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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

NICOLA ROMANO, as an individual and
on behalf of all others similarly situated,

Plaintiffs,

vs.

SSA TERMINALS, LLC, a Delaware
limited liability company; and DOES 1
through 50, inclusive,

DEFENDANTS.

Case No.: 20STCV29048

[Assigned for all purposes to the Hon. William F.
Highberger, Department 10]

**DECLARATION OF NICHOLAS
ROSENTHAL IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: April 22, 2022

Time: 11:00 a.m.

Dept.: 10

Complaint Filed: July 30, 2020

Trial Date: None Set

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I, Nicholas Rosenthal, declare as follows:

1. I am an attorney at law, duly licensed to practice before all Courts in the State of California, and am with the law firm Diversity Law Group, P.C., counsel of record for Plaintiff Nicola Romano (“Plaintiff”). I have personal knowledge of the facts set forth below and if called to testify I could and would do so competently.

CASE SUMMARY

2. On July 30, 2020, Plaintiff filed a class and representative action complaint against Defendant SSA Terminals, LLC (“Defendant”) alleging violation of California Labor Code sections 226(a) and 2698, *et seq.*, the Private Attorneys General Act (“PAGA”) (the “Complaint”). Specifically, Plaintiff’s Complaint alleged that the wage statements issued by Defendant failed to identify the correct total hours worked in violation of Labor Code section 226(a)(2) and sought penalties pursuant to PAGA for the underlying violation of Labor Code section 226(a).

3. Following the filing of the Complaint, the Parties subsequently agreed to attempt mediation of Plaintiff's claims. In connection therewith, Defendant produced data relating to the number of wage statements issued to each putative class member. This allowed Plaintiff's counsel to conduct a full damage analysis.

4. On February 3, 2021, the Parties conducted private mediation with the Honorable Thierry Patrick Colaw (Ret.). Despite a full day of negotiations, the Parties were unable to reach an agreement.

5. Thereafter, the Parties engaged in discovery. On or about February 9, 2021, Plaintiff propounded discovery requests to Defendant, including requests for production of documents and interrogatories. Defendant produced responsive documents, including Plaintiff's wage statements, and copies of Defendant's correspondence and policies regarding the issuance of wage statements.

6. After the exchange of further information and discovery and extended negotiations, the Parties reached an agreement in principle which was memorialized in a

Memorandum of Understanding. Thereafter, the Parties entered into a long form agreement of settlement.

SUMMARY OF THE SETTLEMENT TERMS

7. The terms of the class-wide settlement are set forth in the Joint Stipulation of Class and Representative Action Settlement and Release (the “Settlement Agreement”). A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit A**.

8. The proposed class consists of “all current and former employees of Defendant represented by the International Association of Machinists and Aerospace Workers (or “IAM”, either at the local or national level) in California who received at least one wage statement from Defendant at any time from, and including, April 6, 2019 to November 1, 2020.” Based upon Defendant’s records, there are approximately 326 individuals that comprise of the Settlement Class. *See* Settlement Agreement ¶ 3. Class Members do not need to do anything other than keep their addresses current with the Settlement Administrator should they wish to receive their share of the settlement funds. If a Settlement Class Member does not wish to take part in this settlement and be bound by the release, he or she must submit a Request for Exclusion. *Id.* ¶ 58.

9. The Settlement Agreement provides for a Gross Settlement Amount of Two Hundred Fifty Thousand Dollars (\$250,000.00). *See* Settlement Agreement ¶ 16. The Net Settlement Amount, calculated after deduction of attorneys’ fees (up to \$83,333.33), costs (up to \$10,000.00), Class Representative Enhancement Payment (up to \$10,000.00), payment to the LWDA for PAGA penalties (\$7,500.00), and Settlement Administration Costs (up to \$10,000.00), is estimated to be approximately \$124,166.67. *Id.* ¶¶ 5, 9, 18, 21, 31. The amount distributed to each Participating Settlement Class Member will depend on the number of wage statements each respective Settlement Class Member received during the Class Period. *Id.* ¶ 46.

10. As part of the Settlement Agreement, Defendant does not object to Plaintiff’s Counsel’s request for attorney’s fees up to one-third of the Gross Settlement Amount—*i.e.*, the sum of Eighty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$83,333.33), plus up to Fifteen Thousand Dollars (\$15,000.00) for reimbursement of litigation costs. *See* Settlement Agreement ¶ 5. Also, as part of the Settlement Agreement Defendant does

not object to Plaintiff's request for an enhancement payment of Ten Thousand Dollars (\$10,000.00). *Id.* ¶ 9.

11. Finally, the Settlement Agreement provides for the payment of the Settlement Administrator for the administration of this current settlement. The Parties have received a quote from Phoenix Settlement Administrators for a fee of approximately Ten Thousand Dollars (\$10,000.00) to administer the settlement. *See* Settlement Agreement ¶¶ 30-31.

12. After deducting the amounts listed above, it is estimated that the Net Settlement Amount of \$124,166.67 will be distributed to the Settlement Class.

POTENTIAL STATUTORY AND CIVIL PENALTIES

13. I negotiated the settlement sum based on a clear understanding of the maximum exposure in this case. Based on the number of class members (326) and wage statements at issue (26,732), the total maximum potential penalties are approximately \$5,330,100.00. Of this amount, the maximum potential Labor Code section 226(e) penalties is approximately \$2,656,900.00. This exposure assumes that the Court would find that the Class suffered "injury" as a result of the alleged violations, and that the violations were "knowing and intentional." As explained above, Defendant disputes that Plaintiff can establish either on a class-wide basis.

14. The maximum potential PAGA penalties are \$2,673,200.00. I calculated the PAGA penalties using the civil penalty set forth in Labor Code section 226.3. *See* Cal. Lab. Code § 226.3 (an employer who violates Labor Code section 226(a) "shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation"). However, the trial court has the discretion to reduce PAGA civil penalties "if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." *See* Cal. Labor Code § 2699(e)(2). Thus, the \$2,673,200.00 figure does not factor in the likelihood that the Court could greatly reduce the amount of penalties at trial.

15. Under the facts of this case, I appreciate the risk that Defendant could present a persuasive argument to reduce the amount of PAGA penalties at trial. For example, in *Fleming v. Covidien, Inc.*, 2011 U.S. Dist. LEXIS 154590 (C.D. Cal. Aug. 12, 2011), while the plaintiff

1 ultimately prevailed in a PAGA trial predicated on a violation of Labor Code section 226(a), *i.e.*,
2 inaccurate wage statements, the Court assessed only 17% of the maximum penalties— and this
3 was after finding liability at trial. Similarly, Judge Carville of the Alameda Superior Court in the
4 matter of *Parr v. Golden State Overnight*, Alameda Superior Court Case No. RG12618103,
5 assessed PAGA penalties upon Defendant of approximately 7% of the total maximum
6 penalties—again, this was only after plaintiff had prevailed at trial. In one recent California
7 Court of Appeal case, a trial court’s reduction of PAGA penalties by 90% was upheld.
8 *Carrington v. Starbucks*, 30 Cal. App. 5th 504, 529 (2018).

9 16. Although I believe in the merits of the alleged claims and believe that there is no
10 reason for reducing PAGA penalties, I am aware that Defendant may raise defenses to the claims
11 and further with respect to the reduction of PAGA penalties and that it could be persuasive to the
12 Court. For example, Defendant raised several defenses that presented risk, including an
13 employee could perform math calculations to determine his or her total hours worked and hourly
14 pay rate on wage statements.

15 17. Thus, even if Plaintiff were to successfully prove her claims at trial, there is a
16 possibility that the Court may only award a small percentage of PAGA penalties, as the Court
17 has discretion to do so. The Gross Settlement Amount was premised with this risk in mind,
18 associated with the possibility of the Court significantly reducing Plaintiff’s PAGA penalties,
19 along with other attendant risks, even if Plaintiff was to prevail at trial.

20 18. Here, the Gross Settlement Amount is fair and reasonable as it is approximately
21 **9.4%** of the potential recovery of Plaintiff’s class and PAGA claims if Plaintiff was to fully
22 succeed at trial.

23 19. Based on my own independent investigation and evaluation, I am of the opinion
24 that settlement for the consideration and on the terms set forth in the Joint Stipulation of Class
25 and Representative Action Settlement and Release is fair, reasonable, and adequate and is in the
26 best interests of the Settlement Class and Defendant in light of all known facts and
27 circumstances, and the uncertainty and risks to Plaintiff involved in not prevailing on one or
28 more of the causes of action or theories alleged in the operative Complaint, the possibility of

1 non-certification, and the potential for appeals.

2 **THE SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE**

3 20. From the inception of the case, Class Counsel has zealously represented the
4 interests of the Settlement Class. The Settlement was obtained for the benefit of the Settlement
5 Class, as opposed to the individual Class Representative.

6 21. The Settlement Agreement calls for the Net Settlement Amount (calculated after
7 deduction of attorneys' fees, costs, Class Representative Enhancement Payment, LWDA
8 payment, and Settlement Administration Costs) to be paid to all Settlement Class Members.
9 Based on an estimated to be amount of \$124,166.67, Settlement Class Members will be entitled
10 to recover, on average, up to \$380.88 each or \$4.64 per wage statement.

11 22. The amount any Settlement Class Member will be entitled to recover will be
12 greater or lower, depending on the number of wage statements each respective Settlement Class
13 Member received during the Class Period, with some entitled to receive more, and others less.
14 This is fair, as it directly allocates greater recovery to individual Settlement Class Members who
15 have allegedly suffered greater harm. The amount may also vary depending on the number of
16 timely Requests for Exclusion received by the Settlement Administrator.

17 23. Additionally, the scope of the release is appropriately limited. As a condition of
18 participating in this settlement, Settlement Class Members waive and release all claims,
19 demands, charges, rights, liabilities, and/or causes of action that were pled/made or could have
20 been pled/made based on the factual allegations in the operative Complaint for the period from
21 and including April 6, 2019, through November 1, 2020. *See* Settlement Agreement ¶¶ 25, 68.
22 This release is appropriately limited, as it only applies during the time period of April 6, 2019,
23 through November 1, 2020.

