Valenzuela, individually
and on behalf of all others similarly situated

MELMED LAW GROUP, P.C.

By: Jonathan Melmed

Jonathan Melmed

Attorneys for Plaintiff William Zelaya, individually and
on behalf of all others similarly situated

AEGIS LAW FIRM, PC

By: _____

Kashif Haque

Attorneys for Plaintiff Arcos Andres, individually and
on behalf of all others similarly situated

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Dated: 3/2/2022

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Plaintiff Steve Valenzuela

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Plaintiff William Zelaya

Dated: _____

Plaintiff Andres Arcos

Dated: _____

AXIOM MATERIALS, INC.

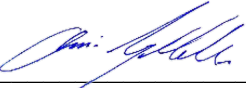
By: _____

Its: _____

Approved as to form:

Dated: 3/2/2022

PROTECTION LAW GROUP, LLP

By: 
Amir Nayebdadash

Attorneys for Plaintiff Steve Valenzuela, individually
and on behalf of all others similarly situated

Dated: _____

MELMED LAW GROUP, P.C.

By: _____
Jonathan Melmed

Attorneys for Plaintiff William Zelaya, individually and
on behalf of all others similarly situated

Dated: _____

AEGIS LAW FIRM, PC

By: _____
Kashif Haque

Attorneys for Plaintiff Arcos Andres, individually and
on behalf of all others similarly situated

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Dated: March 24, 2022

HONIGMAN LLP

By: 
Matthew S. Disbrow

Attorneys for Defendant Axiom Materials, Inc.



Exhibit A

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to be a combination of initials and a surname.

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EXHIBIT A

List of Class Counsel

HEATHER DAVIS, SBN 239372
AMIR NAYEBDADASH, SBN 232204
S. EMI MINNE, SBN 253179
PROTECTION LAW GROUP, LLP
237 California Street
El Segundo, California 90245
Telephone: (424) 290-3095
Facsimile: (866) 264-7880

Attorneys for Plaintiff
STEVE VALENZUELA

JONTHAN MELMED, SBN 290218
MELMED LAW GROUP, P.C.
1801 Century Park East, Suite 850
Los Angeles, California 90067
Telephone: 310-824-3828
Facsimile: 310-862-6851

Attorneys for Plaintiff
WILLIAM ZELAYA

KASHIF HAQUE, SBN 218672
SAMUEL A. WONG, SBN 217104
JESSICA L. CAMPBELL, SBN 280626
FAWN F. BEKAM, SBN 307312
AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: (949) 379-6250
Facsimile: (949) 379-6251

Attorneys for Plaintiff
ANDRES ARCOS



Exhibit B

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to be a combination of letters, possibly 'JL' or 'JL1'.

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Arcos v. Axiom Materials, Inc.

Orange County Superior Court Case No. 30-2020-01144794

**THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.
PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**

To: All current and former non-exempt employees of Axiom Materials, Inc. in California who worked for Defendant or any predecessor or successor company of Defendant in California at any time between May 26, 2016, and [date of preliminary approval].

BASIC INFORMATION

1. What is this settlement about?

There are four pending lawsuits against Axiom Materials, Inc. Three lawsuits, *Valenzuela v. Axiom Materials*, Orange County Superior Court Case No. 30-2020-01140945-CU-OE-CXC *Zelaya v. Axiom Materials, Inc.*, Orange County Superior Court Case No. 30-2020-01155811-CU-OE-CXC and *Arcos v. Axiom Materials, Inc.*, Orange County Superior Court Case No. 30-2020-01168863-CU-OE-CXC, have been brought on a representative basis pursuant to the California Private Attorneys General Act of 2004 (PAGA). Additionally, a separate action, *Arcos v. Axiom Materials, Inc.* Orange County Superior Court Case No. 30-2020-01144794-CU-OE-CXC, has been filed on a class and representative basis on behalf of all current and former non-exempt employees of Defendant Axiom Material's Inc. ("Defendant") in California who worked for Defendant or any predecessor or successor company in California at any time between May 26, 2016, and [date of preliminary approval]. These lawsuits are referred to collectively herein as the "Actions."

The Actions were brought by Plaintiffs Steve Valenzuela, William Zelaya, and Andres Arcos (collectively "Plaintiffs") who are former employees of Defendant. Plaintiffs claim that Defendant violated sections of the California Labor Code and California Business and Professions Code. Specifically, Plaintiffs allege that Defendant failed to provide them and other employees with compliant meal and rest periods and associated premium pay, did not properly pay employees all wages owed for time worked including overtime, did not provide accurate wage statements, did not timely pay all wages owed during their employment and upon termination, failed to pay employees for vacation time, and maintained unfair business practices. The Actions seek to recover damages, penalties, and restitution, including penalties pursuant to PAGA.

Defendant denies all alleged violations and denies that it owes Class Members any remedies. The Court has not made a ruling on the merits of the case.

2. Why is this a class action?

In a class action, one or more people, called the Class Representatives, sue on behalf of people who appear to have similar claims. All these people are referred to as Class Members. In a class action, one court resolves the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The Orange County Superior Court is in charge of this class action.

