

JOINT STIPULATION AND SETTLEMENT AGREEMENT

IT IS HEREBY STIPULATED AND AGREED by and among the undersigned Parties, subject to the approval of the Court, that the settlement of this action shall be effectuated upon and subject to the following terms and conditions. Capitalized terms used herein shall have the meanings set forth in Article I or elsewhere in this Private Attorney General Act (Labor Code § 2698 *et seq.*) (“PAGA”) Joint Stipulation and Settlement Agreement (hereinafter, “Settlement Agreement”).

This Settlement Agreement is between Plaintiff Michael Daw (“Plaintiff”) on behalf of himself and other aggrieved employees and Defendant RRL Corporation (“Defendant”). Plaintiff and Defendant collectively are referred to in this Agreement as the “Parties.” This Settlement Agreement shall be effective upon the last date upon which it is signed by the Parties.

The Parties agree that the Action shall be, and hereby is, ended, settled, resolved, and concluded by this Settlement Agreement, which is intended to effect and complete settlement of this matter.

I. DEFINITIONS

In addition to the other terms defined in this Agreement, the terms below have the following meaning:

- A. **Action:** The lawsuit filed by Plaintiff on August 27, 2020, entitled *Michael Daw v. RRL Corporation.*, Case No. 30-2020-01157398-CU-OE-CXC in the State of California, Orange County Superior Court.
- B. **Administration Costs:** All administrative costs incurred by the Settlement Administrator to administer this Settlement including the cost of notice to the Aggrieved Employees, claims administration, and any fees and costs incurred or charged by the Settlement Administrator in connection with the execution of its duties under this Settlement Agreement, which is currently estimated at \$5,500 and shall not exceed \$15,000. All Administration Costs shall be paid from the Qualified Settlement Fund. Funds allocated but not paid to the Settlement Administrator will be distributed to the Aggrieved Employees pro rata.
- C. **Aggrieved Employees:** All current and former non-exempt employees who performed work for Defendant within the State of California at any time during the PAGA Period.
- D. **Attorney Fee Award:** The amount, not to exceed 33 1/3% of the Gross Settlement Amount or \$108,333.33, finally approved by the Court and awarded to PAGA Counsel. The Attorney Fee Award shall be paid from the Qualified Settlement Fund and will not be opposed by Defendant.

- E. **Cost Award:** The amount that the Court orders Defendant to pay PAGA Counsel for payment of actual litigation costs, which shall not exceed \$15,000. The Cost Award will be paid from the Qualified Settlement Fund and will not be opposed by Defendant. The Cost Award is subject to Court approval. If the Court awards less than the amount request, any amount not awarded will become part of the Net Settlement Amount for distribution to Aggrieved Employees.
- F. **Counsel for Defendant:** John A. Mavros and Rebecca King of Fisher & Phillips LLP.
- G. **Court:** The State of California, Orange County Superior Court.
- H. **Defendant:** RRL Corporation.
- I. **Effective Date:** The effective date shall be the later of the following dates: (a) if no objection(s) are made, the date on which the Court approves this Agreement and dismisses the Action with prejudice through entry of the Order (as defined herein); (b) if any objection(s) are made the applicable date for seeking appellate review of the Order has passed without a timely appeal or request for review having been made; and (c) if any appeal and/or request for review is sought, the expiration of any time periods for appeal and/or the conclusion of any and all appeal proceedings and/or subsequent trial court proceedings on remand regarding the Order. No money will be distributed unless and until the Effective Date occurs.
- J. **Gross Settlement Amount or GSA:** The total value of the Settlement is a non-reversionary Three Hundred, Twenty-Five Thousand Dollars and Zero Cents (\$325,000.00). This is the maximum amount Defendant can be required to pay under this Settlement Agreement, which includes without limitation: (1) the PAGA Payment to the LWDA and to Participating Aggrieved Employees, as approved by the Court; (2) Attorney Fee Award and Cost Award to PAGA Counsel for attorneys' fees and costs, as approved by the Court; (3) the PAGA Representative Enhancement Payment paid to the PAGA Representative, as approved by the Court; and (4) Administration Costs, as approved by the Court. No portion of the Gross Settlement Amount will revert to Defendant for any reason.
- K. **LWDA:** The California Labor and Workforce Development Agency.
- L. **Notice or Notice of PAGA Action Settlement:** The Notice to be provided to all Aggrieved Employees regarding the terms of this Settlement, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval. The Notice shall be provided to all Aggrieved Employees in English. The Notice shall constitute notice pursuant to California Rule of Court 3.769 (f) and, once

approved by the Court shall be deemed compliant with California Rule of Court 3.766.

- M. **PAGA**: The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*).
- N. **PAGA Counsel**: Jonathan M. Lebe and Annaliz Loera of Lebe Law, APLC.
- O. **PAGA Payment**: The PAGA Payment consists of the GSA minus any costs and attorney's fees (anticipated to be \$191,666.67) allocated to satisfy the PAGA penalties claim as alleged in the PAGA Action. Seventy-five percent (75%) (anticipated to be \$143,750.02) of the PAGA Payment shall be paid to the LWDA, and twenty-five percent (25%) (anticipated to be \$47,916.67) of the PAGA Payment shall be part of the Net Settlement Amount distributed to Eligible Aggrieved Employees, on a pro rata basis, as set forth below.
- P. **PAGA Period**: The time period from April 6, 2019 through May 28, 2021.
- Q. **PAGA Representative or Plaintiff**: Michael Daw).
- R. **PAGA Representative Enhancement Payment**: The amount the Court awards to Plaintiff for his services as PAGA Representative, which will not exceed \$10,000. This payment shall be paid from the Qualified Settlement Fund and will not be opposed by Defendant. This enhancement payment is subject to approval of the Court. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Aggrieved Employees.
- S. **Parties**: Plaintiff Michael Daw as an individual and as PAGA Representative, and Defendant RRL Corporation.
- T. **Released Parties**: Defendant, its subsidiaries, affiliates, predecessors or successors in interest, and its respective past or present officers, directors, shareholders, employees, attorneys, agents, assigns, members, investors, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys.
- U. **Settlement Administrator**: The third party administrator agreed upon by Parties to administer this Settlement is CPT Group, Inc.

II. **BACKGROUND**

- A. On June 16, 2020, Plaintiff Michael Daw gave written notice to the Labor and Workforce Development Agency ("LWDA") of his intent to assert a claim under the Private Attorneys General Act of 2005 ("PAGA") and his alleged

basis for the claim. On July 29, 2020, Plaintiff gave amended written notice to the LWDA.

- B. On August 27, 2020, Plaintiff filed his complaint, alleging, on behalf of himself, and other aggrieved employees, that Defendant violated PAGA as a result of Defendant's wage and hour policies and practices. Specifically, Plaintiff alleges that Defendant failed to pay all wages, including minimum wages, regular wages, overtime and double time; failed to properly calculate overtime and double time wages; failed to provide meal breaks (including without limitation first and second meal breaks) each day based on the hours worked by each employee, including meal breaks that were short, late, interrupted, and/or missed altogether; failed to authorize and permit legally compliant rest breaks each day based on the hours worked by each employee, including rest breaks that were short, late, interrupted, and/or missed altogether; failed to both pay for sick leave and to pay for sick leave at the legally required rate; unlawful deduction of wages; failed to provide accurate and itemized wage statements; failed to reimburse for all necessary business expenses; and failed to timely pay all wages upon termination and/or resignation.
- C. After the filing of the Complaint, the Parties agreed to attend mediation. Prior to the mediation, the Parties conducted significant investigation and discovery of the facts and law both before and after the Complaint was filed. Prior to mediation, Defendant produced hundreds of documents relating to its policies, practices, and procedures regarding paying non-exempt employees for all hours worked, meal and rest period policies, and payroll and operational policies. As part of Defendant's production, Plaintiff also reviewed time records, pay records, and information relating to the size and scope of the Aggrieved Employees, as well as data permitting Plaintiff to understand the number of workweeks in the PAGA Period. The Parties agree that the above-described investigation and evaluation, as well as the information exchanged during the settlement negotiations, are more than sufficient to assess the merits of the respective Parties' positions and to compromise the issues on a fair and equitable basis.
- D. Plaintiff and PAGA Counsel have engaged in good faith, arms-length negotiations with Defendant concerning possible settlement of the claims asserted in the Complaint. On March 8, 2021, the Parties participated in a mediation before mediator Todd Smith, Esq. No settlement resulted at that mediation session. With the mediator's assistance settlement negotiations continued and a mediator's proposal was accepted by both Parties on May 28, 2021. The Parties accepted the proposal subject to the approval of the Court and finalization of a formal Settlement Agreement.
- E. **Benefits of Settlement to Aggrieved Employees.** Plaintiff and PAGA Counsel recognize the expense and length of continued proceedings necessary to continue the litigation against Defendant through trial and through any possible

appeals. Plaintiff and PAGA Counsel also have taken into account the uncertainty and risk of further litigation, the potential outcome, the existing arbitration agreements and the difficulties and delays inherent in such litigation. Plaintiff and PAGA Counsel conducted extensive settlement negotiations, including formal mediation on March 8, 2021. Based on the foregoing, Plaintiff and PAGA Counsel believe the Settlement set forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Aggrieved Employees.

- F. Defendant's Reasons for Settlement.** Defendant recognizes that the defense of this litigation will be protracted and expensive. Substantial amounts of time, energy, and resources of Defendant have been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff. Defendant, therefore, has agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Released Claims.

- G. Defendant's Denial of Wrongdoing.** Defendant generally and specifically denies any and all liability or wrongdoing of any sort with regard to any of the claims alleged, makes no concessions or admissions of liability of any sort. Defendant asserts a number of defenses to the claims, and has denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Complaint. Neither this Agreement, nor any document referred to or contemplated herein, nor any statements, discussions or communications, nor any action taken to carry out this Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. Nor should the Agreement be construed as an admission that Plaintiff can serve as adequate PAGA Representative. There has been no final determination by any court as to the merits of the claims asserted by Plaintiff against Defendant, other than for settlement purposes only.

- H. Plaintiff's Claims.** Plaintiff asserts that Defendant's defenses are without merit. Neither this Agreement nor any documents referred to or contemplated herein, nor any action taken to carry out this Agreement is, may be construed as, or may be used as an admission, concession or indication by or against Plaintiff, Aggrieved Employees, or PAGA Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the Complaint. However, in the event that this Settlement is finally approved by the Court, none of Plaintiff, Aggrieved Employees, or PAGA Counsel will oppose Defendant's efforts to use this Agreement to prove that Plaintiff and Aggrieved Employees have resolved and are forever barred from re-litigating the Released Claims.

III. SETTLEMENT TERMS

- A. Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the maximum Gross Settlement Amount that Defendant is

obligated to pay under this Settlement Agreement is Three Hundred, Twenty-Five Thousand Dollars and Zero Cents (\$325,000.00).

- B. Fee Amount.** Plaintiff's Counsel is free to request the Attorney Fee Award as compensation for their attorneys' fees and the Cost Award in addition as reimbursement for their litigation costs incurred. Defendant will not oppose any such request up to 33.3% (\$108,333.33) of the Gross Settlement Sum for fees and an additional \$15,000 for the Cost Award. Any reduction in this payment by the Court is not grounds to void this Agreement and any funds requested but not awarded as attorneys' fees or trust will be distributed to the State and eligible employees pursuant to the distribution terms of the Agreement or any terms imposed by the Court.
- C. PAGA Payment – Allocation.** The Net PAGA Payment shall represent Labor Code Section 2699 penalties, of which 75% of the payment will be paid to the LWDA as the LWDA Payment and 25% will be paid to Aggrieved Employees as Individual PAGA Payments, unless the Court determines otherwise. A reallocation of the settlement funds amongst PAGA claims directed by the Court shall not be a basis for either side to void the agreement. Aggrieved Employees will be issued Form 1099 for their share of the PAGA payments. The Individual PAGA Payment for each Aggrieved Employee shall be based on the number of workweeks each Aggrieved Employees worked during the PAGA Period as a percentage of the total workweeks worked by all Aggrieved Employees during the PAGA Period.
- D. Escalator Clause.** The parties reached this Agreement based on a calculation of 11,717 workweeks. If the number of workweeks increases by more than 10% (which is more than 12,889 workweeks) as of the end of the PAGA Period, Defendant would increase the Gross Settlement Amount on a proportional basis for the amount in excess of the 10% threshold (i.e. if there are more than 12,889 workweeks worked by Aggrieved Employees during the PAGA Period, Defendant would increase the Gross Settlement Amount proportionately with the number of workweeks in excess of 12,889). Specifically, there will be a pro rata adjustment to the Settlement equal to \$27.74 per additional workweek above 12,889.
- E. No Publicity; Confidentiality.** No party hereto (including the Parties' attorneys) shall publicize this settlement, this Agreement, any terms of this Agreement (including, but not limited to, the PAGA Gross Settlement Amount), or any information about the negotiations leading to the execution of this Agreement. This includes, but not limited to, communications through any social media, unless so ordered by the Court. Nothing herein limits or purports to limit Plaintiff's Counsel's ability or right to respond to Aggrieved Employee inquiries about this Settlement or to submit this Settlement to the LWDA and the Court for the purpose of obtaining approval of the Settlement and in compliance with the requirements of PAGA.

- F. No Admission of Liability.** Defendant makes no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendant reserves the right to contest any issues relating to liability if the Settlement is not approved. Defendant denies that it has engaged in any unlawful activity, has failed to comply with the law in any respect, has any liability to anyone under the claims asserted in the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant of liability or wrongdoing. This Settlement and Plaintiff's and Defendant's willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this Settlement).

IV. APPROVAL AND IMPLEMENTATION OF AGREEMENT

- A. Cooperation.** The Parties will cooperate in obtaining through an unopposed motion, an Order from the Court approving the terms of this Agreement at the earliest possible date. The Parties agree to use their best efforts to expedite the preparation and submission of the Agreement documents. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents reasonably necessary to be prepared or filed in order to obtain approval of this Agreement.
- B. Court Approval.** The Parties will seek to obtain the Court's approval of this Agreement by way of a motion to be filed by Plaintiffs' counsel on August 27, 2021, or earlier, as directed by the Court. The Court's approval of this Agreement shall be embodied in a written Order. Should the Court not grant approval of terms set forth in this Agreement, then the entirety of this Agreement shall be null and void.
- C. Notice to Aggrieved Employees.**
1. **Notice.** Notice shall be provided to the Aggrieved Employees in the following manner:
 - (a) **Delivery of the List of Aggrieved Employees.** No later than 15 days after Effective Date, Defendant shall provide the Settlement Administrator with a list of all Aggrieved Employees ("Aggrieved Employees List"). The Aggrieved Employees List shall state the first name and last name in separate columns for each Aggrieved Employee, the last known home address for each such Aggrieved Employee, each Aggrieved Employee's social security number, and each Aggrieved Employee's respective number of workweeks employed by Defendant during the PAGA Period. Data provided by Defendant shall be kept confidential by the Settlement Administrator except for purposes of

administering the settlement. The Settlement Administrator shall not share any personally-identifying Aggrieved Employee data with Plaintiff's Counsel, but may disclose the number of Aggrieved Employees, the number of workweeks worked by each Aggrieved Employee during the PAGA Period (with names redacted), and their Individual Settlement Payments (with names redacted).

(b) The Settlement Administrator shall conduct one National Change of Address ("NCOA") search for all Aggrieved Employees identified on the Aggrieved Employees List. No later than ten (10) business days after its receipt of the information described in Section IV(C)(1)(a), above, the Settlement Administrator shall mail the Notice of PAGA Settlement (attached hereto as Exhibit A) and each Individual PAGA Payment to all Aggrieved Employees by first-class United States mail, postage prepaid, to the last known address of each Aggrieved Employee with directions to the Postmaster to forward the Notice and Individual PAGA Payment and return all undeliverable Notices and Individual PAGA Payments to the Settlement Administrator. For each Notice and Individual PAGA Payment that is returned as undeliverable, the Settlement Administrator shall promptly attempt to locate the Aggrieved Employee by using an address refresher database.

(c) All costs incurred by the Settlement Administrator in connection with the current settlement, whether foreseen or seen, shall be paid out of Administration Cost.

V. SETTLEMENT PAYMENT AND ADMINISTRATION PROCEDURES

A. Funding of Settlement. Within 15 days after the Effective Date, Defendant will deposit the Gross Settlement Amount into a Qualified Settlement Account ("QSA") to be established by the Settlement Administrator. In no event will any funds or payment be due by Defendant until after both the Effective Date of this Agreement and Court approval of the settlement.

B. Calculation. For purposes of distributing each Individual PAGA Payment, all distribution payments will be made according to the number of workweeks each Aggrieved Employee was employed by Defendant during the PAGA Period, with each Aggrieved Employee being entitled to a share of the Net PAGA Payment allocated to the Aggrieved Employees based upon the Aggrieved Employee's number of workweeks employed with Defendant during the specified period as a numerator and the total number of workweeks all Aggrieved Employees were employed with by Defendant during the PAGA Period as the denominator.

- C. Individual PAGA Payments.** Within 15 days of the funding of the QSA, the Settlement Administrator shall issue the following payments from the QSA: (a) the Individual PAGA Payments to Aggrieved Employees (including Plaintiff); (b) the LWDA PAGA Payment (as defined herein) to the LWDA; (c) the Representative Enhancement Payment; (d) Attorney's Fees and Costs to Plaintiff's Counsel; and (e) the Administration Fees to itself. The Settlement Administrator, and not Defendant, will issue appropriate tax forms for all payments issued under this Settlement, if and as required by law as determined by the Settlement Administrator. Because the payments made under this Agreement will be made with respect to only the PAGA claims for all Aggrieved Employees and the individual claims for Plaintiff, this Agreement is not subject to the rules governing the settlement of class or collective actions. Accordingly, the Individual PAGA Payments shall be distributed without a claims process or an opportunity to object or opt out. The Individual PAGA Payments are considered penalties and will not be subject to local, state or federal tax withholdings. All Aggrieved Employees who cash their settlement check may receive a IRS Form 1099 reflecting this portion of the settlement. The settlement checks issued to Aggrieved Employees shall remain valid for one hundred twenty (120) days. Thereafter, all uncashed checks shall be voided and the funds represented thereby shall be paid to the LWDA by the Settlement Administrator.
- D. LWDA Notice.** Pursuant to California Labor Code section 2699(l), Plaintiff will provide a copy of this Agreement to the LWDA concurrently with the filing of the motion for settlement approval. Plaintiff will also file a declaration in support of their Motion for Settlement Approval confirming that he has submitted the Agreement to the LWDA in compliance with Labor Code section 2699(l). In addition, Plaintiff shall submit to the LWDA a copy of the Court's judgment and order approving the Agreement within 15 days after entry of the judgment or order.

VI. RELEASE AND WAIVER OF CLAIMS

- A. PAGA Released Claims.** As of the Effective Date and upon Defendant fulfilling its payment obligations under this Agreement, this settlement forever bars Plaintiff, the LWDA, and any other representative, proxy, or agent thereof, including, but not limited to, any and all Eligible Aggrieved Employees during the PAGA Period, from pursuing any action under the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), Labor Code §§ 2698, *et seq.*, against, the Released Parties based on or arising out of alleged violations of Labor Code sections alleged in the Action, including unpaid wages, minimum wages, regular wages, overtime and double time, improper calculation of overtime and double time wages, unlawful deduction of wages, failure to provide sick leave, meal and rest breaks, failure to timely pay wages during employment, non-compliant wage statements, failure to pay wages due upon

termination, failure to produce employment records, failure to reimburse for business expenses, and any other alleged violation in Plaintiff's LWDA letter.