24 24. I believe that Plaintiff and the Settlement Class could prevail at trial. However, I
25 also believe in the fairness of the settlement, which is based on factoring in the inherent risks in
26 drawn-out litigation and the specific risks that a class might not be certified and/or that Plaintiff
27 could fail to establish liability. Moreover, as Defendant adamantly denies that it should be liable
28 for the full extent of the penalties, there is a possibility that Plaintiff and the Settlement Class

1 would be awarded fewer or no penalties at trial.

2 25. Thus, after taking into account sharply disputed legal issues involved in this
3 litigation, the risks associated with further prosecution, delays caused by potential appeals, and
4 the substantial benefits to be received pursuant to the Settlement Agreement, I believe that the
5 proposed settlement is fair, reasonable, and adequate and is in the best interests of the Settlement
6 Class.

7 **ATTORNEY'S EXPERIENCE**

8 26. Both Plaintiff's and Defendant's counsel have a great deal of experience in wage
9 and hour class action litigation. Plaintiff's counsel has been approved as class counsel in a
10 number of wage and hour class actions and have extensive litigation experience.

11 27. My qualifications are as follows: I received my JD from University of Southern
12 California Gould School of Law in 2009. Upon graduation, I practiced law as an associate at
13 Seyfarth Shaw LLP, representing corporate clients in both single-plaintiff and wage hour class
14 actions. In 2014, I began as an associate at Diversity Law Group.

15 28. I have handled a number of wage and hour matters including class actions and
16 multiple-plaintiff actions. I have been named as class counsel in a number of class actions that
17 have been granted certification or preliminary or final approval by the Superior Courts of Los
18 Angeles County, Orange County, Alameda County, and Monterey County, the United States
19 District Court for the Central District of California, and the United States District Court for the
20 Northern District of California.

21 I declare under penalty of perjury under the laws of the State of California that the
22 foregoing is true and correct.

23 Executed on this 30th day of March 2022, at Los Angeles, California.

24 

25 _____
26 Nicholas Rosenthal
27
28

EXHIBIT A

Larry W. Lee (State Bar No. 228175)
Kristen M. Agnew (State Bar No. 247656)
Nicholas Rosenthal (State Bar No. 268297)
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Attorneys for Plaintiff, who seeks to represent the Class and Aggrieved Employees

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SSA TERMINALS, LLC, a Delaware
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Case No.: 20STCV29048

[Assigned for all purposes to the Hon. William F.
Highberger, Department 10]

**JOINT STIPULATION OF CLASS AND
REPRESENTATIVE ACTION SETTLEMENT
AND RELEASE**

Complaint Filed: July 30, 2020
Trial Date: None Set

JOINT STIPULATION OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT
AND RELEASE

This Joint Stipulation of Class and Representative Action Settlement and Release is made and entered into by and between Plaintiff Nicola Romano ("Plaintiff") and Defendant SSA Terminals, LLC ("Defendant" and collectively with Plaintiff, the "Parties").

DEFINITIONS

The following definitions are applicable to this Agreement. Definitions contained elsewhere in this Agreement shall also be effective:

1. "Action" means *Nicola Romano v. SSA Terminals, LLC*, Los Angeles County Superior Court Case No. 20STCV29048 (filed on July 30, 2020).
2. "Agreement" or "Settlement Agreement" means this Joint Stipulation of Class and Representative Action Settlement and Release.
3. "Settlement Class" or "Settlement Class Member(s)" means all current and former employees of Defendant represented by the International Association of Machinists and Aerospace Workers (or "IAM", either at the local or national level) in California who received at least one wage statement from Defendant at any time from, and including, April 6, 2019, to November 1, 2020. Defendant has represented that there are approximately 326 individuals that comprise the Settlement Class. Further, Defendant has represented that Settlement Class Members received approximately 26,732 wage statements during the Class Period.
4. "Class Counsel" means Larry W. Lee, Kristen M. Agnew, and Nicholas Rosenthal of Diversity Law Group, P.C. and William L. Marder of Polaris Law Group.
5. "Class Counsel Award" means such award of fees and costs and expenses as the Court may authorize to be paid to Class Counsel for the services they have rendered and will render to Plaintiff and the Settlement Class in the Action. Defendant agrees not to oppose Class Counsel Award of up to one-third (1/3) of the Gross Settlement Amount (\$250,000.00), i.e. the sum of Eighty Three Thousand Three Hundred Thirty Three Dollars and Thirty Three Cents (\$83,333.33), and costs in the amount of up to Fifteen Thousand Dollars and Zero Cents (\$15,000.00), subject to the Court finally approving this Settlement. Any portion of the Class

Counsel Award not awarded to Class Counsel shall be added to the Net Settlement Amount.

6. "Settlement Class List and Data" means information regarding all Settlement Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator after Preliminary Approval of this Settlement pursuant to the timeline(s) set forth herein. The Settlement Class List and Data shall be formatted as a Microsoft Excel spreadsheet or equivalent and shall include each Class Member's: full name; last known or provided mailing address; Social Security Number; and number of wage statements received from Defendant during the period of April 6, 2019, through November 1, 2020.

7. "Settlement Class Period" means the period from April 6, 2019, through November 1, 2020.

8. "Class Representative" or "Plaintiff" means Nicola Romano.

9. "Class Representative Enhancement Payment" means the amount that the Court authorizes to be paid to Plaintiff, in addition to his Individual Settlement Payment, in recognition of his efforts and risks in assisting with the prosecution of the Action and his Additional Release and Waiver of Claims, which is set forth further herein. Subject to the Court granting final approval, the Parties agree that Plaintiff shall be paid up to Ten Thousand Dollars and Zero Cents (\$10,000.00) from the Gross Settlement Amount. Any portion of the Class Representative Enhancement Payment not awarded to the Class Representative shall be added to the Net Settlement Amount.

10. "Complaint" means the operative Complaint filed by Plaintiff Nicola Romano in this Action.

11. "Counsel for Defendant" or "Defense Counsel" means James J. McMullen Jr. and Justin M. Michitsch of the law firm Gordon Rees Scully Mansukhani, LLP.

12. "Court" means the Superior Court for the State of California, County of Los Angeles, or any other court taking jurisdiction of the Action.

13. "Defendant" means Defendant SSA Terminals, LLC.

14. "Effective Date" means the first date upon which all of the following events have

1 occurred: (1) this agreement has been executed by all parties and by Class Counsel and Counsel
2 for Defendant; (2) the Court has preliminarily approved the settlement; (3) notice has been given
3 to Settlement Class Members; (4) the Court has held a final approval hearing and entered a final
4 order approving the Settlement; and (5) if no appeal is filed, the date of the entry of the final
5 order, or, if an appeal is filed, upon the final dismissal of the appeal, writ, or other appellate
6 proceeding opposing the settlement.

7 15. "Final Approval" means the order entered by the Court granting final approval of
8 the Settlement.

9 16. "Gross Settlement Amount" means the maximum settlement amount of Two
10 Hundred Fifty Thousand Dollars (\$250,000.00) to be paid by Defendant as a result of this
11 Agreement. The Gross Settlement Amount includes, but may not be limited to, all Individual
12 Settlement Payments to Participating Settlement Class Members, the Class Representative
13 Enhancement Payment to Plaintiff, Settlement Administration Costs to the Settlement
14 Administrator, the PAGA Payment (including LWDA payment), interest (to the extent
15 applicable), and Class Counsel Award.

16 17. "Individual Settlement Payment" means the amount payable from the Net
17 Settlement Amount to each Participating Settlement Class Member, which will be determined for
18 each Participating Settlement Class Member on a pro rata basis as set forth herein.

19 18. "Net Settlement Amount" means the balance of the Gross Settlement Amount
20 remaining after deduction of the approved Class Representative Enhancement Payment,
21 Settlement Administration Costs, the LWDA portion of the PAGA Payment, and Class Counsel
22 Award. The entire Net Settlement Amount is the maximum amount that will be available for
23 distribution to Participating Settlement Class Members.

24 19. "Notice of Objection" means a Settlement Class Member's written objection to
25 the Settlement. A valid Notice of Objection should include: (a) the objector's full name,
26 signature, address, and telephone number; (b) a written statement of basis for the objection; and
27 (c) any copies of papers, briefs, or documents upon which the objection is based. The Notice of
28 Objection must be returned by mail to the Settlement Administrator at the specified address

1 indicated in the Notice Packet, and should be postmarked on or before the Response Deadline.

2 But, submission of a "Notice of Objection" does not constitute a request for exclusion or to be
3 opted out of the Settlement.

4 20. "Notice Packet" means the Notice of Class and Representative Action Settlement,
5 substantially in the form attached as **Exhibit A**.

6 21. "PAGA Payment" means the portion of the Gross Settlement Amount that the
7 Parties have agreed will be allocated to resolve all claims, penalties, remedies, and otherwise
8 under the Private Attorneys General Act of 2004 (Cal. Lab. Code § 2698, *et seq.*, "PAGA"). The
9 amount of the PAGA Payment is subject to Court approval pursuant to California Labor Code
10 Section 2699(I). The Parties have agreed that Ten Thousand Dollars and Zero Cents (\$10,000.00)
11 of the Gross Settlement Amount shall be allocated to the resolution of any Settlement Class
12 Members' claims arising under PAGA. Pursuant to the PAGA, seventy-five percent (75%) of the
13 PAGA Payment, *i.e.* the sum of Seven Thousand Five Hundred Dollars and Zero Cents
14 (\$7,500.00), shall be paid to the California Labor and Workforce Development Agency
15 ("LWDA"), and twenty-five percent (25%) of the PAGA payment, *i.e.* the sum of Two Thousand
16 Five Hundred Dollars (\$2,500.00), shall become part of the Net Settlement Amount for
17 distribution to Participating Settlement Class Members. This settlement will be forwarded to the
18 LWDA by the Settlement Administrator. Reallocation of settlement proceeds to increase the
19 PAGA Payment will not constitute grounds by either Party to void this Agreement, so long as the
20 Gross Settlement Amount remains the same, and Plaintiff agrees to engage in any and all good
21 faith efforts to have the Agreement approved by the LWDA and/or defend against a challenge of
22 the Agreement and/or Settlement by that agency if and as necessary.

23 22. "Parties" means Plaintiff, on behalf of himself and Participating Settlement Class
24 Members, and Defendant collectively.

25 23. "Participating Settlement Class Members" means all Settlement Class Members
26 who do not submit a valid and timely Request for Exclusion.