3. Why is there a settlement?



The Court has not decided in favor of the Plaintiffs or Defendant. Instead, both sides agreed to a settlement which is memorialized in the Class Action Settlement Agreement (“Agreement” or “Settlement”). On [DATE OF PRELIMINARY APPROVAL] the Court granted preliminary approval of the Settlement, appointed Plaintiffs as the Class Representatives, and appointed their attorneys at Protection Law Group LLP, Melmed Law Group P.C., and Aegis Law Firm P.C. as counsel for the Class (“Class Counsel”).

The Court has not yet determined whether it will approve the settlement. Instead, the Court has only determined that the settlement is within the range that could be approved and therefore Notice should be provided to the Class Members. The Court will make a final determination whether to approve the settlement at the Final Approval Hearing.

WHO IS IN THE SETTLEMENT?

4. How do I know if I am part of the settlement?

You are part of the Settlement, and a Class Member, if you are a current or former non-exempt employee who worked for Defendant or any predecessor or successor company of Defendant in California at any time between May 26, 2016, and [date of preliminary approval].

THE SETTLEMENT BENEFITS—WHAT YOU GET

5. What does the settlement provide?

The Settlement provides that Defendant will pay a maximum of Eight Hundred and Fifty Thousand Dollars (\$850,000) (“Gross Settlement Amount”). This includes all costs and attorneys’ fees for Class Counsel.

The “Net Settlement Amount” is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Amount is the Gross Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys’ Fees to Class Counsel** not to exceed 1/3 of the Gross Settlement Amount or Two Hundred and Eighty-Three Thousand Three Hundred and Thirty Three Dollars and Thirty-Three Cents (\$283,333.33);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Thirty Thousand Dollars (\$30,000.00);
- C. **Enhancement Payment to the Class Representatives** in an amount of \$5,000 each (\$15,000 total)
- D. **Settlement Administration Costs** which are currently estimated to be Seven Thousand Dollars (\$7,000); and
- E. **PAGA Penalties** in the amount of Fifty Thousand Dollars (\$50,000) for the settlement of claims arising under the Private Attorney’s General Act of 2004 (PAGA). Seventy-Five percent (75%) of this amount, (\$37,500) shall be paid to the LWDA. The remaining twenty-five percent (25%) (\$12,500) will be distributed to current and former non-exempt employees of Defendant in California who worked for Defendant or any predecessor or successor company of Defendant in California at any time between May 15, 2019, and [date of preliminary approval].

The amount you are eligible to receive from the settlement, your “Individual Settlement Payment” will be determined on a *pro rata* basis, based on the number of weeks you worked in California as non-exempt employee of Defendant between May 26, 2016, and [date of preliminary approval]. (“Workweeks”). Your Individual Settlement Payment includes both your estimated share of the Net Settlement Amount and, if eligible, your share of the PAGA Payment.



Your Individual Settlement Payment will be apportioned as twenty percent (20%) wages, forty percent (40%) interest and forty percent (40%) penalties. The wage portion of the Individual Settlement Payment will be subject to withholding for the employee taxes and will be reported on a W-2 Form. Employer-side payroll taxes shall be paid separately from and in addition to the Gross Settlement Amount. The penalties and interest portions of each class member's settlement payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

You worked XXX workweeks during the class period. Your Individual Settlement Payment is \$XXX.XX. This amount is an estimate and is subject to change.

This amount was determined based on Defendant's record of your employment between May 26, 2016, and [date of preliminary approval], and is presumed correct. If you dispute the accuracy of Defendant's records as to the number of weeks worked during the Class Period, you must provide any documentation you have supporting such dispute by [DATE]. All disputes regarding your workweeks will be resolved and decided by the Settlement Administrator following consultation with the Parties. The Settlement Administrator's contact information is listed below:

[Settlement Administrator]
[Address]
[Telephone No].

HOW TO GET A PAYMENT FROM THE SETTLEMENT

6. How can I get a payment?

You do not have to do anything to qualify for a payment of your portion of the Settlement.

7. What am I giving up if I do not request to be excluded from the Settlement?

Upon the final approval by the Court of this Settlement Agreement and remittance of the Gross Settlement Amount by Defendant to the Settlement Administrator, Participating Class Members shall fully release and discharge the "Released Parties" from any and all "Released Claims" that accrued during the "Settlement Class Period."

The "Released Parties" means Defendant and any of its parents, subsidiaries, predecessors, successors, affiliates and assigns, and its and their agents, attorneys, insurers, investors, shareholders, owners, members, partners, officers, directors, managers, and employees.

