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

ERNEST CUADRA, MARISA GRAEF, THOMAS
TAFOLLA on behalf of themselves and others
similarly situated,

Plaintiffs,

vs.

FEDEX GROUND PACKAGE SYSTEM, INC., A
DELAWARE CORPORATION; FEDEX, A
BUSINESS ENTITY UNKNOWN; AND DOES 1
TO 100, INCLUSIVE,

Defendants.

Case No. 20STCV39441

**JOINT STIPULATION RE: CLASS
ACTION SETTLEMENT**

[Assigned for all purposes to
The Honorable Richard J. Burdge, Dept. 37]

Action Filed: December 3, 2019
Trial Date: None

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**TO THE COURT AND TO ALL PARTIES AND THEIR RESPECTIVE COUNSEL
OF RECORD:**

This Joint Stipulation Re: Class Action Settlement (hereinafter, “Stipulation” or “Settlement”) is made and entered into by and between plaintiffs Ernest Cuadra, Marisa Graef, and Thomas Tafolla (“Plaintiffs”), on behalf of themselves and on behalf of others similarly situated; and defendant FedEx Ground Package Systems, Inc. (“Defendant”) (hereinafter collectively referred to as the “Parties.”) Subject to the approval of the Court, the Action is hereby being compromised and settled pursuant to the terms and conditions set forth in this Stipulation. This Stipulation shall be binding on Plaintiffs and the class they purport to represent, Defendant, and on their respective counsel, subject to the terms and conditions hereof and the approval of the Court.

THE PARTIES STIPULATE AND AGREE as follows:

I. DEFINITIONS

1. The following terms, as used throughout this Stipulation are defined as follows:

a) Action. The term “Action” shall mean and refer to the legal action pending in the Superior Court of California for the County of Los Angeles, entitled *Ernest Cuadra v. FedEx Ground Package System, Inc.*, Case No. 20STCV04992.

b) Check Cashing Deadline. The term “Check Cashing Deadline” shall mean one hundred eighty (180) days after an Individual Settlement Award is issued to a Class Member by check.

c) Settlement Administrator. The term “Settlement Administrator” shall refer to Rust Consulting, Inc., or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for the purposes of administering this Settlement. If a Settlement Administrator is not agreed upon by the Parties, Class Counsel shall select a Settlement Administrator on the bases of cost and competence, with the best interest of the Class in mind, subject to approval by the Court for purposes of administering this Settlement.

d) Class. The term “Class” shall mean and refer, collectively, to all Class Members.

e) Class Counsel. The term “Class Counsel” shall mean and refer, collectively to Lavi & Ebrahimian, LLP and all of its lawyers.

1 f) Class Members. The term “Class Members” shall mean: “All current and former
2 non-exempt employees employed by Defendant in California at any time during the Class Period.”

3 g) Class Period. The term “Class Period” shall mean the time period from March 6,
4 2019 through February 3, 2022.

5 h) Class Representatives. The term “Class Representatives” shall mean and refer to
6 plaintiffs Ernest Cuadra, Thomas Tafolla, and Marisa Graef. The term “Class Representatives”
7 shall be synonymous with the term “Plaintiffs”.

8 i) Court. The term “Court” shall refer to the Honorable Richard J. Burdge Jr. of the
9 Superior Court of California for the County of Los Angeles, before whom the Action is pending.

10 j) Defendant. The term “Defendant” shall mean and refer to FedEx Ground Package
11 System, Inc.

12 k) Defendant’s Counsel. The term “Defendant’s Counsel” shall refer to Ogletree,
13 Deakins, Nash, Smoak & Stewart, P.C., and its attorneys.

14 l) Document Receipt Deadline. The term “Document Receipt Deadline” shall mean
15 forty-five (45) days after the Notices are mailed to Class Members by the Settlement
16 Administrator.

17 m) Effective Date. The term “Effective Date” shall mean the date on which the Court’s
18 Judgment becomes final, as further detailed in Paragraph 8, herein.

19 n) Final Settlement Approval Hearing. The term “Final Settlement Approval Hearing”
20 shall mean and refer to a hearing before the Court to finally approve the Settlement as fair,
21 reasonable, and adequate, as further detailed in Paragraph 33, herein.

22 o) Final Settlement Papers. The term “Final Settlement Papers” shall refer to and
23 include a Motion for Final Approval of Settlement, Motion for Attorneys’ Fees and Costs, and
24 [Proposed] Final Approval Order and Judgment.

25 p) Individual Settlement Amount. The term “Individual Settlement Amount” shall
26 mean a Class Member’s share of the Net Settlement Amount, as further detailed in Paragraph 22,
27 subparagraph (f), herein.

1 q) Net Settlement Amount. The term “Net Settlement Amount” shall mean and refer
2 to the balance of the Total Class Action Settlement Amount, after all Court-approved deductions
3 for attorneys’ fees and actual costs to Class Counsel, the Settlement Administrator’s cost and fees,
4 the Class Representatives’ enhancement award, and the PAGA Allocation. The Net Settlement
5 Amount is the maximum amount that will be available for distribution to Class Members.

6 r) Notice. The term “Notice” shall mean the Notice of Class Action Settlement,
7 attached hereto as **Exhibit 1**.

8 s) PAGA Group Members. The term “PAGA Group Members” shall mean “All
9 current and former non-exempt employees employed in California at any time during the PAGA
10 Period.

11 t) PAGA Period. The term “PAGA Period” shall mean the time period between March
12 6, 2019 through February 3, 2022.

13 u) Parties. The term “Parties” shall mean and refer collectively to plaintiffs Ernest
14 Cuadra, Thomas Tafolla, and Marisa Graef, on behalf of the Class, and Defendant.

15 v) Plaintiffs. The term “Plaintiffs” shall mean and refer to plaintiffs Ernest Cuadra,
16 Thomas Tafolla, and Marisa Graef. The term “Plaintiffs” shall be synonymous with the term “Class
17 Representatives”.

18 w) Preliminary Approval Date. The term “Preliminary Approval Date” shall mean the
19 date that the Court enters the Preliminary Approval Order, attached hereto as **Exhibit 2**, including
20 any revisions required by the Court.

21 x) Released Parties. The term “Released Parties” shall mean and refer to Defendant
22 and all of Defendant’s current or former parent companies, subsidiary companies, and/or related
23 companies, partnerships, joint ventures, affiliates, and/or divisions, and, with respect to each of
24 them, all of their and/or such related entities’ predecessors and successors, and, with respect to
25 each such entity, all of its past, present, and/or future, direct and/or indirect, employees, officers,
26 partners, principals, directors, stockholders, managers, owners, representatives, assigns, attorneys,
27 agents, insurers, employee benefit programs (and the trustees, administrators, fiduciaries, and
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insurers of such programs), investors, and any other persons acting by, through, under, or in concert with any of the persons or entities listed in this subsection, and their successors.

y) Stipulation. The term “Stipulation” shall refer to this document, entitled “Joint Stipulation Re: Class Action Settlement”, including all exhibits attached hereto.

z) Total Class Action Settlement Amount. The term “Total Class Action Settlement Amount” shall mean Five Million Two Hundred Fifty Thousand Dollars and Zero Cents (\$5,250,000.00). This is the maximum possible amount that may be paid by Defendant to resolve the Action, with the limited exceptions of: (1) Defendant’s responsibility for the employer’s share of taxes associated with the Class Members’ Individual Settlement Amounts; and (2) the additional amount to be paid, if any, due to a possible increase of the Total Class Action Settlement amount as described in Paragraph 14. The Total Class Action Settlement Amount is a non-reversionary amount that is intended to be a qualified settlement fund pursuant to 26 U.S.C. § 468B.

2. Date Of This Stipulation: This Stipulation is made as of the date set forth below by and between Plaintiffs, on behalf of themselves and the Class, on the one hand, and Defendant, on the other hand, subject to approval of the Court.