27 24. "Preliminary Approval" means the Court's order granting preliminary approval of
28 the Settlement.

25. "Released Claims" means the following: all claims, demands, charges, rights, liabilities, and/or causes of action that were pled/made or could have been pled/made based on the factual allegations in the operative Complaint for the period from and including April 6, 2019, through November 1, 2020. The claims pled in the operative Complaint are (1) violation of Labor Code Sec. 226 and/or failure to issue accurate itemized wage statements in accordance with same; (2) entitlement to statutory penalties and/or damages arising out of, related to, and/or based on violation of Labor Code Sec. 226; (3) entitlement to PAGA civil penalties based on violation of Labor Code Sec. 226. Plaintiff, per his Operative Complaint, also seeks interest as well as attorneys' fees and costs based upon and/or in conjunction with these claims, which, along with any other prayer(s) for relief or types of recovery not specifically listed herein but set forth in the Operative Complaint, are also covered by and included in the definition of "Released Claims" and being released via this Settlement.

26. "Released Parties" means Defendant, as well as its past or present companies, subsidiaries, divisions, related or affiliated companies, and each of their shareholders, officers, partners, joint ventures, consultants, advisors, directors, employees, agents, operators, attorneys, insurers and the heirs, successor and assigns of any such person or entity, and any individual or entity that could be held jointly liable with Defendant and/or considered or found liable, to any extent, for Defendant's alleged liability in the Action..

27. "Request for Exclusion" means a valid, timely, written request by a Settlement Class Member indicating a request to be excluded from the Settlement. For a Request for Exclusion to be valid, it must: (a) clearly state that the Settlement Class Member does not wish to be included in the Settlement; (b) set forth the name, address, telephone number, and last four digits of the Social Security Number of the Settlement Class Member requesting exclusion; (c) be signed and dated by the Settlement Class Member; (d) be returned by mail to the Settlement Administrator at the specified address indicated in the Notice Packet; and (e) be postmarked on or before the Response Deadline.

28. "Response Deadline" means forty-five (45) days after the Settlement Administrator initially mails the Notice Packet to Settlement Class Members, and the last date on

1 which Settlement Class Members may submit a Request for Exclusion or Notice of Objection.

2 29. "Settlement" means the agreement among the Parties to resolve the Action, as set
3 forth in this Agreement.

4 30. "Settlement Administrator" means Phoenix Settlement Administrators.

5 31. "Settlement Administration Costs" means the fees, costs, and expenses reasonably
6 incurred by the Settlement Administrator as a result of the procedures and processes expressly
7 required by this Agreement, which are estimated at Ten Thousand Dollars and Zero Cents
8 (\$10,000.00). Any portion of the Settlement Administration Costs not used or approved by the
9 Court shall be added to the Net Settlement Amount. However, the Parties hereby acknowledge
10 that the Settlement Administration Costs may increase above the current estimate of Ten
11 Thousand Dollars and Zero Cents (\$10,000.00) and that any such additional Settlement
12 Administration Costs that are approved by counsel for the Parties shall be taken out of the Gross
13 Settlement Amount.

14 32. "Settlement Payment Check" means the payment to Participating Settlement
15 Class Members pursuant to this Settlement who do not submit a valid Request for Exclusion
16 from the Settlement, which shall be mailed ten (10) calendar days after receipt of funds from
17 Defendant as set forth in Paragraph 68.

18 RECITALS

19 33. This Settlement is made and entered into by and between Plaintiff and Defendant,
20 and is subject to the terms and conditions hereof, and to the Court's approval. The Parties
21 expressly acknowledge that this Agreement is entered into solely for the purpose of
22 compromising significantly disputed claims and that nothing herein is an admission of liability or
23 wrongdoing by Defendant. Defendant denies that it is liable to Plaintiff or the Settlement Class
24 Members and denies that it has violated any law and/or the alleged entitlement of Plaintiff,
25 Settlement Class Members, or otherwise to any monies in relation to the Action and/or
26 allegations set forth therein.

27 34. On June 24, 2020, Plaintiff filed a notice with the LWDA alleging that Defendant
28 violated Labor Code § 226(a), pursuant to Labor Code § 2698, *et seq.* ("PAGA").

1 35. On July 30, 2020, Plaintiff filed a putative class and representative action
2 complaint. The complaint alleges (1) violation of Labor Code § 226(a) on a classwide basis; and
3 (2) violation of Labor Code § 2698, *et seq.*, predicated on the underlying violations of Labor
4 Code Sec. 226(a). Through the Action, Plaintiff seeks, among other things and on a classwide
5 and/or representative basis, statutory as well as civil penalties, attorneys' fees and costs, interest,
6 and all other relief related to Defendant's alleged violation of the Labor Code as set forth in the
7 operative Complaint.

8 36. After Plaintiff initiated the Action, the Parties agreed to explore early resolution
9 opportunities. In connection with these efforts, Defendant produced documentary evidence and
10 data to Plaintiff, including data pertaining to the number of Settlement Class Members and the
11 number of wage statements that were issued to Settlement Class Members during the Settlement
12 Class Period, which allowed Plaintiff to conduct a full penalties and/or damages analysis.

13 37. On February 3, 2021, the Parties attended a private mediation with a well-
14 respected mediator, the Honorable Thierry Patrick Colaw. However, a settlement was not
15 reached at mediation.

16 38. On January 19, 2022 and after further exchanges between Plaintiff and Defendant
17 of additional data, argument, as well as written discovery, the Parties executed a Memorandum
18 of Understanding memorializing their agreement to settle the Action.

19 39. The Parties recognize the risk, expense, and delay in continuing the Action, and
20 therefore believe the Settlement to be fair, reasonable, and adequate. Accordingly, the Parties
21 desire to settle, compromise, and discharge all disputes and claims arising from or relating to the
22 Action.

23 **TERMS OF AGREEMENT**

24 40. Settlement Consideration. In full satisfaction of all claims arising from the Action
25 or that could have been alleged in the Action, Defendant shall pay the total sum of Two Hundred
26 Fifty Thousand Dollars and Zero Cents (\$250,000.00), or, as referred to herein, the "Gross
27 Settlement Amount," which shall be used to pay: (1) Individual Settlement Payments; (2) Class
28 Counsel Award; (3) Class Representative Enhancement Payment; (4) Settlement Administration

1 Costs to the Settlement Administrator; and (5) the PAGA Payment (which includes payment to
2 the LWDA). The Parties agree that this is a non-reversionary Settlement and that no portion of
3 the Gross Settlement Amount shall revert to Defendant, except in the event of rescission
4 pursuant to Paragraph 66 of this Agreement. The Parties also agree that the Gross Settlement
5 Amount is the total amount Defendant shall pay to resolve the Action, and Defendant will not be
6 obligated to pay any amount beyond the Gross Settlement Amount, except in the event that
7 Paragraph 50 of this Agreement is triggered. As long as Paragraph 50 of this Agreement is not
8 triggered, Defendant will, under no circumstances, be required to add to or increase the amount
9 of the Gross Settlement Amount to resolve the Action or otherwise.

10 41. Funding of the Gross Settlement Amount. Within thirty (30) business days after
11 the Effective Date, Defendant shall make a one-time deposit of the Gross Settlement Amount
12 into a Qualified Settlement Fund ("QSF") to be established by the Settlement Administrator. The
13 QSF shall be an interest-bearing account at a federally-insured bank that is mutually acceptable
14 to the Parties and the Settlement Administrator. The funds in the QSF shall be invested either in
15 short-term U.S. Treasury securities with maturity dates of less than 90 days at the time of
16 deposit, or in an SEC-registered money market fund investing exclusively in U.S. Treasury
17 securities with average maturities of less than 90 days and rated AAA by Standard & Poor's. The
18 Parties agree that the QSF is intended to be a "Qualified Settlement Fund" under Section 468B of
19 the Internal Revenue Code and Treas. Reg. § 1.468B-1, 26 C.F.R. § 1.468B-1, *et seq.*, and will
20 be administered by the Settlement Administrator as such. With respect to the QSF, the
21 Settlement Administrator shall: (1) open and administer the Settlement Account in such a
22 manner as to qualify and maintain the qualification of the QSF as a "Qualified Settlement Fund"
23 under Section 468B of the Internal Revenue Code and Treas. Reg. § 1.468B-1; (2) satisfy all
24 federal, state and local and income and other tax reporting, return, and filing requirements with
25 respect to the QSF and any interest or other income earned by the QSF, and (3) satisfy out of the
26 QSF all (i) taxes (including any estimated taxes, interest, or penalties) with respect to the interest
27 or other interest earned by the QSF, and (ii) fees, expenses and costs incurred in connection with
28 the opening and administration of the QSF and the performance of its duties and functions as

described in this Agreement. The aforementioned taxes, fees, costs and expenses shall be treated as and included in the costs of administering the QSF and be a part of or considered included in the Claims Administration Expenses. Defendant shall not be required to pay any monies or amount outside of the Gross Settlement Amount in relation to the QSF and/or fees, taxes, costs, or otherwise related to same, no matter what those amounts ultimately end up being. The Parties and the Settlement Administrator shall treat the QSF as coming into existence as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. § 1.468B-1(j)(2)(i), and such election statement shall be attached to the appropriate returns as required by 26 C.F.R. § 1.468B-1(j)(e)(ii). The Parties agree to cooperate with the Settlement Administrator and one another to the extent reasonably necessary to carry out the provisions of this Section.

42. Class Counsel Award. Defendant agrees not to oppose or impede any application or motion by Class Counsel for attorneys' fees of up to one-third (1/3) of the Gross Settlement Amount, i.e., the sum of Eighty Three Thousand Three Hundred Thirty Three Dollars and Thirty Three Cents (\$83,333.33), and costs in the amount of up to Fifteen Thousand Dollars (\$15,000.00), which shall be paid from the Gross Settlement Amount. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel reflecting the awarded attorneys' fees, costs, and expenses. Class Counsel shall be solely and legally responsible to pay any and all applicable taxes on the Class Counsel Award and shall hold harmless Defendant from any claim or liability for taxes, penalties, or interest arising as a result of the Class Counsel Award. Any portion of the Class Counsel Award not awarded to Class Counsel shall be added to the Net Settlement Amount and shall be distributed to Participating Settlement Class Members as provided in this Agreement.