The "Released Claims" means any and all claims, liens, debts, penalties, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, interest, equitable relief, or causes of action, of any nature whatsoever, that either were or could have been asserted or sought either under state or Federal law based on or arising from the facts alleged in the Complaints (including, without limitation, (1) failure to pay wages, including but not limited to overtime wages, (2) failure to provide compliant meal and rest breaks and failure to pay premiums for alleged meal and rest break violations, (3) inaccurate wage statements, (4) failure to pay unpaid wages at time of separation, including accrued but unpaid vacation or paid time off, as well as any associated waiting-time penalties, (5) violations of Business & Professions Code §§ 17200 et seq., (6) statutory penalties recoverable under or pursuant to PAGA, and (7) all damages, penalties, attorney fees, costs, interest, and other amounts recoverable pursuant to (1) through (6), above, to the extent permissible under the California Labor Code, California Industrial Welfare Commission Order, and the California Business and Professions Code.

The "Class Period" during which the release of Released Claims pertains is from May 26, 2016, through the date of preliminary approval of the settlement



All PAGA Members shall release the claims arising under PAGA regardless of whether they submit a request for exclusion as the request for exclusion does not apply to this claim.

EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS

If you want to keep the right to sue or continue to sue Defendant with respect to the Released Claims then you must submit a request for exclusion in conformity with the requirements set forth herein. If you exclude yourself, you will not receive payment from Net Settlement Amount. However, if eligible, you will still receive a payment in an amount equal to your estimated *pro rata* share of the PAGA Payment because the Request for Exclusion does not apply to this claim.

8. How can I not participate in the Settlement?

To exclude yourself from the release of Released Claims you must submit a written request for exclusion. This written request must include your name, address, telephone number and the last four digits of your social security number and/or employee ID number. Your request for exclusion must also include a clear statement that you do not wish to be included in this action such the following: I wish to exclude myself from the class action settlement reached in the matter of *Arcos v. Axiom Materials, Inc.* I understand that by excluding myself I will not receive money from the class portion of the settlement.”

Your Request for Exclusion must be mailed to the Settlement Administrator at the address listed below, post-marked by [DATE]. You cannot exclude yourself by phone or any means other than those described in this Notice.

[Settlement Administrator]
[Address]

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Amount and you cannot object to the Settlement. You will not be legally bound by the release of Released Claims.

9. If I don't exclude myself, can I sue Defendant for the same thing later?

No. Unless you submit a request for exclusion, you give up the right to sue Defendant and Released Parties for the Released Claims. If you have a pending lawsuit involving the Released Claims, speak to your lawyer in that lawsuit immediately.

10. If I exclude myself, can I get money from this settlement?

You will not receive money for the class claims. You will still receive your portion of the PAGA Payment if eligible because the request for exclusion does not apply to this claim.

THE LAWYERS REPRESENTING YOU

11. Do I have a lawyer in this case?

The Court has approved Protection Law Group, LLP as Class Counsel. These attorneys contact information is set forth below:



PROTECTION LAW GROUP LLP

Heather Davis, Esq.
Amir Nayebdadash, Esq.
237 California Street
El Segundo, California 90245
Telephone: (424) 290-3095

MELMED LAW GROUP PC

Jonathan Melmed, Esq.
1801 Century Park East, Suite 850
Los Angeles, California 90067
Telephone: 310-824-3828

AEGIS LAW FIRM PC

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Class Counsel will ask the Court for attorneys' fees of up to \$283,333.33 and reimbursement of litigation cost/expenses of up to \$30,000. These amounts are subject to Court approval and the Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

You can object to the Settlement or some part of it.

12. How do I tell the Court I want to object to the settlement?

If you are a Class Member, you can object to the Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your views. To object, you must mail your objection to the Settlement Administrator no later than [DATE]. Your objection must include your full name, address, telephone number, the last four digits of your social security number or employee ID number, and the specific reason for your objection.

13. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing"). You may attend, but you do not have to attend.

14. When and where will the Court decide whether to approve the settlement?

The Court will hold the Final Approval Hearing at [] a.m./p.m. on [], 2022], at the Orange County Superior Court located at 700 Civic Center Drive West, Santa Ana, CA 92701 in Department C16.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them.

15. Do I have to come to the hearing?

No. If you agree to the Settlement you do not have to come to Court to talk about it. However, you may attend. You may also retain your own lawyer at your expense to attend on your behalf.

16. How will I learn if the settlement was approved

A notice of final judgment will be posted on the Settlement Administrator website located at [www.\[\]com](http://www.[]com)



IF YOU DO NOTHING

17. What happens if I do nothing at all?

If you do nothing, you will receive your share of the Settlement, and you will release the Released Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendant or the Released Parties about the Released Claims, ever again. Your Individual Settlement Payment will be mailed to you and remain valid and negotiable for 180 days. If you do not cash your settlement check within 180 days from the date on the check, these funds will be transferred to the Controller of the State of California's Unclaimed Property Fund. You may then claim these funds from there.

If you lose your check or it is damaged in the mail, contact the Settlement Administrator.

GETTING MORE INFORMATION

18. How do I get more information?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by viewing the settlement located on the Settlement Administrator's website at [\[redacted\]](#) or by contacting the Settlement Administrator or Class Counsel. You may also review the documents that have been filed in this matter with the Court (for a fee) on the Court's website: <https://www.occourts.org/online-services/case-access>

WHAT IF MY INFORMATION CHANGES?

19. What if my contact information changes ?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE

