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Attorneys for Defendant
PAYLOCITY CORPORATION

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

TRACY LYNN COLLINS, an a Private Attorney
General,

Plaintiff,

v.

PAYLOCITY CORPORATION AND DOES 1-
10, INCLUSIVE,

Defendants.

CASE NO. 37-2020-00023030-CU-OE-CTL

Judge: Hon. Gregory W. Pollack
Dept.: C

**STIPULATION TO RESOLVE PAGA
ACTION**

Complaint Filed: July 6, 2020

IT IS HEREBY STIPULATED AND AGREED by and among the Defendant PAYLOCITY CORPORATION (“Defendant”), on one end, and Plaintiff TRACY LYNN COLLINS (“Plaintiff”) and all Aggrieved Employees, as defined herein, for themselves and on behalf of the State of California, on the other end (Defendant, Plaintiff and all Aggrieved Employees, as defined herein, are hereinafter known as the “Parties”), subject to the approval of the Court, that the settlement of this Action (the “Settlement”) shall be memorialized by and subject to the following terms and conditions.

Article I

Definitions

Section 1.01 Definitions.

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

(a) “Action” shall only refer to the PAGA Causes of Action and claim for civil penalties pursuant to PAGA, including Labor Code Section 558, alleged in the lawsuit entitled: *Collins vs. Paylocity Corporation, et al.*, San Diego County Superior Court Case No. 37-2020-00023030-CU-OE-CTL.

(b) “Aggrieved Employees” are defined as the twenty-two (22) persons who are or were employed by Defendant as Implementation Consultants (regardless of level) or equivalent positions, however titled, in the State of California at any time between May 1, 2019 and the October 19, 2020 mediation.

(c) “Court” means the Superior Court of the State of California, County of San Diego.

(d) “Counsel for Defendant” are:

MICHELLE STROWHIRO (SBN 271969)
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(e) "Effective Date" means the date on which all applicable periods for appealing the Court's Order entering final judgment and approving the Settlement have expired without an appeal being filed, or if an appeal is filed, the date upon which any appeals from such order have been dismissed or resolved affirming the Settlement and there is no possibility of any subsequent appeal or other judicial review. In the event that the Court does not approve the Settlement, or if the final order and judgment is reversed on appeal, then there shall be no Effective Date and this Agreement shall become null and void.

(f) "Gross Settlement Amount" means the total maximum payment to be made by Defendant towards the settlement of the Action, which shall be Thirty Thousand Dollars (\$30,000.00). This shall be inclusive of attorney fees, litigation costs and expenses, the costs of administration of the Settlement, and civil penalties paid to the California Labor & Workforce Development Agency ("LWDA").

(g) "Net Settlement Amount" means the total sum available for payment of civil penalties to the Aggrieved Employees and the LWDA after deducting Plaintiff Counsel's court-approved Attorneys' Fees and Litigation Costs and the Settlement Administration Expenses from the Gross Settlement Amount.

(h) "Plaintiff's Counsel" is:

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(i) "Release Period" means May 1, 2019 through the date of the entry of the Order approving the Settlement or December 31, 2020, whichever occurs first.

(j) “Released Claims” means any and all actions, claims or causes of action arising during the Release Period seeking civil penalties under PAGA based on the alleged California Labor Code violations that were asserted in the Action based on the facts alleged, including but not limited to all claims seeking the civil penalties described in Cal. Labor Code section 558 and all civil penalty claims, including but not limited to violations of the California Labor Code sections 201, 202, 203, 226, 226.7, 510, 512, 558, 1182 *et seq.*, 1197, 1197.1, 1194 and 1198 and the applicable provisions of the relevant IWC Wage Orders, with respect to failure to pay overtime wages, failure to pay minimum wage, failure to provide meal and rest breaks, failure to timely pay wages upon separation of employment and failure to provide compliant wage statements.

(k) “Released Parties” means Defendant and any other person or entity that is or could be claimed to be an employer of any Aggrieved Employee with respect to the Released Claims for work performed for or through Paylocity Corporation, and each of their past, present and future officers, owners, directors, partners, employees, shareholders, agents, trustees, representatives, attorneys, insurers, reinsurers, customers, parent companies, investors, members, direct and indirect equity holders and control persons, subsidiaries, divisions, affiliates, predecessors, successors, assigns, and their respective heirs, estates, executors, administrators, successors and assigns, as well as any individual or entity that could be alleged to be jointly liable with Defendant.

(l) “Settlement Administrator” means Simpluris.

Article II

Background.

Section 2.01 Background.

(a) On July 6, 2020, Plaintiff filed the above-referenced lawsuit in the Superior Court of the State of California for the County of San Diego. Plaintiff asserted seven causes of action in the lawsuit. Specifically, she alleged that Defendant violated the California Labor Code by: (1) failing to provide accurate wage statements in violation of Labor Code section 226; (2) failing to pay minimum wage in violation of Labor Code sections 1182 *et seq.*, 1197, 1197.1 and 1194; (3) failing to provide terminated employees with all wages due at the time of termination in violation of Labor

Code sections 201, 202 and 203; (4) failing to pay overtime wages in violation of Labor Code section 510; (5) failing to pay overtime wages in violation of Labor Code section 512; (6) failing to provide rest breaks to non-exempt employees in violation of Labor Code sections 226.7; and (7) failing to pay overtime wages, pay minimum wages, and provide meal and rest periods in violation of Labor Code sections 558 and 1198.

(b) Subsequently, the Plaintiff engaged in investigation along with informal discovery from the Defendant relating to the PAGA claims, which amongst other things, informed Plaintiff that there are twenty-two (22) Aggrieved Employees implicating approximately 615 pay-periods during the PAGA period as of date of the October 19, 2020 mediation. Defendant also provided Plaintiff with all relevant written policies, job descriptions and a sampling of time-records. The Parties then attended a full day mediation with skilled and experienced mediator the Hon. Peter Lichtman (Ret). The Parties were able to reach a Settlement pursuant to the mediation.

Article III

Approval and Implementation of Settlement Section

Section 3.01 Approval of Attorneys' Fees, Litigation Costs and Settlement Administration Expenses.

(a) The Parties will cooperate in obtaining through written stipulation or unopposed motion if a motion is required, and potentially through ex parte proceedings, an Order from the Court approving the Settlement and entering final judgment for the payment of the Gross Settlement Amount (the "Order") as follows:

(1) **Plaintiff's Attorneys' Fees.** Plaintiff's Counsel may request and be paid up to Nine Thousand Dollars (\$9,000.00) for attorneys' fees (the "Attorneys' Fees"). Defendant agrees not to oppose a fee request by Plaintiff's Counsel in the foregoing amount. If Plaintiff's Counsel's request is not approved and/or is reduced by the Court, Plaintiff's Counsel retains the right to appeal any reduction of said requested amount, *provided that* any reduction by the Court in the amount requested by Plaintiff's Counsel for Attorneys' Fees shall not invalidate or negate this Settlement and Plaintiff's Counsel agrees to accept the amount of Attorneys' Fees as may be approved by the

1 Court, subject to modification on appeal. Any amount of Attorneys' Fees not approved by the Court
2 shall revert to the LWDA and Aggrieved Employees and become a part of the Net Settlement
3 Amount. Plaintiff's Counsel shall not seek an additional award of attorneys' fees or modification
4 of the above-referenced amounts due to any "future" attorneys' fees or costs incurred by Plaintiff's
5 Counsel, including, without limitation, all time and expenses expended by Plaintiff's Counsel in
6 defending the Settlement and securing approval of the Settlement (including any appeals therein).
7 The amount described in this Section 3.01(a)(1) and the following Section 3.01(a)(2) shall include
8 all attorneys' fees, Litigation Costs and expenses which Plaintiff and Plaintiff's Counsel could claim
9 under any legal theory whatsoever.

10 (2) Litigation Costs. Plaintiff's Counsel may request up to Four Thousand Five-
11 Hundred Dollars (\$4,500.00) of the Gross Settlement Amount as reimbursement of actual expenses
12 incurred in the Action (the "Litigation Costs"). Defendant agrees not to oppose a request for
13 reimbursement of Litigation Costs in the foregoing amount. If Plaintiff's Counsel's request for
14 reimbursement of Litigation Costs is not approved and is reduced by the Court, any amount not
15 approved and/or reduced by the Court will revert to the LWDA and Aggrieved Employees and shall
16 become a part of the Net Settlement Amount. Any reduction by the Court in the amount requested
17 by Plaintiff's Counsel for Litigation Costs shall not invalidate or negate this Settlement, and
18 Plaintiff's Counsel agrees to accept the amount of Litigation Costs as may be approved by the Court
19 subject to modification on appeal.

20 (3) Settlement Administration Expenses. Plaintiff's Counsel may request up to
21 Three Thousand Dollars and Zero Cents (\$3,000.00) of the Gross Settlement Amount as payment
22 to the Settlement Administrator for costs incurred by the Settlement Administrator in connection
23 with the Settlement, including mailing of the Notice of PAGA Settlement described herein (the
24 "Settlement Administration Expenses"). These costs shall not exceed \$3,000.00. To the extent they
25 exceed this amount, they shall be paid from the Gross Settlement Amount; to the extent they fall
26 below this amount, they shall become a part of the Net Settlement Amount and be distributed to the
27 LWDA and Aggrieved Employees.

(b) The Parties agree to use their best efforts to expedite the preparation and submission of the settlement documents. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents or filings reasonably necessary to be prepared or filed, shall take all steps that may be requested by the Court relating to, or that are otherwise necessary to the approval and implementation of the payment of PAGA penalties as described in this Agreement.

Section 3.02 Court Approval

The Parties will seek the Court's approval of the Settlement and the payment of penalties as described in this Agreement by way of a stipulation or unopposed motion to be filed by Plaintiff's Counsel or as directed by the Court. Plaintiff's Counsel will file this Agreement with the Court for its approval, along with a Proposed Form of Order in the form attached hereto as Exhibit "A." The Court's approval of the Settlement shall be embodied in a written Order. Defendant shall have the right to review and approve the form of the Order, the Notice and the motion prior to filing with the Court by the Plaintiff.

Section 3.03 Notice to the California Labor & Workforce Development Agency

Plaintiff's Counsel shall provide notice of this Settlement to the California LWDA pursuant to California Labor Code section 2699(1)(2).

Section 3.04 Notice to Aggrieved Employees.

Notice shall be provided to the Aggrieved Employees in the following manner:

(1) No later than twenty-one (21) days after the Effective Date, Defendant shall provide the Settlement Administrator with a list of all Aggrieved Employees ("Aggrieved Employees List"). The Aggrieved Employees List shall state the first name and last name in separate columns for each Aggrieved Employee; the last known home address for each Aggrieved Employee; each Aggrieved Employee's social security number, and the number of pay periods during the Release Period during which each Aggrieved Employee worked in an Implement Consultant or similarly situated position. The Aggrieved Employees List contains confidential and/or private information and will be transmitted via password protected means. The Settlement

1 Administrator shall keep the Aggrieved Employees List strictly confidential and shall not disclose
2 the information to any other person or entity.

3 No later than thirty (30) days following receipt of the Gross Settlement Amount, the
4 Settlement Administrator and/or its designee shall run a national change of address update and shall
5 mail the Notice of PAGA Settlement (in the form attached hereto as Exhibit "B") together with a
6 settlement payment to all Aggrieved Employees by first-class United States mail, postage prepaid,
7 to the last known address of each recipient with directions to the Postmaster to forward the Notice
8 of PAGA Settlement and return all undeliverable Notices to the Settlement Administrator. The
9 Notice of PAGA Settlement shall be prepared in English only. For each Notice of PAGA Settlement
10 that is returned as undeliverable, the Settlement Administrator shall promptly attempt to locate the
11 Aggrieved Employee by using standard skip-tracing methods such as the use of the NCOA database
12 and/or address refresher database to obtain forwarding addresses of the Aggrieved Employee and
13 then re-mail the Notice of PAGA Settlement and the settlement payment to the Aggrieved Employee
14 at the newly located address.

15 ***Section 3.05 Settlement Payment Procedures.***

16 (a) **Deposit of Gross Settlement Amount with Settlement Administrator.**

17 No later than 30 days after the Effective Date, Defendant shall deposit the total Gross
18 Settlement Amount with the Settlement Administrator.

19 (b) **Payments.**

20 1. The Net Settlement Amount available for distribution to the Aggrieved
21 Employees shall be calculated by taking the Gross Settlement Amount and deducting the following
22 amounts:

- 23 a. The Court-approved Attorneys' Fees for Plaintiff's Counsel;
- 24 b. The Court-approved Litigation Costs; and
- 25 c. The Court-Approved Settlement Administration Expenses.

26 2. Seventy-five percent (75%) of the Net Settlement Amount shall be paid to the
27 LWDA and twenty-five percent (25%) of the Net Settlement Amount shall be paid to the Aggrieved
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Employees. The payments to Aggrieved Employees shall be computed as follows: (1) the 25% of the Net Settlement Amount allocated to Aggrieved Employees shall be divided by the sum of (i) two times the number of Pre-Reclassification Pay Periods and (ii) the Post-Reclassification Pay Periods to determine a "Pay Period Amount." The Pre-Reclassification Pay Periods are the aggregate number of pay periods worked by all Aggrieved Employees between the start of the PAGA period through November 18, 2019, the date Aggrieved Employee positions were reclassified to non-exempt positions. The Post-Reclassification Pay Periods are the aggregate number of pay periods worked between November 19, 2019, the date Aggrieved Employee positions were reclassified to non-exempt positions, and the end of the PAGA period. Each Aggrieved Employee's payment shall be calculated by: (i) multiplying their individual number of Pre-Reclassification Pay Periods by two (2) and multiplying that result by the Pay Period Amount; and (ii) adding that amount to the product of their individual number of Post-Reclassification Pay Periods multiplied by the Pay Period Amount. Because the payments are civil penalty payments, no deductions will be taken before distribution.

3. Circular 230 Disclaimer; No Tax Advice. Each party to this Agreement (for purposes of this section, the "Acknowledging Party"; and each party to this Agreement other than the Acknowledging Party, an "Other Party") acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) the Acknowledging Party (a) has relied exclusively upon his, her, or its own, independent legal and tax advisers for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the Acknowledging Party; and (3) no attorney or adviser to any other party has imposed any limitation that protects the

1 confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such
2 limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or
3 tax structure of any transaction, including any transaction contemplated by this Agreement.

4 4. The settlement checks issued to Aggrieved Employees shall remain valid for
5 one hundred eighty (180) days from the date they are mailed. Thereafter, the checks shall become
6 null and void, and any monies remaining in the distribution account shall instead be distributed to
7 the LWDA. The Parties agree that this disposition results in no "unpaid residue" under California
8 Code of Civil Procedure Code § 394, as the Employee Net Settlement Amounts will be paid out,
9 whether or not the Aggrieved Employees all cash their Settlement Checks. Therefore, Defendant
10 will not be required to pay any interest on said amounts.

11 (c) **Attorneys' Fees and Costs**

12 Within fifteen (15) days of receipt of the deposit of the Gross Settlement Amount by the
13 Settlement Administrator from Defendant, the Settlement Administrator shall pay the Court-
14 approved Attorneys' Fees and Litigation Costs to Plaintiff's Counsel.

15 (d) **Settlement Administrator Expenses.**

16 Within fifteen (15) days of receipt of the Gross Settlement Amount by the Settlement
17 Administrator from Defendant, the Settlement Administrator shall withdraw the amount allocated
18 to it for the Settlement Administration Expenses.

19 ***Section 3.06 Judgment and Dismissal of PAGA claims.***

20 Plaintiff and Defendant will jointly submit an Order to be entered by the Court to enforce
21 this Agreement, grant approval of the PAGA penalties, and enter final judgment of the Action.

22 **Article IV**

23 **Limitations On Use Of This Settlement**

24 ***Section 4.01 No Admission.***

25 Defendant denies liability for any claims alleged by Plaintiff on her own behalf or on behalf
26 of the Aggrieved Employees or the State of California and any of its agencies, including but not
27 limited to the Department of Industrial Relations, Division of Labor Standards Enforcement, and
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Labor Workforce and Development Agency, including the claims alleged in the Action. This Agreement does not constitute, and is not intended to constitute, an admission by any Defendant as to the merits, validity, or accuracy of any of the allegations or claims made against it in the Action.

Nothing in this Agreement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of the negotiations leading to this Agreement, is intended by the Parties to constitute, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in this case or any other judicial, arbitral, administrative, investigative or other forum or proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. The Parties themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in this case or any other judicial, arbitral, administrative, investigative or other forum or proceeding, as purported evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity, or for any other purpose. Notwithstanding the foregoing, this Agreement may be used in any proceeding before the Court that has as its purpose the interpretation, implementation, or enforcement of this Agreement or any orders or judgments of the Court entered in connection with the Agreement.

None of the documents produced or created by Plaintiff or the Aggrieved Employees in connection with the claims procedures or claims resolution procedures constitute, and they are not intended to constitute, an admission by Defendant of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity.

Section 4.02 Non-Evidentiary Use.

Neither this Agreement nor any of its terms shall be offered or used as evidence by any of the Parties, or their respective counsel in the Action or in any other action or proceeding; provided, however, this shall not prevent this Agreement from being used, offered, or received in evidence in any proceeding to enforce, construe, or finalize this Agreement and to secure its approval by the Court.

Section 4.03 Nullification.

(a) If the Court should for any reason refuse to approve the Settlement, including the payment of PAGA penalties or the release of claims as described in this Agreement, then (a) this Agreement shall be considered null and void, (b) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court.

(b) Invalidation of any material provision of this Agreement by the Court shall invalidate this Agreement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect or shall be modified. For the avoidance of doubt, modification by the Court of the amount of approved Attorneys' Fees or Litigation Costs as described in Section 3.01 above shall not constitute invalidation of any provision of this Agreement for purposes of this Section.

Article V

Release and Waiver of Claims.

Section 5.01 Release.

Upon the funding of the Settlement and providing the Settlement Administrator with the Aggrieved Employees List, and in exchange for payment of the Gross Settlement Amount, the California Labor & Workforce Development Agency and each Aggrieved Employee (including the Plaintiff) shall fully release and forever discharge the Released Parties from the Released Claims, as stated in the Order.

Article VI

Miscellaneous Provisions.

Section 6.01 Voluntariness.

This Agreement is executed voluntarily and without duress or undue influence on the part of or on behalf of any of the Parties, or of any other person, firm or other entity.

Section 6.02 Amendments.

The terms and provisions of this Agreement may be amended or modified only by a written

1 agreement that is both (a) signed by the Plaintiff and Defendant who executed this Agreement and
2 (b) approved by the Court. Any waiver of any provision of this Agreement shall not constitute a
3 waiver of any other provision of this Agreement unless expressly so indicated otherwise.

4 ***Section 6.03 Assignment.***

5 None of the rights, commitments, or obligations recognized under this Agreement may be
6 assigned by any Party, Aggrieved Employee, Plaintiff's Counsel, or Counsel for Defendant without
7 the express written consent of each other Party and their respective counsel hereto. The
8 representations, warranties, covenants, and agreements contained in this Agreement are for the sole
9 benefit of the Parties under this Agreement, and shall not be construed to confer any right or to avail
10 any remedy to any other person. Plaintiff expressly warrants that she has not transferred to any
11 person or entity any right or cause of action, or claim released by this Agreement.

12 ***Section 6.04 Governing Law.***

13 This Agreement shall be governed, construed, and interpreted, and the rights of the Parties
14 shall be determined, in accordance with the laws of the State of California.

15 ***Section 6.05 Entire Agreement.***

16 This Agreement contains the entire understanding of the Parties hereto with respect to the
17 subject matter contained herein. This Agreement supersedes all prior agreements and
18 understandings among the Parties hereto with respect to the settlement of the Action. Except as
19 expressly provided herein, this Agreement has not been executed in reliance upon any other written
20 or oral representations or terms, and no such extrinsic oral or written representations or terms shall
21 modify, vary or contradict its terms. In entering into this Agreement, the Parties agree that this
22 Agreement is to be construed according to its terms and may not be varied or contradicted by
23 extrinsic evidence.

24 ***Section 6.06 Waiver of Compliance.***

25 Any failure of any Party, and/or Plaintiff's Counsel hereto to comply with any obligation,
26 covenant, agreement, or condition herein may be expressly waived in writing, to the extent permitted
27 under applicable law, by the Party or Parties and their respective counsel hereto entitled to the

benefit of such obligation, covenant, agreement, or condition. A waiver or failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to any subsequent or other failure.

Section 6.07 Counterparts.

This Agreement, and any amendments hereto, may be executed in any number of counterparts and any Party and/or their respective counsel hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

Section 6.08 Attorneys' Fees and Costs.

Except as expressly provided herein, Defendant and Plaintiff shall each bear their own attorneys' fees and costs.

Section 6.09 Dispute(s).

This Agreement will be interpreted and enforced under the laws of the State of California, both in its procedural and substantive aspects, without regard to its conflict of laws provisions. Any claim arising out of or relating to this Agreement, or the subject matter hereof, will be resolved solely and exclusively in the Superior Court of the State of California for the County of San Diego.

Section 6.10 Binding.

This Agreement shall bind and inure to the benefit of the Parties hereto and to their respective successors, assigns, legatees, heirs, and personal representatives.

Section 6.11 Continuing Jurisdiction.

The Parties agree that upon the occurrence of the entry of judgment of this case pursuant to the terms of this Agreement, this Agreement shall be enforceable by the Court pursuant to Code of Civil Procedure Section 664.6 and the Court shall retain exclusive and continuing equity jurisdiction of this Action over all Parties and Aggrieved Employees to interpret and enforce the terms, conditions and obligations of the Agreement.

Section 6.12 Severance.

Subject to the Parties' rights pursuant to Section 4.03(b) above, should any provision of this Agreement be held invalid by a court of competent jurisdiction, that provision shall be deemed severed and deleted from this Agreement, and neither that provision nor its severance and deletion shall affect the validity of the remaining provisions herein. Notwithstanding the foregoing, no portion of any release contained herein may be deemed severed or deleted from this Agreement, except upon waiver in writing by the Released Party.

Section 6.13 No Presumption Against Drafting Party

Plaintiff, on her own behalf and on behalf of the Aggrieved Employees, and Defendant participated in the negotiation and drafting of this Agreement and had available to them the advice and assistance of independent counsel. As such, neither Plaintiff nor Defendant may claim that any ambiguity in this Agreement should be construed against the other.

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Article VII

Confidentiality

Section 7.01 Confidentiality.

Plaintiff and her Counsel agree that they have not and will not publish the Agreement with the media. In response to any questions, Plaintiff will state that “the case was resolved.” Plaintiff’s Counsel shall not report the Agreement or its content in any medium or in any publication, shall not post or report anything regarding the claims of Plaintiff or the Aggrieved Employees on their websites, and shall not contact any reporters or media regarding the Agreement or its content. However, Plaintiff’s attorneys are authorized to make disclosures to the Court, the Aggrieved Employees and the LWDA.

IT IS SO STIPULATED.

Dated: November 12, 2020

Respectfully submitted,

MCDERMOTT WILL & EMERY LLP

By:


MICHELLE STROWHIRO
CHRISTOPHER BRAHAM
Attorneys for Defendant
PAYLOCITY CORPORATION

Dated: November 11, 2020

MESERVY LAW, P.C. & DENTE LAW, P.C.

By:


LONDON D. MESERVY
MATTHEW S. DENTE
Attorneys for Plaintiff
TRACY LYNN COLLINS

EXHIBIT A

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

TRACY LYNN COLLINS, as a Private
Attorney General,

Plaintiff,

v.

PAYLOCITY CORPORATION AND DOES
1-10, INCLUSIVE,

Defendants.

Case No. 37-2020-00023030-CU-OE-CTL

REPRESENTATIVE ACTION

**PRIVATE ATTORNEY GENERAL
ACTION**

**[PROPOSED] ORDER GRANTING
APPROVAL OF PAGA SETTLEMENT;
JUDGMENT**

1 Having considered the Parties' Stipulation, submissions, and all legal authorities and
2 documents submitted in support thereof, including the Stipulation to Resolve PAGA Action
3 attached hereto as Exhibit 1 (the "Settlement") and good cause appearing, the Court finds,
4 concludes, and hereby orders as follows:

5 1. All capitalized terms that are not otherwise defined shall have the same definitions as
6 set forth in the Settlement.

7 2. The Court has jurisdiction over the subject matter of this proceeding and over all
8 Parties to this proceeding, including all Aggrieved Employees.

9 3. Plaintiff provided a copy of the Settlement to the LWDA, as required by Section
10 2699(l)(2) of the California Labor Code.

11 4. Pursuant to California Labor Code § 2699(l), the Court hereby approves the terms set
12 forth in the Settlement and finds that the Settlement is in all respects adequate considering the
13 purposes and provisions of the California Labor Code Private Attorneys General Act, California
14 Labor Code § 2698, *et seq.* and directs the Parties to effectuate the Settlement according to its
15 terms. The Court finds that the Settlement has been reached as a result of informed and non-
16 collusive arm's-length negotiations. The Court further finds that the Parties were able to reasonably
17 evaluate their respective positions. The Court also finds that settlement now will avoid additional
18 and potentially substantial litigation costs, as well as delay and risks if the Parties were to continue
19 to litigate the case. The Court has reviewed the monetary recovery being provided by the
20 Settlement and recognizes the value accorded to the State of California and Aggrieved Employees.

21 5. The Settlement does not constitute an admission by Defendant of liability to Plaintiff
22 or any Aggrieved Employee, nor does this Order constitute a finding by the Court of the validity of
23 any of the claims alleged in this Action, or any liability of Defendant or any of the Released Parties.

24 6. The Court appoints Simpluris as Settlement Administrator and approves payment of
25 Settlement Administration Expenses of \$3,000 to Simpluris as set forth in the Settlement. The
26 payment authorized by this paragraph shall be made in accordance with the terms of the Settlement.

27 7. The Court approves payment of Litigation Costs totaling \$_____ and Attorneys'
28 Fees totaling \$9,000.00 to Meservy Law, P.C. and Dente Law, P.C. The payments authorized by

1 this paragraph shall be made in accordance with the terms of the Settlement.

2 8. The Court approves disposition of the Net Settlement Amount to the LWDA and
3 Aggrieved Employees in accordance with the terms of the Settlement.

4 9. Upon the Effective Date, the Released Claims in the Settlement are deemed to have
5 been conclusively released by all Aggrieved Employees against the Released Parties.

6 10. If the Settlement does not become final and effective in accordance with its terms,
7 this Order and all orders entered in connection herewith, including the Judgment on this Order,
8 shall be vacated and shall have no further force or effect.

9 11. Judgment is hereby entered in accordance with this Order and the terms of the
10 Settlement. Without affecting the finality of the Settlement or this Judgment in any way, the Court
11 shall retain jurisdiction over the Parties for purposes of enforcing and interpreting the Settlement,
12 this Order, and this Judgment.

13 IT IS SO ORDERED.

14
15 Dated: _____

16 Hon. Gregory W. Pollack
17 Judge of the Superior Court
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EXHIBIT B

NOTICE OF SETTLEMENT

For Civil Penalties in a Representative Action Brought Under the California Labor Code Private Attorneys General Act Of 2004

Dear [REDACTED]:

By order of the Superior Court of California, County of San Diego, in *Collins vs. Paylocity Corporation, et al.*, San Diego County Superior Court Case No. 37-2020-00023030-CU-OE-CTL, (the “Action”) entered on [REDACTED], 2020 [insert approval date], you are hereby notified that a settlement has been reached between the parties in the Action and approved by the Court entitling you to compensation.

You have received this Notice because records of Paylocity Corporation (“Paylocity”) indicate that you were employed by Paylocity in California as an as Implementation Consultant (regardless of level) or equivalent position, however titled, in the State of California at some time between May 1, 2019 and October 19, 2020 (an “Aggrieved Employee”) and, therefore, you are receiving compensation in the settlement described in this Notice.

Pursuant to the terms of the Court-approved settlement, your individual settlement payment is set forth in the attached check. This settlement is for civil penalties only.

I. BACKGROUND OF THE CASE

On July 6, 2020, Plaintiff Tracy Lynn Collins filed the Action in a representative capacity for recovery of *civil penalties only* under the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, et seq. (the “PAGA”). Plaintiff’s complaint alleged that Paylocity violated the California Labor Code by: (1) failing to provide accurate wage statements in violation of Labor Code § 226; (2) failing to pay minimum wage in violation of Labor Code §§ 1182 et seq., 1197, 1197.1 and 1194; (3) failing to provide terminated employees with all wages due at the time of termination in violation of Labor Code §§ 201, 202 and 203; (4) failing to pay overtime wages in violation of Labor Code § 510; (5) failing to pay overtime wages in violation of Labor Code § 512; (6) failing to provide rest breaks to non-exempt employees in violation of Labor Code § 226.7; and (7) failing to pay overtime wages, pay minimum wages, and provide meal and rest periods in violation of Labor Code §§ 558 and 1198. After attending a full day mediation with a skilled and experienced mediator, the Hon. Peter Lichtman (Ret), the parties reached a settlement which has been approved by the Court.

Nothing in the settlement is intended or should be construed as an admission by Paylocity as to the merit of the claims in the Action.

II. SUMMARY OF THE SETTLEMENT

Calculation of Settlement Payments: The Gross Settlement Amount is Thirty Thousand Dollars (\$30,000). The Net Settlement Amount, (\$INSERT), was determined by deducting attorneys’ fees and costs totaling (\$INSERT) and settlement administration costs totaling (\$INSERT) from the Gross Settlement Amount. Per the terms of the PAGA, 75% of the Net Settlement Amount was paid to the California Labor & Workforce Development Agency (“LWDA”) and the

remaining 25% of the Net Settlement Amount was paid to Aggrieved Employees on a *pro rata* basis based upon the number of pay periods each Aggrieved Employee worked during the applicable time period. For the purposes of computing the *pro rata* amounts paid to Aggrieved Employees under this settlement, the per pay period amount paid for pay periods occurring between May 1, 2019 through November 18, 2019 had a value that was double the value assigned to pay periods occurring between November 19, 2019 to [INSERT the date of the entry of the Order approving the Settlement or December 31, 2020 whichever is earlier].

Claims Released by the Settlement: The settlement only releases claims for civil penalties belonging to the State of California. The settlement released any and all actions, claims or causes of action arising during from May 1, 2019 through [INSERT the date of the entry of the Order approving the Settlement or December 31, 2020 whichever is earlier] seeking civil penalties under the PAGA based on the alleged California Labor Code violations that were asserted in the Action based on the facts alleged, including but not limited to all claims seeking the civil penalties described in Cal. Labor Code § 558 and all civil penalty claims, including but not limited to violations of the California Labor Code §§ 201, 202, 203, 226, 226.7, 510, 512, 558, 1182 et seq., 1197, 1197.1, 1194 and 1198 and the applicable provisions of the relevant IWC Wage Orders, with respect to failure to pay overtime wages, failure to pay minimum wage, failure to provide meal and rest breaks, failure to timely pay wages upon separation of employment and failure to provide compliant wage statements.

III. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you should review the detailed “Stipulation To Resolve PAGA Action” which is on file with the Clerk of the Court. The pleadings and other records in the Action may be examined at any time during regular business hours at the Office of the Clerk of the Superior Court of California, County of San Diego, Hall of Justice, 330 West Broadway, San Diego, CA 92101.

If you have questions about the settlement, you may contact Plaintiff’s counsel:

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PLEASE DO NOT TELEPHONE THE COURT, THE OFFICE OF THE CLERK, OR PAYLOCITY’S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT.

BY ORDER OF THE COURT