II. BACKGROUND OF THE LEGAL ACTION

3. Brief Procedural History. The Parties briefly summarize the procedural history in the Action.

a) Plaintiff Ernest Cuadra filed the lawsuit entitled *Ernest Cuadra, v. FedEx Ground Package System, Inc.*, Case No.: RG19045340 (“*Cuadra I*”), on December 3, 2019, in the Superior Court for the County of Alameda. *Cuadra I* alleged the following causes of action against Defendant: (1) failure to pay minimum wages or overtime wages; (2) failure to provide legally required meal periods; (3) failure to provide legally required rest periods; (4) failure to provide accurate itemized wage statements; (5) failure to timely pay wages due at time of separation; and (6) unfair, and deceptive business practices.

b) On February 6, 2020, Plaintiff Cuadra filed a separate action entitled *Ernest Cuadra v. FedEx Ground Package Systems, Inc.*, Case No. 20STCV04992 (“*Cuadra II*”) in the Los Angeles Superior Court.

1 c) On March 25, 2020, Defendant removed the earlier-filed *Cuadra I* matter to the
2 California Central District of the United States District Court.

3 d) On June 10, 2020, Class Counsel filed the action entitled *Marisa Graef v. FedEx*
4 *Ground Package System, Inc.*, Case No. 20STCV22720 (“*Graef I*”). The *Graef I* action alleged the
5 following causes of action against Defendant: (1) failure to pay minimum wages or overtime
6 wages; (2) failure to provide legally required meal periods; (3) failure to provide legally required
7 rest periods; (4) failure to provide accurate itemized wage statements; (5) failure to indemnify
8 employees for employment-related expenditures; (6) failure to timely pay wages due at time of
9 separation; and (7) unfair, and deceptive business practices.

10 e) On August 18, 2020, Defendant removed *Graef I* to the United States District Court,
11 Central District of California.

12 f) One day earlier, on August 17, 2020, Plaintiff Graef filed a separate action entitled
13 *Marisa Graef v. FedEx Ground Package System, Inc.*, Case No. 20STCV31160 (“*Graef II*”) in Los
14 Angeles County Superior Court.

15 g) On September 24, 2020, the above-entitled court granted Defendant’s Demurrer as
16 to the Action staying it until *Cuadra I* resolved on the basis that it was related to *Cuadra I* and
17 involved the same primary rights.

18 h) On September 28, 2020, the Court then found *Graef II* to be related to *Cuadra II*,
19 and vacated all hearings in *Graef II*.

20 i) On June 3, 2021, Defendant filed a Motion to Stay in *Graef II* on the grounds that it
21 was related to *Cuadra I* and *Graef I*, which were already pending in the federal court.

22 j) The Parties then proceeded to litigate both *Cuadra I* and *Graef I* in federal court
23 culminating with the court tentatively denying Plaintiff Cuadra’s Motion for Class Certification in
24 *Cuadra I* on August 11, 2021.

25 k) On September 20, 2021, Judge Burdge Jr. denied Defendant’s Motion for Stay of
26 the *Graef II* proceedings.

27 4. Mediation And Settlement Agreement Reached By The Parties. On March 29,
28 2021, the Parties, by and through their counsel, participated in a private mediation before Louis

1 Marlin, Esq. Those mediation efforts were not successful and the Parties then spent the next six
2 months heavily litigating *Cuadra I*, including substantial written discovery, depositions, discovery
3 motion practice, a contested motion for class certification, and other motions. On September 29,
4 2021, the Parties participated in a second day of mediation with Mr. Marlin. Those further efforts
5 were successful with the Parties agreeing to resolve the Action in principle and on a class-wide
6 basis on October 6, 2021 through mutual acceptance of the mediator's proposal. This Stipulation
7 formalizes the settlement agreement reached by the Parties.

8 5. Investigation. The Parties have conducted a detailed and comprehensive
9 investigation of the claims asserted against Defendant and of the applicable law. The Parties
10 exchanged formal discovery, which included: (a) analysis by the Parties of certain records, data,
11 and policies pertaining to Plaintiffs, Class Members, and the claims asserted in the Action; (b)
12 depositions of facts and expert witnesses; (c) research of the law applicable to Plaintiffs' claims
13 and Defendant's affirmative defenses, as well as the damages alleged by Plaintiffs; (d) examination
14 and analysis of information and documents; and (e) consideration of information disclosed at and
15 in connection with mediation.

16 6. Benefits of Settlement. The Class Representatives and Class Counsel recognize the
17 uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in
18 such litigation. The Class Representatives and Class Counsel also are aware of the burdens of
19 proof necessary to establish liability for the claims asserted in the Action, the defenses thereto, and
20 the difficulties inherent in the Action. Based on the foregoing, the Class Representatives and Class
21 Counsel have determined that the Settlement set forth in this Stipulation is a fair, adequate, and
22 reasonable settlement, and that it is in the best interest of the Class Members. Based on their
23 discovery and investigation, Class Counsel has determined that the settlement is well within the
24 range of reasonableness. The settlement embodied and documented in this Stipulation is the
25 product of extensive, arms-length negotiations, and is not the product of collusion. Likewise,
26 Defendant has concluded that any further defense of the Action would be protracted and expensive.
27 Substantial amounts of time, energy, and resources have been, and will continue to be, devoted to
28 the defense of the Action unless this settlement is made. Therefore, Defendant has agreed to settle,

1 in the manner and upon the terms set forth in this Stipulation, in order to fully and finally resolve
2 the claims asserted in the Action.

3 7. Denial of Wrongdoing. Defendant has denied and continues to deny each of the
4 claims asserted by Plaintiffs in the Action and the related actions, as identified and referenced in
5 Paragraph 3, above. Defendant contends, among other things, that it complied at all times with the
6 California Labor Code and applicable California Wage Orders, that it paid all wages owed to
7 Plaintiffs and Class Members, and that any claim for wage payments or penalties owed is not
8 actionable and/or does not give rise to any liability under the California Labor Code. Defendant
9 further contends that it complied at all times with the provisions of the California Business &
10 Professions Code § 17200 *et seq.* Neither this Stipulation nor any action taken to carry out the
11 Stipulation may be construed as an admission by Defendant of any fault, wrongdoing, or liability
12 whatsoever.

13 **III. DATE OF SETTLEMENT**

14 8. Effective Date. The Court's Judgment shall become final when all of the following
15 events have occurred:

16 a) The Stipulation has been executed by all Parties, Class Counsel, and Defendant's
17 Counsel;

18 b) The Court has given preliminary approval to the settlement;

19 c) The Court has held a Final Settlement Approval Hearing and has entered a Final
20 Approval Order and Judgment, and approving the Stipulation; and

21 d) In the event that objections are presented at the Final Settlement Approval Hearing
22 either in writing or through personal attendance, upon the later of:

23 i. The date of final affirmance on an appeal of the Judgment; the expiration of the
24 time for a petition to review the Judgment; and, if review is granted, the date of
25 final affirmance of the Judgment following review; or

26 ii. The date of final dismissal of any appeal from the Judgment or the final dismissal
27 of any proceeding to review the Judgment; or

28 iii. If no appeal is filed, the expiration date for filing any appeal from the Judgment.

1 e) In the event that no objections are presented at or before the Final Settlement
2 Approval Hearing, or that any filed written objections are withdrawn prior to the Final Settlement
3 Approval Hearing, the Court's Judgment shall become final when the conditions set forth in
4 subparagraphs (a) through (c) of this Paragraph 8, hereinabove, have been fulfilled.

5 **IV. CLASS MEMBERS INCLUDED IN THE SETTLEMENT**

6 9. Scope Of The Class. The Class is defined as follows: "All current and former non-
7 exempt employees employed by Defendant in California at any time during the Class Period."

8 10. Class Members' Objection To This Settlement. Any Class Member may object to
9 the Settlement by mailing a written objection to the Settlement Administrator at the address
10 detailed in the Notice by no later than the Document Receipt Deadline which is forty-five (45)
11 calendar days after the date that the Settlement Administrator originally mails Notices to Class
12 Members. Even if a Class Member fails to timely submit a written objection to the Settlement
13 Administrator, he or she may appear at the Final Fairness Hearing to object to the Settlement. Any
14 Class Member who does not object to the Settlement through a written objection and/or by
15 appearing at the Final Fairness Hearing, however, may not appeal the Final Judgment. In the event
16 that the Court approves this Settlement notwithstanding the objections of any Class Members,
17 Class Members who object to the Settlement will nonetheless be bound by the Settlement. Class
18 Members who have opted out of the Settlement as detailed in Paragraph 24, subparagraph (d),
19 herein do not have standing to object to the Settlement or to file an appeal for purposes of
20 Paragraph 8.

21 11. Class Members' Exclusion ("Opt-Out") From This Settlement. Any Class Member
22 may request to be excluded ("opt-out") from this Settlement by mailing a written Request for
23 Exclusion to the Settlement Administrator as prescribed in Paragraph 24, subparagraph (d), herein.
24 Each Class Member who submits a valid Request for Exclusion shall not be a Class Member and
25 shall not be bound by the Settlement, except that if he or she is a PAGA Group Member he or she
26 will still be bound by the PAGA Release and will receive his or her proportionate share of the
27 portion of the PAGA Payment that is allocated to PAGA Group Members. Each Class Member
28

who has not validly and timely opted-out as prescribed in Paragraph 24, subparagraph (d), herein, will be subject to the Release.

12. Class Members and PAGA Group Members' Disputes Regarding The Number Of Qualifying Workweeks or Qualifying Pay Periods attributable to them. If a Class Member and/or PAGA Group Member wishes to dispute the number of Qualifying Workweeks or Qualifying Pay Periods attributed to them and listed on the Class Notice, the Class or PAGA Group Member must notify the Settlement Administrator and should produce any available supporting evidence to the Settlement Administrator of the dates the Class Member or PAGA Group Member contends he or she worked during the Class Period or PAGA Period Relevant Period by no later than the Document Receipt Deadline. Defendant will review its records and provide information to the Settlement Administrator in response to any such disputed claim. Defendant's records will be presumed to be determinative, but the Settlement Administrator will evaluate the evidence submitted by the Class Member or PAGA Group Member and make the decision as to which dates should be applied. The determination by the Settlement Administrator will be final and binding, subject to oversight by the Court. If a person believes that he or she was wrongly excluded from being a member of the Class or PAGA Group, that person must notify the Settlement Administrator by the Document Receipt Deadline or he or she will be excluded from the Class or PAGA Group. The Parties will endeavor to resolve the issue informally. If they are unable to do so, the Parties will refer the matter to the Court for a final determination on whether relief should be provided to that individual.

13. Termination Provision. Defendant reserves the right to revoke this Stipulation and the settlement provided for herein prior to the Final Settlement Approval Hearing in the event that three percent (3%) or more Class Members opt out of the Settlement by submitting timely and valid Requests for Exclusion in the manner set forth in Paragraph 24, subparagraph (d), below, in which case this Stipulation will not have any force and/or effect. Defendant shall make its election within seven (7) calendar days of receipt from the Settlement Administrator of the total percentage of opt-outs. If the Settlement is voided, no payment will be made by Defendant to Plaintiffs, any Class Member, or Class Counsel; and all Parties and third parties referenced in this Stipulation will

bear their own costs, fees, and expenses associated with the Litigation. However, Defendant will be responsible for the costs incurred by the Settlement Administrator.

14. Pro Rata Increase. In the event that the total number of workweeks worked by the Class Members through 2020 exceeds 1,250,000, (the approximate amount represented by Defendant that were worked by Class Members between March 6, 2019 to January 2, 2021), by more than ten percent (10%) (*i.e.*, more than 1,375,000 workweeks) or the total number of Class Members through 2020 exceeds 50,000, (the approximate amount represented by Defendant) by more than ten percent (10%), Defendant will increase the Total Class Action Settlement Amount by the percentage over ten percent (10%) using the higher percentage if the total number of workweeks and the total number of Class Members through 2020 both exceed ten percent (10%). If the Total Class Action Settlement Amount increases pursuant to this escalation clause, then Defendant agrees not to oppose an application by Plaintiffs' counsel to increase their attorneys' fees in a pro rata manner, which shall be deducted the Settlement Amount. For example, if the actual number of workweeks is increased by twelve percent (12%) and the actual number of Class Members is increased by thirteen percent (13%), then the Total Class Action Settlement Amount will be increased by three (3%) and Plaintiffs may apply for an increase in attorneys' fees by three percent (3%). The Settlement Administrator will be responsible for determining whether a pro rata increase is necessary using the data provided by Defendant, as described in Paragraph 30.

15. Finality Of Settlement. As of the Effective Date, the settlement contained herein, including the Release outlined below, shall be final and binding upon all Class Members who do not exclude themselves from the settlement, referred to as "Participating Class Member" or "Participating Class Members."

V. RELEASES

16. Release By Plaintiffs And Participating Class Members. As of the date that Defendant fully funds the Total Class Action Settlement Amount and employer's share of taxes, Plaintiffs and Participating Class Members (including the Class Representatives) release the Released Parties from the following, collectively referred to as the "Released Class Claims" during the Class Period:

1 All causes of action, claims, and/or legal theories that were alleged in the operative
2 complaint in the Action, both potential and actual, that were alleged or reasonably could
3 have been alleged based on the facts and theories of the First Amended Complaint (as
4 described in Paragraph 28 below, including but not limited to claims for: (a) failure to pay
5 minimum wages or overtime wages; (b) failure to provide legally required meal periods; (c)
6 failure to provide legally required rest periods; (d) failure to provide accurate itemized
7 wage statements; (e) failure to timely pay wages following separation of employment; (f)
8 failure to indemnify for necessary business expenditures; (g) unfair, and deceptive business
9 practices; (h) any other claims or penalties under the wage and hour laws pleaded in the
10 Action or that are based on the same predicate facts or primary rights associated with such
11 laws; and (i) all damages, penalties, interest and other amounts recoverable under said
12 causes of action under California and federal law, to the extent permissible, including but
13 not limited to the California Labor Code, the applicable Wage Orders, and the California
14 Unfair Competition Law, (collectively, the “Released Claims”). The period of the Release
15 shall extend from March 6, 2019 to February 3, 2022. The res judicata effect of the
16 Judgment will be the same as that of the Release.

17 By virtue of this Stipulation, Plaintiffs and Participating Class Members shall be deemed to
18 have, and by operation of the final judgment approved by the Court, shall have, fully, finally, and
19 forever settled and released all of the Released Class Claims as defined in this Stipulation.

20 17. PAGA Release. As of the date Defendant fully funds the Total Class Action
21 Settlement Amount and employer’s share of taxes, Plaintiffs, the PAGA Group Members
22 (including the Class Representatives), and the State of California will release the Released Parties
23 from the following claims for civil penalties, collectively referred to as the “Released PAGA
24 Claims” during the PAGA Period:

25 All causes of action, claims, and/or legal theories for civil penalties, both potential and
26 actual, that were alleged or reasonably could have been alleged based on the facts and
27 theories of the operative complaints in the Action, including but not limited to claims for:
28 (a) failure to pay minimum wages or overtime wages; (b) failure to provide legally required

1 meal periods; (c) failure to provide legally required rest periods; (d) failure to provide
2 accurate itemized wage statements; (e) failure to timely pay wages following separation of
3 employment; (f) failure to indemnify for necessary business expenditures; (g) failure to
4 maintain temperature providing reasonable comfort; (h) failure to provide suitable seats; (i)
5 any other claims for civil penalties under the wage and hour laws pleaded in the Action or
6 that are based on the same predicate facts or primary rights associated with such laws; and
7 (j) all civil penalties and other amounts recoverable under said causes of action under
8 California law, to the extent permissible, including but not limited to the California Labor
9 Code and the applicable Wage Orders (collectively, the “PAGA Released Claims”). The
10 period of the Release shall extend to February 3, 2022. The res judicata effect of the
11 Judgment will be the same as that of the Release.

12 18. General Release By Plaintiffs Graef and Tafolla. In addition to the releases set forth
13 in the above Paragraphs 16 and 17, the Plaintiffs Graef and Tafolla makes the additional general
14 release of all of their individual claims as follows:

15 Plaintiffs Graef and Tafolla release the Released Parties from any and all claims, actions,
16 demands, causes of action, suits, debts, obligations, damages, rights, or liabilities of any nature and
17 description whatsoever, known or unknown, that Plaintiffs Graef and Tafolla individually may
18 possess against the Released Parties arising from Plaintiffs Graef and Tafolla’s employment with
19 Defendant. Plaintiffs Graef and Tafolla hereby acknowledge that, upon receiving the sums
20 provided pursuant to this Stipulation, he or she will have received all potential wages, damages,
21 and penalties owing to him or her by the Released Parties, and, further, that he or she is not owed
22 any additional wages, penalties, or damages from the Released Parties.

23 Plaintiff Graef and Plaintiff Tafolla also agree to expressly waive the provisions of
24 California Civil Code section 1542, which provides as follows:

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

Plaintiff Graef and Plaintiff Tafolla's general release shall cover the time period from June 10, 2016 up to the Preliminary Approval Date.

19. Release By The Class Representatives Cuadra

In addition to the releases set forth in the above Paragraphs 16 and 17, Plaintiff Cuadra makes the additional general release of all of his individual claims as follows:

Plaintiff Cuadra releases the Released Parties from any and all claims, actions, demands, causes of action, suits, debts, obligations, damages, rights, or liabilities of any nature and description whatsoever, known or unknown, that the Plaintiff Cuadra individually may possess against the Released Parties arising from Plaintiff Cuadra's employment with Defendant, except for the claims expressly alleged in the action *Ernest Cuadra v. FedEx Ground Package System, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV39441, which are not released. Plaintiff Cuadra hereby acknowledges that, upon receiving the sums provided pursuant to this Stipulation, he will have received all potential wages, damages, and penalties owing to him or her by the Released Parties, and, further, that he is not owed any additional wages, penalties, or damages from the Released Parties (with the limited exception of those that may arise from the claims expressly alleged in the action *Ernest Cuadra v. FedEx Ground Package System, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV39441.)

Plaintiff Cuadra also agrees to expressly waive the provisions of California Civil Code section 1542 (except as it pertains to claims expressly alleged in the action *Ernest Cuadra v. FedEx Ground Package System, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV39441), which provides as follows:

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.

Plaintiff Cuadra's release as outlined above shall cover the time period from December 3, 2015 up to the Preliminary Approval Date.

20. Representation Regarding Claims

1 Plaintiffs and Class Counsel further represent that Plaintiffs and Class Counsel are not
2 currently aware of any: (a) unalleged claims in addition to, or different from, those which are
3 finally and forever settled and released against the Released Parties by this Stipulation; and (b)
4 unalleged facts or legal theories upon which any claims or causes of action could be brought
5 against Defendant, except such facts and theories specifically alleged in the operative complaint in
6 this Action and/or the First Amended Complaint that will be filed in this Action following
7 Preliminary Approval of Settlement, and the action *Ernest Cuadra v. FedEx Ground Package*
8 *System, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV39441 Plaintiffs and
9 Class Counsel further represent that, other than the actions being resolved by this Stipulation, they
10 have no current intention of asserting any other claims against Defendant in any judicial or
11 administrative forum. Plaintiffs and Class Counsel represent that they do not currently know of or
12 represent any other persons who have expressed any interest in pursuing litigation or seeking any
13 recovery against Defendant. The Parties acknowledge, understand and agree that the
14 representations described in this paragraph are essential to the Stipulation and that this Agreement
15 would not have been entered into were it not for this representation. Any misrepresentation
16 regarding the above are deemed material breaches of this Stipulation and cause for nullification of
17 the Stipulation pursuant to Paragraph 37.

18 **VI. AMOUNT AND DISTRIBUTION OF SETTLEMENT**

19 21. Settlement Amount. The Total Class Action Settlement Amount shall be Five
20 Million Two Hundred Fifty Thousand Dollars and Zero cents (\$5,250,000.00). Defendant will pay
21 the Total Class Action Settlement Amount within twenty-one (21) calendar days following the
22 Effective Date by wiring that amount to the Settlement Administrator. Under no circumstances
23 will Defendant be obligated to pay more than the amount of \$5,250,000.00 as a result of this
24 Settlement and except as provided by Paragraph 14 or as is required by Defendant paying the
25 employer's share of taxes associated with the Settlement.

26 22. Deduction From Settlement Amount. Deductions from the Total Class Action
27 Settlement Amount, all subject to Court approval, shall be made for:
28

1 a) Attorneys' Fees. Class Counsel may apply for an award of attorneys' fees, not to
2 exceed One Million Eight Hundred Thirty-Seven Thousand Five Hundred Dollars and Zero cents
3 (\$1,837,500.00) subject to Class Counsel's ability to apply for an additional award should there be
4 a pro rata increase pursuant to the escalation clause at Paragraph 14. In the event that Class
5 Counsel's attorneys' fees are increased pursuant to the escalation clause at Paragraph 14, it shall be
6 deducted from the Settlement Amount. The attorneys' fees award shall be paid from the Total
7 Class Action Settlement Amount. Defendant agrees not to oppose any such applications that are
8 consistent with this paragraph. The amount of attorneys' fees shall include all past and future
9 attorneys' fees incurred in the Action – including, without limitation, all time expended by Class
10 Counsel in the Action or in defending the Stipulation and securing final approval of the Stipulation
11 (including any appeals thereof). Even in the event that the Court reduces or does not approve the
12 award of attorneys' fees discussed in this paragraph, Class Representatives and Class Counsel shall
13 not have the right to revoke this Stipulation.

14 b) Attorneys' Costs. In addition to attorneys' fees, Class Counsel may apply for an
15 award of costs, not to exceed the sum of One Hundred Eighty-Thousand Dollars and Zero Cents
16 (\$180,000.00). The costs award shall be paid from the Total Class Action Settlement Amount.
17 Defendant agrees not to oppose any such applications that are consistent with this paragraph. The
18 amount of costs shall include all past and future costs associated with the Action – including,
19 without limitation, all costs expended by Class Counsel in the Action on in defending the
20 Stipulation and securing final approval of the Stipulation (including any appeals thereof). Even in
21 the event that the Court reduces or does not approve the award of costs discussed in this paragraph,
22 Class Representatives and Class Counsel shall not have the right to revoke this Stipulation.

23 c) Class Representatives' Enhancement Award. Class Counsel may apply for an
24 enhancement award to the Class Representatives in an amount not to exceed Ten Thousand Dollars
25 and no cents (\$10,000.00) each. The enhancement awards shall be paid from the Total Class
26 Action Settlement Amount. Defendant agrees not to oppose any such application that is consistent
27 with this paragraph. Even in the event that the Court reduces or does not approve the enhancement
28

awards discussed in this paragraph, Class Representatives and Class Counsel shall not have the right to revoke this Stipulation.

d) Settlement Administration Costs and Fees. All actual costs for claims administration, including related accounting costs, in an amount not to exceed \$255,000, shall be paid from the Total Class Action Settlement Amount. The Parties contemplate that the Settlement Administrator shall be Rust Consulting, or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for the purposes of administering this Stipulation. If a Settlement Administrator is not agreed upon by the Parties, Class Counsel shall select a Settlement Administrator on the bases of cost and competence, with the best interest of the Class in mind, subject to approval by the Court for purposes of administering this Stipulation. To the extent actual costs for claims administration are less than \$255,000, those amounts will be credited to the Total Class Action Settlement Amount prior to distribution of the Net Settlement Amount to Class Members. Defendant agrees not to oppose any such applications that are consistent with this paragraph.

e) PAGA Allocation. The Parties agree to allocate Two Hundred Thousand Dollars and Zero Cents (\$200,000.00) of the Total Class Action Settlement Amount to resolve the Class Members' claims arising under PAGA (the "PAGA Allocation"). Pursuant to PAGA, seventy-five percent (75%) of the PAGA Allocation, or One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00), shall be paid to the State of California Labor and Workforce Development Agency (the "LWDA"), with the remaining twenty-five percent (25%), or Fifty Thousand Dollars and Zero Cents (\$50,000.00), paid pro rata to PAGA Group Members as set forth below.

f) Payment of Individual Settlement Awards To Participating Class Members. After the amounts described in Paragraph 22, subparagraphs (a) through (e), above, have been deducted from the Total Class Action Settlement Amount, the remainder – the Net Settlement Amount – shall be distributed to each Participating Class Member, in the following manner:

The Net Settlement Amount shall be divided by the number of aggregate Qualified Weeks worked by all Participating Class Members during the Class Period to produce a "Weekly Settlement Value." A "Qualified Week" shall be a week where a Participating Class

Member was employed by Defendant in California as a non-exempt employee, at any time from March 6, 2019 through February 3, 2022. Each Participating Class Member shall be eligible to receive a settlement payment in the amount of the total number of Qualified Weeks attributable to the Participating Class Member during the Class Period multiplied by the Weekly Settlement Value, less applicable withholdings, provided that the Participating Class Member has not submitted a Request for Exclusion.

g) Payment of Portion of PAGA Allocation to PAGA Group Members. Twenty-five percent (25%), or Fifty Thousand Dollars and Zero Cents (\$50,000.00), of the PAGA Allocation to be paid to the PAGA Group Members shall be divided by the number of aggregate Qualified Pay Periods worked by all PAGA Group Members during the PAGA Period to produce a “Pay Period Settlement Value.” A “Qualified Pay Period” shall be a pay period where a PAGA Group Member was employed by Defendant in California as a non-exempt employee, at any time from March 6, 2019 through February 3, 2022. Each PAGA Group Member shall be eligible to receive a settlement payment in the amount of the total number of Qualified Pay Periods attributable to the PAGA Group Member during the PAGA Period multiplied by the Pay Period Settlement Value.

23. Non-Reversionary Settlement. There will be no reversion to Defendant. In the event that an Individual Settlement Award is paid to a Participating Class Member by check and the check is not cashed on or before the Check Cashing Deadline, the amount of the Individual Settlement Award shall be considered unclaimed. Each unclaimed Individual Settlement Award paid to a Class Member but not cashed on or before the Check Cashing Deadline shall be tendered to the State of California State Controller’s Office, Unclaimed Property Fund in the Participating Class Member’s name.

VII. SETTLEMENT ADMINISTRATION

24. Settlement Administrator’s Duties. The Settlement Administrator shall be responsible for (a) processing the data provided by Defendant to be used in calculating Individual Settlement Awards; (b) preparing, printing, and mailing to Class Members the Notice (attached

hereto as **Exhibit 1**, as well as following up with reasonable skip tracing; (c) notifying the Parties of the identity of Class Members who submit timely Requests for Exclusion; (d) calculating and mailing Individual Settlement Awards to Class Members; (e) filing any required federal and state tax forms and related agency reporting; (f) filing any required reports with the Court; and (g) any and all such other tasks as to which the Parties mutually agree, or which the Court orders the Settlement Administrator to perform. The claims process shall be anonymous to the extent possible.

Specifically, the Settlement Administrator shall perform the following duties:

a) **Processing Of Data Provided By Defendant Regarding Class Members**. Upon receipt of the data provided by Defendant pursuant to Paragraph 30 herein, the Settlement Administrator shall determine, for each Class Member and/or PAGA Group Member: (i) the Class Member and/or PAGA Group Member's name, (ii) the Class Member or PAGA Group Member's last known address, (iii) the last four digits of the Class Member and/or PAGA Group Member's social security number, (iv) the Class Member's number of Qualified Weeks; (v) the Weekly Settlement Value to be paid to the Class Member pursuant to Paragraph 22, subparagraph (f), above; (vi) the PAGA Group Member's number of Qualified Pay Periods; (vii) the Pay Period Settlement Value to be paid to the PAGA Group Members pursuant to Paragraph 20, subparagraph (g), above; and (viii) whether the escalator is triggered pursuant to Paragraph 14 above, and if so by how much.

b) **Mailing Of Documents**. Within ten (10) calendar days of receipt of the database containing the information to be provided by Defendant pursuant to Paragraph 30 herein, the Settlement Administrator shall mail a copy of the Notice to all Class Members by first class regular U.S. Mail, using the most current mailing address information provided by Defendant and/or obtained by the Settlement Administrator. Prior to mailing the Notice to Class Members, the Settlement Administrator shall run the addresses in the data provided by Defendant through the National Change of Address Database for any address updates and update the data as necessary. The Settlement Administrator will engage in address searches consistent with its normal practices in administering settlements of wage claims, including skip tracing. Such search efforts shall

1 include, where necessary, using social security numbers to obtain better address information and
2 attempting to call such Class Members. Any returned envelopes from this mailing with forwarding
3 addresses will be utilized by the Settlement Administrator to forward the Notices to the Class
4 Members.

5 c) Re-Mailing Of Returned Notices. Notices returned to the Settlement Administrator
6 as non-delivered shall be re-sent to the forwarding address, if any, on the returned envelope. A
7 returned Notice will be forwarded only once per Class Member by the Settlement Administrator.
8 Upon completion of these steps by the Settlement Administrator, the Parties shall be deemed to
9 have satisfied their obligation to provide the Notice to the affected Class Member. The affected
10 Class Member shall be a Participating Class Member and shall be bound by all the terms of this
11 Stipulation and the Court's Final Order and Judgment.

12 d) Processing Requests For Exclusion ("Opt-Outs") From Settlement. In the event that
13 a Class Member wishes to be excluded ("opts out") from the settlement provided herein, he or she
14 must mail a written Request for Exclusion to the Settlement Administrator by first class U.S. Mail,
15 or equivalent, postage paid and postmarked, by no later than the Document Receipt Deadline,
16 which is forty-five (45) calendar days after the date that the Settlement Administrator originally
17 mails Notices to Class Members. To be valid, the written Request for Exclusion must include (i)
18 the Class Member's name, (ii) the Class Member's address, (iii) a request that the Class Member
19 wishes to be excluded from the settlement, and (iv) the Class Member's signature. The Settlement
20 Administrator shall notify Class Counsel and Defendant's Counsel of its receipt of all valid
21 Requests for Exclusion within five (5) business days after having received each such Request for
22 Exclusion.

23 e) Payment of Individual Settlement Awards. The Settlement Administrator shall be
24 solely responsible for the disbursement of the Individual Settlement Award payments.

25 f) Declaration Of Due Diligence. No later than thirty (30) calendar days prior to the
26 Final Settlement Approval Hearing, the Settlement Administrator shall provide both Parties with a
27 declaration of due diligence to be filed with the Court.
28

g) Allocating Portions Of the Individual Settlement As Wages. The Settlement Administrator shall be responsible for calculating the portion of each Individual Settlement Award to be allocated as wages. One-third (33.334%) of each Individual Settlement Award shall be allocated as wages, and two-thirds (66.666%) of each Individual Settlement Award shall be allocated as interest and penalties.

h) Taxation Of Individual Settlement Awards. The portion of each Individual Settlement Award allocated as wages shall be subject to payroll withholding. The Settlement Administrator shall be responsible for paying the employees' share of federal, state, and local payroll and income taxes. Appropriate withholding of the employee's share of income taxes shall be deducted from each Individual Settlement Awards. The employer's share of payroll taxes shall be paid by Defendant outside of the Total Class Action Settlement Amount.

i) Taxation Of Payment Of Portion of PAGA Allocation. One Hundred Percent (100%) of the payment to PAGA Group Members as part of the PAGA Allocation will be treated as penalties and PAGA Group Members will be issued an IRS Form 1099 for that portion of the payment. The Settlement Administrator will be responsible for calculating and withholding any required state and federal taxes.

i. Federal Tax Reporting. The Settlement Administrator shall issue an IRS Form W-2 to each Class Member for the portion of the Individual Settlement Award that is designated as wages. The Settlement Administrator shall issue an IRS Form 1099 to each Class Member for the portion of the Individual Settlement Awards or payment of the PAGA Allocation that is not designated as wages. The Settlement Administrator shall issue an IRS Form 1099 to the Class Representatives for any enhancement award paid pursuant to Paragraph 22, subparagraph (c), above, in connection with his or her role as the Class Representatives.

ii. State Tax Reporting. The Settlement Administrator shall file, with the California Employment Development Department ("EDD"), the required reports of Personal Income Tax ("PIT") wages withheld from the Individual Settlement Awards, as well as the amounts to be paid as Unemployment Insurance ("UI"), Employment Training

1 Tax (“ETT”), and State Disability Insurance (“SDI”). For purposes of this reporting, prior
2 to disbursement of the Individual Settlement Awards, the Settlement Administrator shall
3 provide Defendant with a list of all Class Members, and Defendant shall provide to the
4 Settlement Administrator with its Form DE 2088, Notice of Contribution Rates and
5 Statement of UI Account, for the current calendar year (if unavailable, Defendant may
6 provide instead their California State Employer’s Identification Number and applicable UI
7 and ETT Rates).

8 iii. Responsibility For Tax Obligations. All Class Members and the Class
9 Representatives will be responsible for correctly characterizing the compensation they
10 receive for tax purposes and for paying any taxes on the amounts received, except for the
11 employer contributions, which will be handled as provided by this Stipulation. Defendant
12 is not liable for any amounts assessed by a tax authority on account of the Class Members’
13 or the Class Representative’s failures to pay all taxes due on amounts they receive
14 hereunder, except if the failure results from Defendant’s failure to pay its own portion of
15 taxes due. The liability of each Class Member and the Class Representative is limited to
16 the liability caused by that individual’s own failure.

17 j) Mailing Of Individual Settlement Awards and Portion of PAGA Allocation to
18 PAGA Group Members. Within fourteen (14) calendar days after Defendant’s transfer of funds to
19 the Settlement Administrator, the Settlement Administrator shall mail all Participating Class
20 Members and PAGA Group Members their Individual Settlement Awards and/or portion of the
21 PAGA Allocation. Each check issued to a Class Member shall remain valid and negotiable for one
22 hundred eighty (180) days from the date of issuance. Those Individual Settlement Awards and/or
23 portion of PAGA Allocation payment not cashed by the Check Cashing Deadline shall be canceled
24 automatically, in which event the Participating Class Member and/or PAGA Group Member’s
25 check will be deemed void and the unclaimed funds shall be sent to the California State
26 Controller’s Office Unclaimed Property Fund in the name of the Participating Class Member
27 and/or PAGA Group Member to whom the funds were distributed.
28

1 k) Payments To Class Counsel. Within fourteen (14) calendar days after Defendant's
2 transfer of funds to the Settlement Administrator, the Settlement Administrator shall pay the
3 attorneys' fees and costs, as detailed in Paragraph 22, subparagraphs (a) and (b), above.

4 l) Payment Of PAGA Allocation. Within fourteen (14) calendar days after
5 Defendant's transfer of funds to the Settlement Administrator, the Settlement Administrator shall
6 pay seventy-five percent (75%) of the PAGA Allocation to the LWDA as civil penalties, as
7 detailed in Paragraph 22, subparagraphs (e), above.

8 25. Disputes Regarding The Settlement Administrator's Performance of Duties. All
9 disputes relating to the Settlement Administrator's performance of its duties shall be referred to the
10 Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this
11 Stipulation until all payments and obligations contemplated by this Stipulation have been fully
12 carried out.

13 **VIII. DUTIES OF THE PARTIES PRIOR TO PRELIMINARY COURT APPROVAL**

14 26. Submission Of Stipulation To Court. The Parties shall promptly submit this
15 Stipulation to the Court in support of Plaintiffs' motion for preliminary approval and determination
16 by the Court as to the fairness, adequacy, and reasonableness of this Stipulation, and shall apply to
17 the Court for the entry of an order substantially in the following form:

18 a) Scheduling a fairness hearing on the question of whether the proposed Settlement –
19 including payment of attorneys' fees, attorneys' costs, appointment of the Class Representative and
20 the amount of their enhancement awards, and the method of determining Individual Settlement
21 Awards to be paid to Class Members – should be finally approved as fair, reasonable, and adequate
22 as to the Class;

23 b) Approving as to form and content the proposed Notice (attached as **Exhibit 1**);

24 c) Directing the mailing to Class Members of the Notice, by first class U.S. Mail,
25 pursuant to the terms specified herein; and

26 d) Preliminarily approving the Settlement, subject only to the objections of Class
27 Members and final review by the Court.
28

1 The [Proposed] Preliminary Approval Order to be submitted shall be the document attached
2 hereto as **Exhibit 2**, unless the Court's orders during the approval process require revisions to be
3 made. Unless the Parties agree otherwise, only necessary revisions shall be made to the [Proposed]
4 Preliminary Approval Order to be submitted to the Court.

5 27. **Amendment Of This Stipulation To Conform To The Court's Order.** To the extent
6 the Court does not approve this Stipulation, or any term contained herein, and instead allows the
7 Parties to amend this Stipulation, the Parties agree to cooperate in good faith to amend the
8 Stipulation in accordance with the Court's direction, and to retain all other terms of the Stipulation
9 that the Court approves.

10 **IX. DUTIES OF THE PARTIES FOLLOWING PRELIMINARY COURT APPROVAL**

11 28. **First Amended Complaint.** The Parties agree, that as a precondition to the
12 enforceability of this Stipulation, (i) counsel for all Parties must agree on the terms, substance, and
13 language of a proposed amended pleading in *Cuadra II* ("First Amended Complaint"), which
14 ensures that the *Cuadra II* action covers all of the Released Claims to the full extent of the Class
15 Period and PAGA Period alleged in *Cuadra I*, *Cuadra II*, *Graef I*, and *Graef II*; (ii) a verbatim
16 copy of the mutually-agreed First Amended Complaint will be attached as an exhibit to Plaintiffs'
17 Motion for Preliminary Approval of the Settlement; and (iii) Plaintiffs' Motion for Preliminary
18 Approval of the Settlement will explain that the First Amended Complaint will be filed fourteen
19 (14) days after the date the Motion for Preliminary Approval is granted in order to effectuate the
20 Stipulation. The Parties agree that as a precondition to the enforceability of this Stipulation, that
21 the First Amended Complaint will become the operative complaint in the Action.

22 29. **Timely Approval Of Documents To Be Mailed By The Settlement Administrator.**
23 Counsel for the Parties shall respond to requests by the Settlement Administrator to approve all
24 settlement administration documents, including the Notice to be mailed to the Class, within four (4)
25 business days of the Settlement Administrator's request for approval.

26 30. **Defendant's Provision Of Class Member Data To Settlement Administrator.** No
27 later than thirty (30) calendar days following preliminary approval of this Settlement by the Court,
28 Defendant shall provide the Settlement Administrator with data that is within Defendant's

possession containing, for each Class Member and/or PAGA Group Member: (a) the Class Member/PAGA Group Member's name; (b) the Class Member/PAGA Group Member's last known address; (c) the Class Member/PAGA Group Member's social security number; (d) the Class Member/PAGA Group Member's first date of employment in California as a non-exempt employee; and (e) the Class Member/PAGA Group Member's last date of employment (if any) in California as a non-exempt employee. This Class Member and/or PAGA Group Member information is confidential and not to be disclosed to anyone other than the Settlement Administrator. In the event that a dispute arises about the number of Qualifying Workweeks or Qualifying Pay Periods for a Class Member and/or PAGA Group Member, Class Counsel may be provided with information identifying each Class Member and/or PAGA Group Member by number (with all other identifying information removed), and reflecting the number of Qualifying Workweeks or Qualifying Pay Periods during the Class Period and PAGA Period. This information shall be based on Defendant's payroll and other business records, and shall be in a format readily accessible to Defendant. In the event that approval of the documents pursuant to Paragraph 26 takes more than four (4) business days, the Claims Administrator shall mail the Notice to the Class Members within five (5) business days of receiving approval of the documents pursuant to Paragraph 26.

31. Disputes Arising From Claims Administration. Any disputes arising during the claims administration process must be resolved informally by counsel for the Parties and, if the Parties cannot agree, by the Settlement Administrator, within ten (10) calendar days of the Document Receipt Deadline.

32. Motions By Class Counsel.

a) Motions Required For Final Approval Of The Settlement. Class Counsel shall timely prepare, subject to Defendant's review and right to comment, Final Settlement Papers in conformance with the terms of this Settlement, including (1) a motion for final approval of the Settlement; (2) a motion for award of attorneys' fees and costs; (3) a motion for the Class Representatives' enhancement award; (4) the [Proposed] Final Settlement Order; and (5) any other documents, petitions, or motions required to effectuate this Stipulation— including, but not limited

to, any additional proposed orders requested by the Court. Class Counsel will endeavor to submit the Final Settlement Papers to Defendant's Counsel no later than three (3) court days prior to the deadline for filing the motion for final approval of the stipulation. In the event that Class Counsel and Defendant's Counsel cannot resolve any dispute regarding the Final Settlement Papers arising from Defendant's right to review and comment, Defendant's Counsel shall submit its objections to the Final Settlement Papers to the Court before or during the Final Settlement Approval Hearing.

b) [Proposed] Final Settlement Order and Judgment. The [Proposed] Final Settlement Order shall include a proposed Final Order and Judgment ordering:

- i. Approval of the Stipulation, adjudging the terms thereof to be fair, reasonable, adequate, and directing consummation of its terms and provisions;
- ii. Approval of Class Counsel's application for an award of attorneys' fees and costs (Class Counsel will separately submit a motion for award of attorneys' fees and costs);
- iii. Approval of the enhancement award to the Class Representatives; and
- iv. Entering judgment, which will be res judicata as to the released claims of the Class representatives and Class members; and
- v. Reserving jurisdiction over the construction, interpretation, implementation, and enforcement of the Parties' Stipulation, and over the administration and distribution of the settlement amounts.

The [Proposed] Final Approval Order and Judgment to be submitted shall be the document attached hereto as **Exhibit 3**, unless the Court's orders during the approval process require revisions to be made. Unless the Parties agree otherwise, only necessary revisions shall be made to the [Proposed] Final Approval Order and Judgment to be submitted to the Court.

33. Fairness Hearing. Upon expiration of the Document Receipt Deadline, the Parties shall attend a Final Settlement Approval Hearing with the Court to finally approve the Stipulation as fair, reasonable, and adequate as to (a) Class Members; (b) attorneys' fees and costs to Class Counsel; (c) the enhancement awards to the Class Representative; (d) the costs and fees for claims

administration; (e) the PAGA Allocation; and (f) the Individual Settlement Awards to be paid to the Class Members, including the methodology used to calculate such awards.

X. DUTIES OF THE PARTIES FOLLOWING COURT APPROVAL

34. Final Approval, And Entry Of Judgment. At or before the Final Settlement Approval Hearing, Class Counsel shall submit the [Proposed] Final Settlement Order and Judgment to the Court for the Court's approval and entry. After entry of the Final Approval Order and Judgment, the Court shall have continuing jurisdiction over the administration of the Stipulation.

35. Payment Of Settlement Amount. Defendant shall deposit the Total Class Action Settlement Amount and an amount sufficient to pay Defendant's share of payroll taxes into an account established by the Settlement Administrator. The Settlement Administrator will retain authority over the deposited funds, which are to be used in accordance with this Stipulation and any orders of the Court. The Settlement Administrator shall make all payments and other disbursements required by this Stipulation from the Total Class Action Settlement Amount. Defendant shall have no further obligations over the distribution of the Total Class Action Settlement Amount.

36. Provision Of Final Approval Order And Judgment To Settlement Administrator. Within two (2) business days of the Court serving Class counsel with the Final Approval Order and Judgment and/or the Final Approval Order and Judgment becoming available on the Los Angeles Superior Court website, Class Counsel shall provide the Settlement Administrator with a copy of the Final Settlement Approval Order and Judgment.

XI. ADDITIONAL TERMS

37. Nullification Of Settlement. This Stipulation shall be null and void, and any order of judgment entered by the Court in furtherance of the Settlement shall be vitiated *nunc pro tunc*, if any of the following occurs:

- a) The Court does not enter the Final Approval Order and Judgment as provided for herein or contemplated by this Stipulation;
- b) The Court does not finally approve the Settlement as provided for herein;

1 c) The Court does not enter a Final Approval Order and Judgment as provided for
2 herein that becomes final as a result of the occurrence of the Effective Date;

3 d) The Settlement does not become final for any other reason.; or

4 e) Plaintiffs or Class Counsel misrepresented their awareness of any unalleged claims
5 against the Released Parties or unalleged facts or legal theories upon which claims or causes of
6 actions could be brought against Defendant, pursuant to Paragraph 20.

7 In such a case, the Parties shall be returned to their respective statuses prior to the
8 settlement, and the Parties shall proceed in all respects as if this Stipulation had not been executed.
9 If an appeal is filed from the Court's Final Approval Order and Judgment prior to the Effective
10 Date, administration of the Stipulation shall be immediately stayed pending final resolution of the
11 appeal process.

12 38. No Admissions. Nothing contained herein is to be construed or deemed to be an
13 admission of liability or wrongdoing by Defendant. This Stipulation and the attached exhibits are
14 settlement documents, and, pursuant to California Evidence Code section 1152, these documents
15 shall be inadmissible in any proceeding except in an action or proceeding to approve, interpret, or
16 enforce this Stipulation.

17 39. Amendment Or Modification. This Stipulation may be amended or modified only
18 by a written instrument signed by counsel for all Parties.

19 40. Entire Agreement. This Stipulation and the accompanying exhibits constitute and
20 comprise the entire agreement between the Parties. No oral or written representations, warranties,
21 or inducements have been made to any of the Parties concerning this Stipulation other than the
22 representations, warranties, and covenants contained and memorialized herein.

23 41. Construction. The Parties agree that the terms of this Stipulation and the
24 accompanying exhibits are the result of lengthy, arms-length negotiations, and that this Stipulation
25 shall not be construed in favor of or against any of the Parties by reason of the extent to which any
26 of the Parties or their respective counsel participated in the drafting of this Stipulation.

42. Parties' Authority. The signatories to this Stipulation represent that they are fully authorized to enter into this Stipulation and to bind the Parties hereto to the terms and conditions hereof.

43. Successors And Assigns. This Stipulation is binding upon, and inures to the benefit of, the Parties' successors and assigns. The Parties represent and warrant that they have not, directly or indirectly, assigned, transferred, or encumbered to any person or entity any portion of any claim, demand, action, cause of action, or rights herein released and discharged except as set forth herein.

44. Enforcement Of Actions. In the event that any of the Parties to this Stipulation institutes any legal action, arbitration, or other proceeding against any of the other Parties to enforce the provisions of this Stipulation or to declare rights or obligations under this Stipulation, the successful Party shall be entitled to recover from the unsuccessful Party or Parties, reasonable attorneys' fees and costs, including expert witness fees, incurred in connection with any such enforcement proceedings.

45. Governing Law. All terms of this Stipulation shall be governed by and interpreted according to the laws of the State of California.

46. Jurisdiction Of The Court. The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Stipulation and all orders and judgments entered in connection therewith.

47. Counterparts. This Stipulation may be executed in one or more counterparts. All executed counterparts, and each of them, shall be deemed to be one and the same instrument. Signatures may be affixed either by original signatures, PDF, or facsimile.

48. Notices. Unless otherwise specifically provided in this Stipulation, all notices, demands, and/or other communications will be in writing and will be deemed to have been duly given as of the third (3rd) business day after mailing by U.S. Mail, addressed as follows:

To The Class:
LAVI & EBRAHIMIAN, LLP
Joseph Lavi
Jorden Bello
8889 West Olympic Boulevard, #200
Beverly Hills, CA 90211

1 To Defendant:

2 OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.

3 Alexander M. Chemers

4 Melis Atalay

5 Omar M. Aniff

6 400 South Hope Street, Suite 1200

7 Los Angeles, CA 90071

8 49. Enforceability. The Parties intend for this Agreement to be enforceable in the
9 Superior Court of California for the County of Los Angeles, by and subject to the Court's pending
10 jurisdiction.

11 50. Interpretation. This Stipulation shall be construed as a whole according to its fair
12 meaning. It shall not be construed strictly for or against any Party. Unless the context indicates
13 otherwise, the term "or" shall be deemed to include the term "and," and the singular or plural
14 number shall be deemed to include the other. Captions and headings are intended solely for
15 convenience of reference and shall not be used in the interpretation of this Stipulation.

16 51. Confidentiality.

17 a) General. Plaintiffs and Class Counsel shall agree not to disclose or publicize this
18 Stipulation, its terms or contents, and the negotiations underlying the Stipulation, in any manner or
19 form, directly or indirectly, to any person or entity, except potential Class Members and as shall be
20 contractually required to effectuate the terms of the Stipulation. For avoidance of doubt, this
21 section means Plaintiffs and Class Counsel agree not to issue press releases, communicate with or
22 respond to any media or publication entities, publish information in manner or form, whether
23 printed or electronic, on any medium or otherwise communicate, whether by print, video, recording
24 or another medium, with any person or entity concerning the Stipulation, including the face of the
25 Stipulation, its terms or contents and the negotiations underlying the Stipulation, except as shall be
26 contractually required to effectuate the terms of the Stipulation.

27 b) Media Comment. The Parties and their respective counsel agree that the terms of
28 this Stipulation (including, but not limited to, any settlement amounts), the negotiations leading to
29 this Stipulation, and all documents related to the Stipulation, shall not be discussed with,
30 publicized, or promoted to the media, except as necessary in order to enforce its terms. Class
31 Counsel and/or Plaintiffs will not list or refer to the Action in any website, mailing, publicity or

1 similar materials – including, but not limited to, any radio or television stations, newspapers, or
2 magazines. In response to any inquiries, including those from media outlets, concerning the
3 settlement, the Parties and their respective counsel agree that they shall simply respond by stating,
4 “the matter has resolved.”

5 c) Class Counsel Marketing And Adequacy Declarations. Class Counsel agrees not to
6 use Defendant’s name in marketing materials. Class Counsel and the Class Representatives will
7 not make any posting on any website, instant message site, blog, or social networking site that uses
8 Defendant’s name, and will not list or refer to the Action in any website, mailings, publicity, or
9 other similar fora or materials. However, for the limited purpose of allowing Class Counsel to
10 prove adequacy as class counsel in other actions, Class Counsel may disclose the name of the
11 Parties in this action and the venue/case number of this action (but not any other settlement details)
12 for such purposes.

13 52. Exhibits Incorporated By Reference. The terms of this Stipulation include the terms
14 set forth in any attached Exhibit, which are incorporated by this reference as though fully set forth
15 herein. Any Exhibit to this Stipulation is an integral part of the Stipulation.

16 53. Interim Stay Of Proceedings. The Parties agree to refrain from further litigation in
17 the Action and the *Graef* II action, except such proceedings necessary to implement and obtain an
18 Order granting Final Approval of the terms of the Stipulation. The Parties further agree that the
19 mutual, voluntary cessation of litigation shall terminate either as of the Effective Date or the date
20 upon which this Stipulation has been denied by the Court and all subsequent attempts to cure
21 deficiencies pursuant to Paragraph 27 have ended.

22 54. Invalidity Of Any Provision. Before declaring any provision of this Stipulation
23 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible
24 consistent with applicable precedents so as to define all provisions of this Stipulation valid and
25 enforceable.

26 55. Class Certification For Settlement Purposes Only. The Parties agree to stipulate to
27 class certification only for purposes of the Stipulation. If, for any reason, the Stipulation is not
28 approved, the stipulation to certification will be void. The Parties further agree that certification

1 for purposes of the settlement is not an admission that class certification is proper under the
2 standard applied to contested certification motions and that this Stipulation will not be admissible
3 in this or any other proceeding as evidence that (i) a class should or should not be certified or (ii)
4 Defendant is or is not liable to the Class Representatives or the putative Class Members.

5 56. All Terms Subject To Final Court Approval. All amounts and procedures described
6 in this Stipulation shall be subject to final Court approval.

7 57. Execution Of Necessary Documents. All Parties shall execute all documents
8 reasonably necessary to effectuate the terms of this settlement.

9 58. Binding Agreement. The Parties intend that this settlement shall be fully
10 enforceable and binding on all Parties, and that it shall be admissible and subject to disclosure in
11 any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that
12 otherwise might apply under federal or state law.

13
14 DATED: August 11, 2022

DEFENDANT

15
16
17 By: 
18 for
19 FEDEX GROUND PACKAGE SYSTEM,
INC.

20 DATED: August __, 2022

CLASS REPRESENTATIVE

21
22
23 By: _____
24 Ernest Cuadra
25 Plaintiff and Class Representative
26
27
28

for purposes of the settlement is not an admission that class certification is proper under the standard applied to contested certification motions and that this Stipulation will not be admissible in this or any other proceeding as evidence that (i) a class should or should not be certified or (ii) Defendant is or is not liable to the Class Representatives or the putative Class Members.

56. All Terms Subject To Final Court Approval. All amounts and procedures described in this Stipulation shall be subject to final Court approval.

57. Execution Of Necessary Documents. All Parties shall execute all documents reasonably necessary to effectuate the terms of this settlement.

58. Binding Agreement. The Parties intend that this settlement shall be fully enforceable and binding on all Parties, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

DATED: June __, 2022

DEFENDANT

By: _____
for
FEDEX GROUND PACKAGE SYSTEM,
INC.

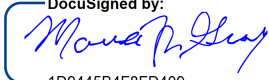
DATED: June 5, 2022

CLASS REPRESENTATIVE

By: 
81D87C9B26F14F7...
Ernest Cuadra
Plaintiff and Class Representative

1 DATED: June ²³ __, 2022

CLASS REPRESENTATIVE

2
3 DocuSigned by:
4 
5 By: 1D9445B4F8FD409...
6 Marisa Graef
7 Plaintiff and Class Representative

8 DATED: June __, 2022

CLASS REPRESENTATIVE

9
10 By: _____
11 Thomas Tafolla
12 Plaintiff and Class Representative

13 DATED: June __, 2021

LAVI & EBRAHIMIAN, LLP.

14
15
16 By: _____
17 Joseph Lavi
18 Jordan D. Bello, Esq.

19 Attorneys for plaintiffs ERNEST CUADRA,
20 THOMAS TAFOLLA and MARISA GRAEF
21 and those similarly situated

22 DATED: June __, 2021

OGLETREE, DEAKINS, NASH, SMOAK &
23 STEWART, P.C.

24 By: _____
25 Evan R. Moses
26 Alexander M. Chemers
27 Melis Atalay
28 Omar M. Aniff

Attorneys for Defendants
FEDEX GROUND PACKAGE SYSTEM, INC.

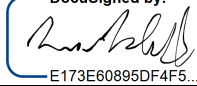
1 DATED: June __, 2022

CLASS REPRESENTATIVE

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4 By: _____
5 Marisa Graef
6 Plaintiff and Class Representative

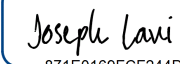
7 DATED: June 20, 2022

CLASS REPRESENTATIVE

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9 DocuSigned by:
10 By: 
11 E173E60895DF4F5...
12 Thomas Tafolla
13 Plaintiff and Class Representative

14 DATED: June 7/5, 2021

LAVI & EBRAHIMIAN, LLP.

15 DocuSigned by:
16 By: 
17 871F0169FCE244D
18 Joseph Lavi
19 Jordan D. Bello, Esq.

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THOMAS TAFOLLA and MARISA GRAEF
and those similarly situated

20 DATED: June __, 2021

OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.

21
22
23 By: _____
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25 Alexander M. Chemers
26 Melis Atalay
27 Omar M. Aniff

Attorneys for Defendants
FEDEX GROUND PACKAGE SYSTEM, INC.

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DATED: August __, 2022

CLASS REPRESENTATIVE

By: _____
Marisa Graef
Plaintiff and Class Representative

DATED: August __, 2022

CLASS REPRESENTATIVE

By: _____
Thomas Tafolla
Plaintiff and Class Representative

DATED: August __, 2021

LAVI & EBRAHIMIAN, LLP.

By: _____
Joseph Lavi
Jordan D. Bello, Esq.

Attorneys for plaintiffs ERNEST CUADRA,
THOMAS TAFOLLA and MARISA GRAEF
and those similarly situated

DATED: August 12, 2021

OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.


By: _____
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Alexander M. Chemers
Melis Atalay
Omar M. Aniff

Attorneys for Defendants
FEDEX GROUND PACKAGE SYSTEM, INC.