- B. Plaintiff's Individual General Release.** As of the Effective Date and upon Defendant fulfilling its payment obligations under this Agreement, Plaintiff agrees on behalf of himself, and his respective heirs, executors, administrators, successors, agents and assigns, to release and discharge Defendant, its respective subsidiaries, affiliates, predecessors or successors in interest, or the officers, directors, shareholders, employees, attorneys, agents, assigns, insurers, re-insurers, of any of them, both individually and collectively, and any individual or entity which could be jointly liable with Defendant or any of them from any and all claims, debts, promises, agreements, actions, causes of action, suits, claims, liens, penalties, interest, demands, damages, controversies, attorneys' fees, costs of suit, losses, expenses, and liabilities (based upon any legal or equitable theory, whether contractual, common law, statutory, federal, state or otherwise) of every nature whatsoever, whether known or unknown, suspected or unsuspected, anticipated or unanticipated, filed or unfiled, arising prior to the date Plaintiff executes this Agreement, or arising out of or in connection with Plaintiff's employment with Defendant. This release includes, but is not limited to, all claims arising directly or indirectly from Plaintiff's employment; or claims or demands related to Plaintiff's performance of services, including but not limited to claims arising under federal, state or local law or cause of action, including, but not limited to, unpaid wages (straight time, overtime, bonuses, vacation, wage premiums; other wages); breach of contract; breach of the implied covenant of good faith and fair dealing; infliction of emotional harm; wrongful or retaliatory discharge; harassment, discrimination, or other violation of public policy; defamation and impairment of economic opportunity; violation of the California Fair Employment and Housing Act, the California Labor Code, the California Business and Professions Code, the California Constitution; and any claims for violation of the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, and the Americans With Disabilities Act of 1990. Plaintiff hereby states that it is his intention in executing this Settlement Agreement that the same shall be effective as a bar to each and every claim, demand, causes of action, obligation, damage, liability, charge, attorneys' fees and costs hereinabove released. Plaintiff hereby expressly waives and relinquishes all rights and benefits, if any, arising under the provisions of Section 1542 of the Civil Code of the State of California which provides:

SECTION 1542. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her Settlement with the debtor or released party.

Notwithstanding the foregoing, the Released Claims shall not include any claims that cannot be released as a matter of law, including without limitation, any workers' compensation claims by Plaintiff against Defendant.

- C. **PAGA Counsel.** As of the date the Judgment becomes Final, and except as otherwise provided by this Agreement and the Judgment, PAGA Counsel and any counsel associated with PAGA Counsel waive any claim to costs and attorneys' fees and expenses against Defendant arising from or related to the Action.

VII. MISCELLANEOUS PROVISIONS

- A. **Voluntariness.** This Agreement is executed voluntarily and without duress or undue influence on part of or on behalf of any of the Parties, or of any other person, firm or other entity.
- B. **No Effect on Employee Benefits.** The amounts paid under this Agreement do not represent a modification of any previously credited hours of service under any employee benefit plan, policy or bonus program sponsored by Defendant. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under, benefit plans (self-insured or not) sponsored by Defendant's, policies or bonus programs. Any payments made under the terms of this Settlement shall not be applied retroactively, currently or on a going forward basis as salary, earnings, wages, or any other form of compensation for the purposes of Defendant's benefit plan, policy or bonus program. Defendant retains the right to modify the language of their benefit plans, policies and bonus programs to effect this intent and to make clear that any amounts paid pursuant to this Settlement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purpose of eligibility, vesting, benefit accrual or any other purpose, and that additional contributions or benefits are not required by this Settlement..
- C. **Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits. Except as expressly provided herein, this Agreement has not been executed in reliance upon any other written or oral representations or terms, and no such extrinsic oral or written representations or terms shall modify, vary or contradict its terms. In entering into this Agreement, the parties agree that this Agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence. Nothing in this Agreement in any way limits or negates the enforceability and

effect of the underlying arbitration agreements signed by employees of Defendant, obligating them to arbitrate any and all claims on an individual (and not on a class, collective, or representative) basis.

- D. Authorization to Enter Into Settlement Agreement.** PAGA Counsel and Defendant's Counsel warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Agreement.
- E. Exhibits and Headings.** The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.
- F. Deadlines Falling on Weekends or Holidays.** To the extent that any deadline set forth in this Settlement Agreement falls on a Saturday, Sunday or legal holiday, that deadline shall be continued until the following business day.
- G. Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the PAGA Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Approval hearing to be conducted by the Court.
- H. Amendment or Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties or their successors-in-interest.
- I. Agreement Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.
- J. No Prior Assignment.** Plaintiff hereby represents, covenants, and warrants that he has not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion

of any liability, claim, demand, action, cause of action or rights herein released and discharged.

- K. Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.
- L. Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the PAGA Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.
- M. No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Aggrieved Employees will assume any such tax obligations or consequences that may arise from this Agreement, and that Aggrieved Employees shall not seek any indemnification from the Parties or any of the Released Parties in this regard.
- R. Jurisdiction of the Superior Court.** Pursuant to Code of Civil Procedure Section 664.6, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Superior Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments in connection therewith.
- S. Invalidity of Any Provision; Severability.** Before declaring any provision of this Agreement invalid, the Parties request that the Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.
- T. Nullification of Settlement Agreement.** Unless otherwise noted herein, if (i) the Court does not approve the settlement as provided or (ii) the settlement does not become final for any other reason, then this Agreement and any other document generated to bring it into effect will be null and void, and the Parties will be returned to their original, respective positions.

- U. **Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- V. **Execution in Counterpart.** This Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

VIII. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

Dated: 8/18/2021
_____, 2021

MICHAEL DAW

DocuSigned by:
Michael Joseph Daw Jr. _____
Plaintiff AB4CDD3B62FA4E3...

Dated: _____, 2021

RRL CORPORATION

For Defendant

APPROVED AS TO FORM, AND AGREED TO AS APPLICABLE

Dated: 8/18/2021
_____, 2021

LEBE LAW, APLC

DocuSigned by:
Annaliz Loera, Esq. _____
Annaliz Loera, Esq.
Attorneys for Plaintiff Michael Daw, on behalf of
himself and all others aggrieved employees

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VIII. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

Dated: _____, 2021

MICHAEL DAW

Plaintiff

Dated: 8/23, 2021

RRL CORPORATION



For Defendant

APPROVED AS TO FORM, AND AGREED TO AS APPLICABLE

Dated: _____, 2021

LEBE LAW, APLC

Jonathan Lebe, Esq.
Annaliz Loera, Esq.
Attorneys for Plaintiff Michael Daw, on behalf of
himself and all others aggrieved employees

Dated: August 23, 2021

FISHER & PHILLIPS LLP



John A. Mavros, Esq.
Rebecca King, Esq.
Attorneys for Defendant RRL Corporation

NOTICE OF SETTLEMENT

Michael Daw v. RRL Corporation,

Case No. 30-2020-01157398-CU-OE-CXC in the State of California, Orange County Superior Court

You are receiving this notice and a check made payable to you as a result of a lawsuit brought on a representative basis under the California Private Attorneys General Act, Labor Code §§ 2698 *et seq.* (“PAGA”) by Plaintiff Michael Daw (“Plaintiff”) against Defendant RRL Corporation (“Defendant”) (the “Action”). Through the Action, Plaintiff sought to recover civil penalties for purported violations of the California Labor Code on behalf of himself and other similarly aggrieved employees during the time period April 6, 2019 to May 28, 2021 (the “PAGA Period”), who were classified by Defendants as “non-exempt” employees in California (the “Aggrieved Employees”). Defendant denies all claims and allegations in the Action and settled to avoid further costs and time in defending the Action; the Court has made no judgment on the issues.

You are not a party to the Action, but you and the government will be bound by the judgment in this matter as to civil penalties. This settlement does not release any underlying wage and hour claims you may or may not have against Defendant – it only relates to civil penalties. According to Defendant’s records, you are an Aggrieved Employee and therefore entitled to a share of the PAGA settlement proceeds based upon the Court-approved allocation, which is based upon the number of workweeks you worked for Defendant during the PAGA Period. The enclosed settlement check, which you are receiving in your capacity as an Aggrieved Employee in connection with the settlement of the PAGA claim for civil penalties, shall remain valid for 120 days after mailing (the “Settlement Payment”). Checks remaining un-cashed for more than 120 days after issuance will be become void and the funds will be paid to the California Labor & Workplace Development Agency.

Please Note: One hundred percent (100%) of the Settlement Payment will be considered civil penalties; may be subject to local, state, and/or federal tax withholdings; and will be reported to the IRS and applicable state tax authorities. You should rely on your own tax advisors as to the tax consequences of your Settlement Payment.

Do not call or write the Court or Office of the Clerk to ask questions about the settlement. If you have any questions, you may call to CPT Group, Inc. (the Settlement Administrator) at 1-877-705-5021.