43. Class Representative Enhancement Payment. Defendant agrees not to oppose or impede any application or motion by Plaintiff for a Class Representative Enhancement Payment of up to Ten Thousand Dollars (\$10,000.00) to Plaintiff. The Class Representative Enhancement Payment shall be paid from the Gross Settlement Amount and shall be paid in addition to Plaintiff's Individual Settlement Payment as a Participating Class Member. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff reflecting the Class Representative

1 Enhancement Payment. Plaintiff shall be solely and legally responsible to pay any and all
2 applicable taxes on his Class Representative Enhancement Payment and shall hold harmless
3 Defendant from any claim or liability for taxes, penalties, or interest arising as a result of the
4 Class Representative Enhancement Payment. Any portion of the Class Representative
5 Enhancement Payment not awarded to Plaintiff shall be added to the Net Settlement Amount and
6 shall be distributed to Participating Settlement Class Members as provided in this Agreement.

7 44. Settlement Administration Costs. The Settlement Administrator shall be paid for
8 the reasonable costs of administration of the Settlement from the Gross Settlement Amount,
9 currently estimated at Ten Thousand Dollars and Zero Cents (\$10,000.00). These costs, which
10 shall be paid from the Gross Settlement Amount, shall include, *inter alia*, the required tax
11 reporting on the Individual Settlement Payments, the issuing of 1099 IRS Forms, establishing a
12 QSF and paying any fees, costs, or taxes in connection with maintenance and/or closing of same,
13 administering and distributing the Gross Settlement Amount and Class Counsel Award, and
14 providing necessary reports and declarations. Any portion of the Settlement Administration
15 Costs not allowed shall be added to the Net Settlement Amount and shall be distributed to
16 Participating Settlement Class Members as provided in this Agreement.

17 45. PAGA Payment. Subject to Court approval, the Parties agree that the amount of
18 Ten Thousand Dollars and Zero Cents (\$10,000.00) of the Gross Settlement Amount shall be
19 designated for satisfaction of claims for civil penalties under the PAGA. The Settlement
20 Administrator shall pay seventy-five percent (75%) of the PAGA payment, i.e. the sum of Seven
21 Thousand Five Hundred Dollars and Zero Cents (\$7,500.00), to the LWDA. The remaining
22 twenty-five percent (25%), i.e., the sum of Two Thousand Five Hundred Dollars and Zero Cents
23 (\$2,500.00), shall become part of the Net Settlement Amount and be distributed to Participating
24 Settlement Class Members as per this Agreement.

25 46. Calculation of Individual Settlement Payments. The Net Settlement Amount shall
26 be used to satisfy Individual Settlement Payments to Participating Settlement Class Members
27 from the Settlement Class in accordance with the terms of this Agreement. The Settlement
28 Administrator will allocate the Individual Settlement Payments by distributing the Net

1 Settlement Amount to the Settlement Class Members on a pro-rata basis. To do so, the Net
2 Settlement Amount will be divided by the total number of wage statements that were issued
3 during the Settlement Class Period, which will result in a per wage statement figure or a
4 “Qualifying Wage Statement Value.” The Qualifying Wage Statement Value will be multiplied
5 by the number of wage statements that each Class Member received during the Class Period,
6 which will determine how much of the Net Settlement Amount he/she is to receive as his/her
7 Individual Settlement Payment.

8 Participating Settlement Class Members are entitled to 100% of the Net Settlement
9 Amount. Defendant maintains no reversionary right to any portion of the Net Settlement
10 Amount. If there are any timely submitted Requests for Exclusion, the Settlement Administrator
11 shall proportionately increase the Individual Settlement Payments for each Participating
12 Settlement Class Member so that the amount actually distributed to Participating Settlement
13 Class Members equals 100% of the Net Settlement Amount.

14 47. Tax Treatment. Fifty percent (50%) of each Individual Settlement Payment shall
15 be allocated as payment for allegedly owed unpaid civil and statutory penalties while the other
16 fifty percent (50%) shall be allocated as allegedly owed interest. The portions allocated to
17 penalties and interest shall be reported on an IRS Form-1099 for each Settlement Class Member.
18 The Enhancement Payment shall be reported on an IRS Form-1099.

19 Defendant makes no representation as to the tax treatment or legal effect of the payments
20 called for in this Agreement, and Plaintiff and Participating Settlement Class Members are not
21 relying on any statement, representation, or calculation by Defendant. Plaintiff and Participating
22 Settlement Class Members understand and agree that they will be solely responsible for the
23 payment of any taxes and penalties assessed on the payments described herein. Plaintiff, Class
24 Counsel, and Participating Settlement Class Members shall be solely and legally responsible for
25 correctly characterizing the payments they receive pursuant to this Agreement for tax purposes
26 and for paying any taxes on the amounts received.

27 48. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
28 PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY

1 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER
2 PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
3 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR
4 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS
5 INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE
6 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN
7 THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230
8 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS
9 RELIED EXCLUSIVELY UPON HIS OR ITS OWN, INDEPENDENT LEGAL AND TAX
10 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
11 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
12 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO
13 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
14 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY
15 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
16 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
17 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
18 OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF
19 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
20 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
21 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
22 AGREEMENT.

23 49. Issuance of Tax Forms. The Settlement Administrator shall be responsible for
24 issuing to Plaintiff, Participating Settlement Class Members, and Class Counsel any IRS Form-
25 1099 or other tax forms as may be required by law for all amounts paid pursuant to this
26 Agreement. All expenses and costs incurred by, or at the direction of, the Settlement
27 Administrator in connection with the operation and implementation of this Settlement
28 Agreement (including, without limitation, expenses of tax attorneys and/or accountants and

mailing and distribution costs and expenses relating to filing or failing to file the informational and other tax returns described in this Agreement) shall be treated as, and considered to be, costs of administration of this Settlement and thus part of the Settlement Administration Costs.

50. Escalation Clause Based on Represented Wage Statement Count. The Gross Settlement Amount was calculated with, and is premised on, approximately 326 persons being eligible to participate in the Settlement and 26,732 wage statements that were issued to those persons during the Settlement Class Period. If the actual number of wage statements issued to the Settlement Class Members during the Class Period is greater than 26,732, the Gross Settlement Amount shall be increased proportionally. For example, a 2% increase in the number of wage statements would result in a 2% increase in the Gross Settlement Amount.

51. No Credit Toward Benefit Plans. The Individual Settlement Payments made to Participating Settlement Class Members under this Agreement, the Class Representative Enhancement Payment made to Plaintiff, as well as any other payments made pursuant to this Agreement, shall not be utilized to calculate any additional benefits under any benefit plans to which Plaintiff or any Settlement Class Members may be eligible, including, but not limited to: profit-sharing plans, bonus plans, pension plans, 401(k) plans, health and welfare plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plans. Rather, it is the Parties' intention that this Settlement will not affect any rights, contributions, or amounts to which any Settlement Class Members may be entitled under any benefit plans. The Parties agree that any Individual Settlement Payment or the Class Representative Enhancement Payment paid to Participating Settlement Class Members or Plaintiff under the terms of this Agreement do not represent any modification of Participating Settlement Class Members' or Plaintiff's previously credited hours of service or other eligibility criteria under any employee pension benefit plan, employee health and welfare benefit plan, or any other plan or program, sponsored by Defendant or in which Defendant is a participating/contributing employer. Further, any Individual Settlement Payments or the Class Representative Enhancement Payment paid hereunder shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan, employee health and

1 welfare benefit plan, or any other plan or program sponsored by Defendant or in which
2 Defendant is a participating/contributing employer.

3 52. Settlement Administration Process. The Parties agree to cooperate in the
4 administration of the Settlement and to make all reasonable efforts to control and minimize the
5 costs and expenses incurred in the administration of the Settlement. The Settlement
6 Administrator shall provide the following services: (a) calculate each Settlement Class Member's
7 potential Individual Settlement Payment from the Net Settlement Amount; (b) prepare and mail
8 the Notice of Settlement; (c) take appropriate steps to trace, update, and locate any Settlement
9 Class Member whose address or contact information as provided to the Settlement Administrator
10 is inaccurate or outdated; (d) provide to Class Counsel and Defense Counsel a weekly report of
11 the progress and completion of tasks identified in this Agreement; (e) establish and maintain a
12 QSF prior to disbursement of all settlement funds pursuant to this Agreement; (f) issue and
13 distribute all payments provided for in this Agreement, including the Individual Settlement
14 Payments; (g) report the payments made pursuant to this Agreement as required on a Form 1099
15 or other applicable forms; and (h) undertake any and all other action(s) if and as necessary to
16 perform or complete the services it has been retained for in relation to this Action and/or
17 Settlement.

18 53. Delivery of the Settlement Class List and Data. Within thirty (30) calendar days
19 of Preliminary Approval, Defendant shall provide the Settlement Class List and Data to the
20 Settlement Administrator. The Settlement Administrator shall keep this Settlement Class List
21 and Data as well as the information set forth therein confidential and not share same in any
22 manner with Plaintiff and/or Class Counsel.

23 54. Notice by First-Class U.S. Mail. Within ten (10) business days after receiving the
24 Settlement Class List and Data from Defendant, the Settlement Administrator shall mail a Notice
25 Packet to all Settlement Class Members via regular First-Class U.S. Mail, using the most current,
26 known mailing addresses identified in the Settlement Class List.

27 55. Confirmation of Contact Information in the Class List. Prior to mailing, the
28 Settlement Administrator shall perform a search based on the National Change of Address

1 Database for information to update and correct for any known or identifiable address changes.

2 56. Notice Packets. All Settlement Class Members will be mailed a Notice Packet.
3 Each Notice Packet will provide: (1) information regarding the nature of the Action; (2) a
4 summary of the Settlement's principal terms; (3) the Settlement Class definition; (4) each
5 Settlement Class Member's estimated Individual Settlement Payment if they do not request to be
6 excluded; (5) the dates that comprise the Settlement Class Period; (6) instructions on how to
7 submit valid Requests for Exclusion or Notice of Objection; (7) the deadlines by which the
8 Settlement Class Member must submit a Request for Exclusion or Notice of Objection to the
9 Settlement; (8) the date for the final approval hearing; (9) the claims to be released; and (10)
10 Defendant's disclaimer of liability and/or explanation that it has agreed to the Settlement to
11 avoid further costs and/or risks of litigation. The Notice Packet will also inform Settlement Class
12 Members that, in order to receive the Individual Settlement Payment, they do not need to do
13 anything except keep the Settlement Administrator apprised of their current mailing addresses.

14 57. Re-Mailing of Returned Notices. Any Notice Packets returned to the Settlement
15 Administrator as non-deliverable on or before the Response Deadline shall be re-sent promptly
16 via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement
17 Administrator shall indicate the date of such re-mailing on the Notice Packet. If no forwarding
18 address is provided, the Settlement Administrator shall promptly attempt to determine the correct
19 address using a skip-trace, or other search using the name, address and/or Social Security
20 Number of the Settlement Class Member involved, and shall then perform a re-mailing. Those
21 Settlement Class Members who receive a re-mailed Notice Packet shall have their Response
22 Deadline extended by up to fifteen (15) days from the original Response Deadline.

23 58. Request for Exclusion Procedures. Any Settlement Class Member may opt-out
24 from the Settlement by submitting a written Request for Exclusion to the Settlement
25 Administrator postmarked by the Response Deadline. A Request for Exclusion must: (1) contain
26 the name, address, telephone number, and the last four digits of the Social Security Number of
27 the person requesting exclusion; (2) clearly state that the Settlement Class Member does not wish
28 to be included in the Settlement; (3) be signed and dated by the Settlement Class Member; (4) be

1 returned by mail to the Settlement Administrator at the specified address; and (5) be postmarked
2 on or before the Response Deadline. The date of the postmark shall be the exclusive means to
3 determine whether a Request for Exclusion is timely. By submitting such a Request for
4 Exclusion, a Settlement Class Member shall be deemed to have exercised his or her option to opt
5 out of the Action and not be bound by this Agreement as to the class claims. Accordingly, a
6 Class Member that timely submits a valid Request for Exclusion will be entitled only to their
7 share of the PAGA payment and will be deemed to have released his/her PAGA claims that were
8 or could have been asserted in the Action upon issuance of the PAGA payment check by the
9 Settlement Administrator to him/her and regardless of whether he/she cashes it. Any Settlement
10 Class Member who does not submit a valid and timely Request for Exclusion on or before the
11 Response Deadline shall be deemed a Participating Settlement Class Member, and will be bound
12 by all terms of the Settlement to the fullest possible extent, if the Settlement is granted final
13 approval by the Court. Upon request, the Settlement Administrator shall provide counsel for
14 Defendant with a complete list of all Settlement Class Members who have timely submitted an
15 Exclusion Form. At no time shall any of the Parties or their counsel seek to solicit or otherwise
16 encourage Settlement Class Members to submit Requests for Exclusion or Notices of Objection.
17 To the extent permissible under the California Rules of Professional Conduct, Class Counsel
18 shall also not represent any Settlement Class Member who submits a timely Request for
19 Exclusion as to any claims, lawsuit, charges, causes of action, or otherwise brought by that
20 person against Defendant or any of the Released Parties predicated on any of the Released
21 Claims.

22 59. Settlement Terms Bind All Settlement Class Members Who Do Not Opt-Out.

23 Any Settlement Class Member who does not affirmatively opt-out of the Settlement by
24 submitting a valid and timely Request for Exclusion shall be bound by all terms of the Settlement
25 to the fullest possible extent, including those pertaining to the Released Claims, as well as any
26 Order and/or Judgment that may be entered by the Court.

27 60. Objection Procedures. Any Settlement Class Member who does not opt-out of
28 this Settlement shall be entitled to object to the Settlement. To object to the Settlement, a

1 Settlement Class Member should return by mail a written statement of objection to the
2 Settlement Administrator at the specified address by the Response Deadline. The Notice of
3 Objection should include: (a) the objector's full name, signature, address, and telephone number;
4 (b) a written statement of the basis for the objection; and (c) any copies of papers, briefs, or
5 documents upon which the objection is based. Settlement Class Members who submit a timely
6 Notice of Objection will have the right to appear at the final approval hearing to have their
7 objections heard by the Court, at their own expense. However, any Settlement Class Member
8 who does not submit a Notice of Objection in compliance with this section may nevertheless
9 appear at the final approval hearing and present an oral objection to the Settlement. Any
10 Settlement Class Member who does not submit a Notice of Objection in compliance with this
11 section, or who does not appear at the final approval hearing and present an oral objection to the
12 Settlement, shall be deemed to have waived any objection(s) and shall be precluded from making
13 any objection (including by appeal or otherwise) to the Settlement. Also, a Settlement Class
14 Member who objects to the Settlement and/or Agreement will be bound by the terms of the
15 Agreement if and as approved by the Court in relation to Final Approval regardless of the
16 Court's ruling on the objection(s). At no time shall any of the Parties or their counsel seek to
17 solicit or otherwise encourage Settlement Class Members to submit written objections to the
18 Settlement or appeal from the Order and Judgment. Class Counsel shall not represent any
19 Settlement Class Members with respect to any such objections to this Settlement. Any Class
20 Member who submits a valid Request for Exclusion shall not be allowed to object to this
21 Settlement.

22 61. Defendant's Right to Rescind. If more than five percent (5%) of the Settlement
23 Class Members opt out of the settlement by submitting valid and timely Requests for Exclusion,
24 Defendant has the unilateral right in its sole discretion to rescind the Settlement Agreement. The
25 Parties agree that they will not encourage any Settlement Class Member to object to the
26 Settlement or to opt out of same. If Defendant exercises its option to rescind, Defendant shall:
27 (a) provide written notice to Class Counsel at least ten (10) business days prior to the Final
28 Approval hearing, provided Defendant has been provided notice of all such opt outs within

1 twenty (20) business days of the hearing for Final Approval, and (b) pay all Settlement
2 Administration Costs incurred by the Settlement Administrator up to the date of Defendant's
3 notice to rescind. In the event the Settlement is terminated, the Parties shall proceed in all
4 respects as if this Agreement had never been executed.

5 62. Settlement Administrator's Reports of Information. The Settlement Administrator
6 shall provide Defense Counsel and Class Counsel a weekly report which certifies the number of
7 Settlement Class Members who have submitted valid Requests for Exclusion. Additionally, the
8 Settlement Administrator will provide to counsel for both Parties any updated reports regarding
9 the administration of the Settlement as needed or requested. The Settlement Administrator shall
10 also forward to Parties' counsel and file with the Court any Notices of Objection received
11 immediately upon receipt. Further, if requested by Parties' counsel, the Settlement Administrator
12 shall forward any Request for Exclusion to the Parties' counsel so that they can determine
13 whether the Request for Exclusion is valid and timely. However, the Settlement Administrator
14 shall not disclose any information to Class Counsel that would disclose the identity, contact
15 information, or other protected information of any Settlement Class Member, even those seeking
16 to opt out and/or be excluded from the Settlement and/or Agreement, absent Defense Counsel's
17 prior written approval of such disclosure.

18 63. Distribution Timing of Individual Settlement Payments. Within ten (10) calendar
19 days of Defendant funding the Gross Settlement Amount, the Settlement Administrator shall
20 issue payments to (1) Participating Settlement Class Members; (2) the LWDA; (3) Plaintiff; and
21 (4) Class Counsel. The Settlement Administrator shall also issue a payment to itself for services
22 performed in connection with the Settlement as well as issue any payments due and owed to any
23 local, state, federal or otherwise tax agency.

24 64. Uncashed Settlement Payment Checks. Any checks issued by the Settlement
25 Administrator to Settlement Class Members shall be negotiable for not less than one hundred and
26 eighty (180) days from the date of their issuance. This is a non-reversionary settlement. All
27 Individual Settlement Payments that remain unclaimed after one hundred eighty (180) days of
28 the mailing of Settlement Payment Checks by the Settlement Administrator shall be remitted to

1 the California Unclaimed Property Fund in the names of those Settlement Class Members who
2 did not cash their Individual Settlement Payment checks/claim such funds.

3 65. Certification of Completion. Upon completion of administration of the
4 Settlement, the Settlement Administrator shall provide a written declaration under oath to certify
5 such completion to the Court and counsel for all Parties.

6 66. Administration Costs if Settlement Fails. If the Settlement is voided or rescinded,
7 any costs incurred by the Settlement Administrator shall be borne equally by Defendant and
8 Plaintiff, unless otherwise specified in this Agreement.

9 67. No Prior Assignments. The Parties and their counsel represent, covenant, and
10 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
11 to assign, transfer, or encumber to any person or entity any portion of any liability, claim,
12 demand, action, cause of action or right herein released and discharged.

13 68. Release of Claims by Participating Settlement Class Members. Upon the
14 Effective Date, for and in consideration of the mutual promises, terms, and conditions by and
15 between Plaintiff, the Participating Settlement Class Members, and Defendant set forth herein,
16 the sufficiency of which consideration is expressly acknowledged, the Participating Settlement
17 Class Members do hereby fully, finally, and forever release and discharge the Released Parties
18 from any and all Released Claims. Nothing in this Agreement shall be construed to require
19 Participating Settlement Class Members to waive or release rights which may not be waived or
20 released as a matter of applicable law. This release is final and binding on all Participating
21 Settlement Class Members, including Plaintiff.

22 69. Additional Release and Waiver of Claims by Plaintiff. In addition to the release
23 of Released Claims against the Released Parties made by all Participating Settlement Class
24 Members, as set forth above, Plaintiff, in his individual capacity, also agrees to release the
25 Released Parties from any and all claims, known and unknown, under federal, state and/or local
26 law, statute, ordinance, regulation, common law, or other source of law, existing as of the date of
27 execution of this Agreement including but not limited to claims arising from or related to his
28 employment with Defendant ("Plaintiff's Released Claims"). Plaintiff's Released Claims

1 include, but are not limited to, all of the Released Claims and any other claims arising under the
2 California Labor Code; any claim arising out of the California common law of contract; the Fair
3 Labor Standards Act, 29 U.S.C. § 201, *et seq.*, and federal common law; all claims for lost wages
4 and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and costs
5 arising under federal, state, or local laws for discrimination, harassment, and wrongful
6 termination, including but not limited to, 42 U.S.C. § 1981, Title VII of the Civil Rights Act of
7 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the
8 California Fair Employment and Housing Act, and the law of contract and tort. This release
9 excludes the release of claims not permitted by law.

10 Plaintiff's Released Claims include all claims, whether known or unknown. Even if
11 Plaintiff discovers facts in addition to or different from those that he now knows or believes to be
12 true with respect to the subject matter of Plaintiff's Released Claims, those claims will remain
13 released and forever barred. To effect a full and complete general release as described above,
14 Plaintiff expressly waives and relinquishes all rights and benefits of Section 1542 of the Civil
15 Code of the State of California, and does so understanding and acknowledging the significance
16 and consequence of specifically waiving Section 1542. Section 1542 of the Civil Code of the
17 State of California states as follows:

18 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
19 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
20 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE
21 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE
22 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
23 DEBTOR OR RELEASED PARTY.

24 Thus, notwithstanding the provisions of Section 1542, and to implement a full and
25 complete release and discharge of the Released Parties, Plaintiff expressly acknowledges this
26 Agreement is intended to include in its effect, without limitation, all claims Plaintiff does not
27 know or suspect to, but may, exist in Plaintiff's favor at the time of signing this Settlement
28 Agreement, and that this Settlement Agreement contemplates the extinguishment of any such
claims. Plaintiff warrants that Plaintiff has read this Settlement Agreement, including this waiver
of California Civil Code § 1542, and that Plaintiff has consulted with or had the opportunity to

1 consult with counsel of Plaintiff's choosing about this Settlement Agreement and specifically
2 about the waiver of Section 1542, and that Plaintiff understands this Settlement Agreement and
3 the Section 1542 waiver, and so Plaintiff freely and knowingly enters into this Settlement
4 Agreement. Plaintiff further acknowledges that Plaintiff later may discover facts different from
5 or in addition to those Plaintiff now knows or believes to be true regarding the matters released
6 or described in this Settlement Agreement, and even so Plaintiff agrees that the releases and
7 agreements contained in this Settlement Agreement shall remain effective in all respects
8 notwithstanding any later discovery of any different or additional facts. Plaintiff expressly
9 assumes any and all risks of any mistake in connection with the true facts involved in the
10 matters, disputes, or controversies released or described in this Settlement Agreement or with
11 regard to any facts now unknown to Plaintiff relating thereto.

12 70. Nullification of Settlement. In the event that the Settlement does not become final
13 for any reason, then this Agreement, and any documents generated to bring it into effect, shall be
14 null and void. Any order or judgment entered by the Court in furtherance of this Agreement shall
15 likewise be treated as void from the beginning.

16 71. Disputes Regarding Individual Settlement Payments. In the event that Settlement
17 Class Members have a dispute as to the data provided by the Defendant, Settlement Class
18 Members will have the opportunity to provide documentation and/or an explanation. If there is a
19 dispute, the Settlement Administrator will consult with Defendant to determine whether an
20 adjustment is warranted. To the extent such a dispute is raised or exists, the Settlement
21 Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement
22 Payments under the terms of this Agreement, and that determination shall be binding.

23 72. Disputes Regarding Administration of Settlement. If any disputes arise as to the
24 Settlement and/or Agreement, counsel for the Parties will confer in good faith to resolve the
25 disputes before involving the Court.

26 73. Preliminary Approval Hearing. Plaintiff shall obtain a hearing before the Court to
27 request the Preliminary Approval of the Settlement, and the entry of a Preliminary Approval
28 Order: (i) approving of the proposed Settlement, and (ii) setting a date for a Final

1 Approval/Settlement Fairness Hearing. The Preliminary Approval Order shall provide for the
2 Notice Packet to be sent to all Settlement Class Members as specified herein. In conjunction with
3 the Preliminary Approval hearing, Plaintiff shall submit this Agreement, which sets forth the
4 terms of this Settlement, and will include the proposed Notice Packet, attached to this Agreement
5 as **Exhibit A**. If the Court declines to approve the Settlement or approves it conditionally on
6 modifications to the settlement terms, the Parties shall work in good faith to modify the
7 settlement terms to obtain approval, provided that the material terms of the Settlement are not
8 affected, including the amount of the Gross Settlement Amount.

9 74. Final Settlement Approval Hearing. Upon expiration of the deadlines to submit
10 Requests for Exclusion or Notices of Objections to the Settlement, and with the Court's
11 permission, a Final Approval/Settlement Fairness Hearing shall be conducted to determine the
12 Final Approval of the Settlement along with the amounts properly payable for: (i) Individual
13 Settlement Payments; (ii) the PAGA (including LWDA) Payment; (ii) the Class Counsel Award;
14 (iii) the Class Representative Enhancement Payment; and (iv) Settlement Administration Costs.
15 Class Counsel will be responsible for drafting all documents necessary to obtain final approval.
16 Class Counsel will also be responsible for drafting the attorneys' fees and costs application to be
17 heard at the Final Approval Hearing.

18 75. Entry of Judgment and Continued Jurisdiction of the Court as well as Plaintiff's
19 Request for Dismissal without Prejudice as to Any Persons Who Would Not Fall within
20 Definition of or Be Considered a Settlement Class Member. Concurrent with the Motion for
21 Final Approval, the Parties shall also jointly seek the entry of Judgment consistent with the terms
22 of this Agreement. After entry of the Judgment, the Court shall have continuing jurisdiction
23 solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the
24 Settlement, (ii) the administration of the Settlement, and (iii) such post-Judgment matters as may
25 be appropriate under court rules or as set forth in this Agreement. Further, given the wording of
26 the putative class definition in Plaintiff's operative Complaint, Plaintiff agrees he will request, in
27 conjunction with his request for preliminary approval of the Agreement, the Court dismiss
28 without prejudice any current and former employee of Defendant not represented by the IAM at

1 any time from and including April 6, 2019, to November 1, 2020 (i.e., any person that would not
2 be considered a Settlement Class Member as defined in this Agreement). But, if this Settlement
3 and/or Agreement fails for any reason, then Plaintiff has the right to add these individuals back
4 to the Action without prejudice and/or as though they had never been dismissed in the first place.
5 Parties also agree those dismissed without prejudice pursuant to the above need not be notified as
6 no Belaire West or other mass communication has been sent out to them, meaning they generally
7 would not be aware of the existence of this Action.

8 76. Exhibits Incorporated by Reference. The terms of this Agreement include the
9 terms set forth in any attached Exhibits, which are incorporated by this reference as though fully
10 set forth herein. Any Exhibits to this Agreement are an integral part of the Settlement.

11 77. Entire Agreement. This Agreement and any attached Exhibits constitute the
12 entirety of the Parties' Settlement terms. No other prior or contemporaneous written or oral
13 negotiations or agreements may be deemed binding on the Parties.

14 78. Disputes Regarding Language of Final Settlement Agreement. If the Parties have
15 a dispute with regard to the language of the Agreement, the Parties agree to informally resolve
16 the dispute by engaging a mediator to mediate such dispute, whose costs will be borne equally by
17 the Parties regardless of outcome of same.

18 79. Amendment or Modification. This Agreement may be amended or modified only
19 by a written instrument signed by the Parties or their successors-in-interest.

20 80. Authorization to Enter Into Agreement. Counsel for the Parties warrant and
21 represent they are expressly authorized by the Parties whom they represent to negotiate this
22 Agreement and to take all appropriate actions required or permitted to be taken by the Parties
23 pursuant to this Agreement to effectuate its terms and to execute any other documents required to
24 effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each
25 other and use their best and good-faith efforts to effect the implementation of the Settlement. If
26 the Parties are unable to reach agreement on the form or content of any document needed to
27 implement the Settlement, or on any supplemental provisions that may become necessary to
28 effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve

1 such disagreement.

2 81. Binding on Successors and Assigns. This Agreement shall be binding upon, and
3 inure to the benefit of, the successors, heirs, or assigns of the Parties hereto, as previously
4 defined.

5 82. California Law Governs. All terms of this Agreement and Exhibits hereto shall
6 be governed by and interpreted according to the laws of the State of California.

7 83. Execution and Counterparts. This Agreement is subject to and becomes operative
8 only by and upon the execution of all Parties. However, the Agreement may be executed in one
9 or more counterparts. All executed counterparts and each of them, including facsimile and
10 scanned copies of the signature page, shall be deemed to be one and the same instrument
11 provided that counsel for the Parties shall exchange among themselves original signed
12 counterparts.

13 84. Acknowledgement that the Settlement is Fair and Reasonable. The Parties
14 believe this Agreement is a fair, adequate, and reasonable settlement of the Action and have
15 arrived at this Settlement after arm's-length negotiations, mediation, and in the context of
16 adversarial litigation, taking into account all relevant factors, present and potential. The Parties
17 further acknowledge that they are each represented by competent counsel and that they have had
18 an opportunity to consult with their counsel regarding the fairness and reasonableness of this
19 Agreement.

20 85. Invalidity of Any Provision. Before declaring any provision of this Agreement
21 invalid, the Court shall first attempt to construe the provision as valid to the fullest extent
22 possible consistent with applicable precedents so as to define all provisions of this Agreement
23 valid and enforceable. Any invalid, illegal, or unenforceable provision determined by the Court
24 shall in no way affect any other provision if Defendant and Class Counsel, on behalf of the
25 Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal,
26 or unenforceable provision had never been included in this Agreement.

27 86. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however,
28 that Plaintiff or Class Counsel may appeal any reduction in the Class Counsel's Award below the

1 amount Class Counsel requests, and either Party may appeal any order that materially alters the
2 Agreement's terms.

3 87. Class Action Certification. The Parties are agreeing to class certification for
4 settlement purposes only. This Agreement shall not constitute, in this or any other proceeding, an
5 admission of any kind by Defendant, including without limitation, that certification of a class for
6 trial or any other purpose is appropriate or proper or that Plaintiff or any Settlement Class
7 Member can establish any of the requisite elements for class treatment of any of the claims in
8 this Action. If, for any reason, the Settlement is not finally approved, this Agreement will be void
9 and the Parties will be restored to their respective positions in the lawsuit as if they had not
10 entered into this Agreement and the matter will return to being a putative class and representative
11 action in which no class, in whole or part, has been certified. The Parties further agree that this
12 Agreement, the final stipulation of Settlement, or any documents or orders issued related to this
13 Settlement will not be admissible, other than according to the Settlement's terms, in this or any
14 other proceeding as evidence that either: (i) a class should be certified, (ii) Plaintiff's PAGA
15 claim is manageable, (iii) Defendant is liable to Plaintiff or any Settlement Class Member, and/or
16 (iv) Defendant agrees or believes (a) a class may be certified or Plaintiff's claim is manageable,
17 in whole or part, (b) there is any probability of such a finding or determination of either
18 occurring, or (c) that any of Plaintiff's claims or allegations in the Action have any merit or
19 validity.

20 88. Non-Admission of Liability. The Parties enter into this Agreement to resolve the
21 dispute that has arisen between them and to avoid the burden, expense, and risk of continued
22 litigation. In entering into this Agreement, Defendant does not admit, and specifically denies, it
23 has violated any federal, state, or local law; violated any regulations or guidelines promulgated
24 pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached
25 any contract; violated or breached any duty; engaged in any misrepresentation or deception; or
26 engaged in any other unlawful conduct with respect to its employees. Neither this Agreement,
27 nor any of its terms or provisions, nor any of the negotiations connected with it, shall be
28 construed as an admission or concession by Defendant of any such violations or failures to

1 comply with any applicable law, regulation, or legal requirement. Except as necessary in a
2 proceeding to enforce the terms of this Agreement, this Agreement and its terms and provisions
3 shall not be offered or received as evidence in any action or proceeding to establish any liability
4 or admission of any nature on the part of Defendant, or to establish the existence of any
5 condition constituting a violation of, or a non-compliance with, federal, state, local or other
6 applicable law.

7 89. Captions. The captions and section numbers in this Agreement are inserted for
8 the reader's convenience, and in no way define, limit, construe or describe the scope or intent of
9 the provisions of this Agreement.

10 90. Waiver. No waiver of any condition or covenant contained in this Agreement or
11 failure to exercise a right or remedy by any of the Parties hereto shall be considered to imply or
12 constitute a further waiver by such party of the same or any other condition, covenant, right, or
13 remedy.

14 91. Enforcement Actions. In the event that one or more of the Parties institutes any
15 legal action or other proceeding against any other Party or Parties to enforce the provisions of
16 this Settlement, or to declare rights and/or obligations under this Settlement, the prevailing Party
17 or Parties shall be entitled to recover from the non-prevailing Party or Parties reasonable
18 attorneys' fees and costs, including expert witness fees incurred in connection with any
19 enforcement actions.

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

26 93. Representation by Counsel. The Parties acknowledge that they have been
27 represented by counsel throughout all negotiations that preceded the execution of this
28 Agreement, and that this Agreement has been executed with the consent and advice of counsel.

Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Agreement.

94. Cooperation and Execution of Necessary Documents. All Parties shall cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Agreement.

95. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Agreement, and further intend that this Agreement shall be fully enforceable and binding on all Parties, and agree that it shall be admissible and subject to disclosure in any proceeding to enforce its terms.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class and Representative Action Settlement and Release between Plaintiff and Defendant as of the date(s) set forth below:

READ CAREFULLY BEFORE SIGNING

PLAINTIFF NICOLA ROMANO

Dated: 3/28/2022

DocuSigned by:

Nicola Romano

Nicola Romano

DEFENDANT SSA TERMINALS, LLC

Dated: _____

on behalf of SSA Terminals, LLC

Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Agreement.

94. Cooperation and Execution of Necessary Documents. All Parties shall cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Agreement.

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IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class and Representative Action Settlement and Release between Plaintiff and Defendant as of the date(s) set forth below:

READ CAREFULLY BEFORE SIGNING

PLAINTIFF NICOLA ROMANO

Dated: _____

Nicola Romano

DEFENDANT SSA TERMINALS, LLC

Dated: 3/28/22

Ed DeNike

on behalf of SSA Terminals, LLC

1 **APPROVED AS TO FORM**

2
3
4 Dated: March 29, 2022

DIVERSITY LAW GROUP, P.C.


Larry W. Lee
Kristen M. Agnew
Nicholas Rosenthal
Attorneys for Plaintiff Nicola Romano, who seeks
to represent the Class and Aggrieved Employees

5
6
7
8
9
10
11 Dated: 3.28.22

POLARIS LAW GROUP


William Marder
Attorneys for Plaintiff Nicola Romano, who seeks
to represent the Class and Aggrieved Employees

12
13
14
15
16
17 Dated: March 29, 2022

**GORDON REES SCULLY MANSUKHANI,
LLP**


James J. McMullen Jr.
Justin M. Michitsch
Attorneys for Defendant SSA Terminals, LLC

EXHIBIT A

Nicola Romano v. SSA Terminals, LLC
Superior Court of California, County of Los Angeles
(Case No. 20STCV29048)

NOTICE OF CLASS ACTION SETTLEMENT (“NOTICE”)

IF YOU ARE A CURRENT OR FORMER CALIFORNIA EMPLOYEE OF SSA TERMINALS, LLC, WHO WAS REPRESENTED BY THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS (OR “IAM,” EITHER AT THE LOCAL OR NATIONAL LEVEL) DURING THAT EMPLOYMENT AND RECEIVED AT LEAST ONE WAGE STATEMENT FROM SSA TERMINALS, LLC, AT ANY TIME FROM, AND INCLUDING, APRIL 6, 2019, TO NOVEMBER 1, 2020, YOU MAY BE ENTITLED TO MONEY FROM A CLASS ACTION SETTLEMENT.

The Los Angeles County Superior Court (“Court”) authorized this Notice to be sent by Phoenix Settlement Administrators (“Settlement Administrator”). This is not an advertisement or a solicitation from a lawyer.

«BarcodeString»

SIMID «SIMID»

ATTN: «FirstName» «LastName»

«Address1» «Address2»

«City» «Abbrev» «Zip»

- **YOUR ESTIMATED TOTAL SETTLEMENT PAYMENT IS \$[XXX]. This payment is referred to herein as “Total Payment” and may be subject to change.**

OVERVIEW OF LAWSUIT, RESOLUTION REACHED, AND YOUR OPTIONS

- Nicola Romano (“Named Plaintiff”) filed a lawsuit against SSA Terminals, LLC (“SSAT”), on behalf of himself and all other similarly situated employees alleging SSAT failed to provide them accurate wage statements in accordance with California law.
- SSAT denies any and all wrongdoing alleged in this matter. But rather than spend further resources or time litigating this lawsuit, SSAT has chosen to enter into a settlement with Named Plaintiff to bring finality to the case and allow it to focus on its day-to-day operations.
- The Court has preliminarily approved the settlement reached between the parties.
- The settlement resolves the lawsuit.
- Your legal rights are affected whether you act or do not act. Therefore, please read this Notice carefully.
- SSAT informed the IAM that certain members would be receiving materials related to the settlement reached in this lawsuit. To date, the IAM has not objected to this type of correspondence being sent out.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

To receive your Total Payment, DO NOTHING IN

If you do nothing in response to this notice, you will receive your Total Payment, which is estimated above. You will also be considered a member of the settlement class and will be deemed to have released the claims made or that could have been made in this lawsuit. To ensure you receive your

RESPONSE TO THIS NOTICE	Total Payment, please notify the Settlement Administrator if your mailing address changes from now until you receive a settlement check. Once the Court grants final approval of the settlement, the Settlement Administrator will mail your check to the address on file for you.
You Can ASK TO BE EXCLUDED FROM THE SETTLEMENT (Deadline: _____, 2022)	If you ask to be excluded from the settlement, you will not receive your Total Payment. Instead, you will receive a Private Attorneys General Act-only payment. You will not be considered a member of the settlement class as to the class action claims brought by Named Plaintiff and will be considered to not have released those claims made or that could have been made in this lawsuit. However, you will be considered a member of the PAGA settlement class and will be deemed to have released those claims. You will also receive a PAGA-only payment that is estimated to be \$[XXXX] for you (“PAGA-Only Payment”). Important: You cannot ask to be excluded from the settlement <u>and</u> still receive your Total Payment. Also, if you do not ask to be excluded, your Total Payment will include your PAGA-Only Payment.
You Can OBJECT TO THE SETTLEMENT AND WILL STILL RECEIVE YOUR TOTAL PAYMENT* (Deadline: _____, 2022)	If you do not like the settlement, you can send a written objection to the Settlement Administrator by the identified deadline. Regardless of how the Court rules on your objection, you will still be considered a member of the settlement class and to have released the claims made or that could have been made in this lawsuit. If the Court approves the settlement, you will still receive your Total Payment even if you have objected. *As long as the Court grants final approval to the settlement.

THESE RIGHTS AND OPTIONS—AND THE DEADLINES TO EXERCISE THEM—ARE FURTHER EXPLAINED BELOW.

The Court is in charge of this lawsuit and still has to decide whether to grant final approval of the settlement. Payments will be made if the Court does so and after appeals, if any, are resolved. **Please be patient.**

1. Why Should You Read This Notice?

You should read this Notice because you may be entitled to money from a class action settlement.

2. What is This Lawsuit About?

In the lawsuit, Named Plaintiff claims SSAT failed to provide accurate itemized wage statements to employees in violation of California Labor Code section 226(a). Specifically, Named Plaintiff alleges the wage statements did not correctly list total hours worked. SSAT denies the allegations in the lawsuit and denies it has engaged in any wrongdoing. Indeed, SSAT asserts that it complied with all legal requirements. But, SSAT has decided to resolve the lawsuit now to avoid the costs and disruption of further legal proceedings.

Note, Named Plaintiff does not allege SSAT failed to pay all wages due to its employees and/or that he or anyone else is owed any wages or was improperly paid by the company.

3. What is a Class Action?

This lawsuit is a class action. In a class action, one or more persons, called class representatives (in this case, Nicola Romano), sue on behalf of themselves as well as people they believe have similar claims. These people are known as “class members” and together, make up a “class.” One case resolves the claims at-issue for all class members, except for those who exclude themselves from the class. The Los Angeles County Superior Court is presiding over the case. The lawsuit is known as *Nicola Romano v. SSA Terminals, LLC*, Case No. 20STCV29048.

4. Why is There a Settlement?

No trial has been conducted in this matter nor has the Court decided the case in either Named Plaintiff’s or SSAT’s favor. Overall, the parties disagree as to who would have won if the matter did proceed to trial. But, instead of incurring fees and costs to litigate this case and because of the risks associated with proceeding further, the parties agreed to a settlement. That way, the individuals Named Plaintiff alleges were affected will receive compensation.

5. How Do I Know If I Am Part of the Settlement?

The Court has decided that any current or former California employee of SSAT who was represented by the IAM during such employment and received a wage statement at any time between and including April 6, 2019, and November 1, 2020 (the “Class Period”), is a class member.

6. What Does the Settlement Provide?

The proposed settlement provides for a payment by SSAT of \$250,000.00 to fully and finally resolve all claims in the lawsuit (referred to as the “Gross Settlement Amount”). The total amount to be distributed to class members will be the value of the Gross Settlement Amount minus the following (which will result in a “Net Settlement Amount”): (a) settlement administration costs not to exceed \$10,000.00; (b) class representative service award to Named Plaintiff not to exceed \$10,000.00 for his work and efforts in prosecuting this case, and for undertaking the risks of costs (in the event the outcome of this lawsuit was not favorable to him, he would be personally responsible for certain litigation costs, including those of SSAT); (c) Class Counsel’s attorneys’ fees not to exceed \$83,333.33; (d) Class Counsel’s actual litigation costs and expenses as supported by declaration not to exceed \$15,000.00; and (f) payment of \$7,500.00 to the Labor and Workforce Development Agency (“LWDA”) for resolution of the PAGA claim also brought in this lawsuit. **Class Counsel’s attorneys’ fees and costs and Named Plaintiff’s class representative service award remain subject to Court approval.**

Note, \$10,000.00 of the Gross Settlement Amount has been apportioned to Named Plaintiff’s PAGA claim, 75% of which (or \$7,500.00) will be paid to the LWDA per applicable law (namely, the payment identified in subsection (f) of the immediately preceding paragraph) and 25% of which (or \$2,500.00) will be distributed to all class members based on the number of wage statements received during the Class Period regardless of whether they request exclusion.

No portion of the Gross Settlement Amount will be returned to SSAT under any circumstances.

7. How Much Will I Receive?

Your estimated Total Payment is shown above and is based on the number of wage statements you received from

SSAT during and including April 6, 2019, to November 1, 2020, as compared to the total number of wage statements received by all class members in that same period. Based upon SSAT's records, the number of applicable wage statements you received has been determined to be **. If this information appears correct, you do not need to do anything further to receive your settlement payment. If you disagree with the number of wage statements listed for you, see Question 9 below.

8. How Do I Get My Total Payment?

To receive your Total Payment, you need not do anything. The Settlement Administrator will mail you a check within about forty-five days after the Court enters a judgment based on this settlement. But it could be later depending on whether there is any appeal of the judgment entered by the Court.

9. What If I Believe the Information is Inaccurate?

If you believe the number of wage statements you received during and including April 6, 2019, to November 1, 2020, is inaccurate, you may dispute it by sending a letter to [ADMINISTRATOR'S ADDRESS] no later than _____, 2022. Be sure to include your name, address, telephone number, last four digits of your Social Security Number, and a statement as to what and why you are disputing. Also attach a copy of any documentation you want to include to support your dispute.

10. What Claims Am I Releasing in Exchange for a Total Payment?

Unless you request to be excluded from the settlement, you will be considered a part of the settlement class. That means you will be deemed to have released SSAT from any legal claims based on or that could have been based on the facts and allegations made by Named Plaintiff in the lawsuit. More specifically, you will be releasing or giving up the claims described below:

All claims, including for statutory and civil penalties, interest, costs, and attorneys' fees related thereto, that were or could have been brought under the facts and allegations made in the operative Complaint, including claims for violation of Labor Code section 226 and civil penalties under the California PAGA predicated on alleged violation of Labor Code section 226 that occurred during and including April 6, 2019, to November 1, 2020.

11. How Do I Exclude Myself from the Settlement?

To exclude yourself from the settlement (also referred to as "opt-out"), you must mail a letter to the Settlement Administrator saying that you want to be excluded from the *Nicola Romano v. SSA Terminals, LLC* settlement.

Be sure to include your name, address, telephone number, last four digits of your Social Security Number, your signature, and the date you sign your exclusion request. You must mail your exclusion letter postmarked no later than _____, 2022, to the Settlement Administrator at *****.

If you submit a timely and valid "opt-out" request, you will not be considered a member of the class action settlement class and you will not receive any money from the class action portion of the settlement or be able to object to the settlement. But you will not be bound by anything that happens regarding the class action portion of this lawsuit. However, even if you opt-out of the class action, you cannot opt-out of the PAGA portion of this lawsuit and will still receive your PAGA-Only Payment and be deemed to have released the PAGA claim(s) being resolved by this settlement.

Please note, if you do not exclude yourself and the Court grants final approval of the settlement, then the Total

Payment you will receive will include your PAGA-Only Payment. So, you remaining as a settlement class member does not result in waiver or forfeiture of your PAGA-Only Payment. Instead, you will, as set forth herein, receive a Total Payment, which involves monies being distributed to you for resolution of the class action-based claims brought on your behalf plus the PAGA-Only Payment.

12. If I Don't Exclude Myself, Can I Still Sue Defendant?

If you do not exclude yourself from the settlement, you cannot sue SSAT for any of the claims that this settlement resolves. If you have a pending lawsuit against SSAT, speak to your lawyer in that case immediately.

13. How Do I Tell the Court that I Don't Believe that the Settlement is Fair?

If you do not exclude yourself from the settlement, you can object to the settlement if you believe that the settlement is unfair or inadequate. You can give reasons why you think the Court should not approve the settlement. If you object and follow the procedures set out in this section, your objection will be considered.

If you decide to object to the proposed settlement, you may do so in writing. All objections must be signed by you and must include: (1) your full name, address, and telephone number; (2) a written statement of the basis for your objection; and (3) any copies of papers, briefs, or documents upon which the objection is based. You must mail your objection postmarked no later than _____, 2022, to the Settlement Administrator at *****. You may then also appear at the final approval hearing for the settlement (see section 17 below for details as to when this hearing will take place), either in person or through an attorney at your own expense

Alternatively, you may appear at the final approval hearing for the settlement and present your objection to the Court orally, even without submitting a prior written objection.

14. What Is the Difference Between Objecting and Asking to Be Excluded?

Objecting is simply telling the Court that you don't like something about the settlement. You can object only if you stay in the class and do not exclude yourself. Excluding yourself, on the other hand, is telling the Court that you don't want to be a class member. If you exclude yourself, you have no basis to object because the case no longer affects you. However, if you file an objection, you will still receive your Total Payment if the Court grants final approval as to the settlement regardless of how the Court rules on your objection.

15. Do I Have a Lawyer in this Case?

The Court decided that the law firms Diversity Law Group and Polaris Law Group, both of which represent the Named Plaintiff, are qualified to represent you and all class members for settlement purposes. You will not be charged for these lawyers. These law firms are referred to as "Class Counsel." If you want to be represented by your own lawyer, you may hire one at your own expense.

16. Do I have to pay the Attorneys for the Class and the Class Representative?

No. The attorneys for the Named Plaintiff and the class will be paid from the Gross Settlement Amount. Class Counsel will ask for up to \$83,333.33 in attorneys' fees and for actual litigation costs incurred up to a maximum of \$15,000.00, the actual amount of which will be determined by the Court at the final approval hearing (see section 17 below for details as to when this hearing will take place). Class members (like you) do not have to pay the fees and costs of Class Counsel. **If you elect, however, to hire your own lawyer, you have to make your own arrangements to compensate your lawyer.**

If approved by the Court, a service payment for the Named Plaintiff of an amount up to \$10,000.00 will be paid from the Gross Settlement Amount for his work and efforts in prosecuting this case, and for undertaking the risks of costs (in the event the outcome of this lawsuit was not favorable to him, he would be personally responsible for certain litigation costs incurred, including those of SSAT).

17. Notice of Hearing on Final Approval and Objections to Settlement.

The Court has preliminarily approved the settlement and will hold a final approval hearing to decide whether to give final approval to the settlement. This hearing will be held before the Honorable William F. Highberger on _____, 2022, at ____ a.m., in Department 10 of the Superior Court of California for the County of Los Angeles, 312 N. Spring Street, Los Angeles, California 90012, to determine whether the settlement is fair, reasonable, and adequate, and whether it should be finally approved by the Court. If there are objections, the Court will consider them. After the hearing, the Court will decide whether to approve the settlement. We do not know how long this decision will take. The final approval hearing may be continued without further notice. The Court may adjourn or continue the hearing from time to time, without further notification, as the Court may direct.

Once final approval is granted by the Court, the Court will enter judgment and all class members who have not requested exclusion will receive their Total Payment and be deemed to have released the claims set forth above while those that did timely request exclusion will still receive a PAGA-Only Payment and be deemed to have only released the PAGA claim(s) asserted in this lawsuit.

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 contacting the Settlement Administrator.

19. What is the Contact Information for the Court and Class Counsel and Who Represents SSAT?

The addresses for the Court, Class Counsel (along with their contact information), and SSAT's Counsel are as follows:

COURT	CLASS COUNSEL	SSAT'S COUNSEL
Clerk of Court Los Angeles County Superior Court 312 N. Spring Los Angeles, CA 90012	DIVERSITY LAW GROUP, P.C. Larry W. Lee Kristen M. Agnew Nicholas Rosenthal 515 S. Figueroa Street Suite 1250 Los Angeles, California 90071 Telephone: (213) 488-6555 Facsimile: (213) 488-6554 POLARIS LAW GROUP William L. Marder 501 San Benito Street Suite 200 Hollister, California 95023	GORDON REES SCULLY MANSUKHANI LLP Jim McMullen Justin Michitsch 101 W. Broadway, Suite 2000 San Diego, CA 92101

	Telephone: (831) 531-4214 Facsimile: (831) 634-0333	
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WHAT IF I HAVE QUESTIONS?

If you have any questions about the settlement, you may contact the Settlement Administrator:

Nicola Romano v. SSA Terminals, LLC
c/o Phoenix Settlement Administrators.
Address
City, CA, Zip
Toll-Free Phone Number: [insert]

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE COURT CLERK FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS.