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Attorneys for Representative Plaintiffs
Individually and on behalf of the Plaintiff Class

Additional Counsel Listed on Next Page

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF SANTA CLARA
(UNLIMITED JURISDICTION)

MARTIN ALCARAZ, JOSE CEDILLO,
JESUS CERVANTES, and JOSE MIRELES,
on behalf of themselves and all others similarly
situated

Plaintiffs,

vs.

RBLI INC., a California corporation; KELLY
J. RYAN, an individual; and DOES 1 through
50, inclusive;

Defendants.

Case No. 20CV367471

CLASS ACTION

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

Judge: Hon. Patricia M. Lucas
Dept.: 03

Complaint Filed: June 23, 2020

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6 Attorneys for Defendants

RBLI INC. and KELLY J. RYAN

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

2 This Joint Stipulation of Class Action Settlement and Release (the “Settlement”) is made and
3 entered into by and between Plaintiffs MARTIN ALCARAZ, JOSE CEDILLO, JESUS
4 CERVANTES, and JOSE ANGEL MIRELES, (“Plaintiffs” or “Class Representatives”), as
5 individuals and on behalf of all others similarly situated, and Defendants RBLI INC. and KELLY J.
6 RYAN (“Defendants”), (collectively with Plaintiffs, the “Parties”).

7 I. DEFINED TERMS.

8 As used herein, the following terms are defined as:

9 A. “Action” means the case entitled *Alcaraz, et al. v. RBLI Inc., et al.* (Santa Clara
10 County Superior Court Case No. 20CV367471).

11 B. “Administrator” or “Settlement Administrator” means Phoenix Settlement
12 Administrators, or other third-party settlement administrator mutually agreed to by the Parties and
13 approved by the Court.

14 C. “Administration Costs” means any fees or costs of claims administration services
15 rendered in administering the Settlement and payable to the Settlement Administrator, estimated to
16 be approximately Five Thousand, Seven Hundred and Fifty Dollars and No Cents (\$5,750.00) based
17 on Defendant’s estimate of 104 Class Members, subject to Court approval.

18 D. “Agreement” and/or “Settlement” means this Joint Stipulation of Class Action
19 Settlement and Release.

20 E. “Class” means the aggregate group of Class Members, defined below.

21 F. “Class Counsel” means Kevin R. Allen of Allen Attorney Group and Daniel A.
22 Menendez of Law Office of Daniel A. Menendez;

23 G. “Class List” means the list of Class Members that Defendants will diligently and in
24 good faith compile from their records and provide to the Settlement Administrator in computer-
25 readable format, which shall include the full name, last known mailing address, last known
26 telephone number, social security number, as well as each Class Member’s number of weeks worked
27 in a covered position during both the Class Period and separately the PAGA Period, as determined
28 from Defendants’ records.

1 H. "Class Members" refers to all individuals who were employed as non-exempt or
2 hourly warehouse workers for J.T.R. Area Distributors, Inc. ("JTR") out of Defendant's San Jose,
3 California warehouse between June 23, 2016 and March 18, 2021, inclusive, including the following
4 classifications: Order Puller, Order Checker, Receiver, Custodian, Shipping Worker, Stocker, Order
5 Puller Trainer, Loader, nonexempt warehouse supervisor, nonexempt warehouse manager, and
6 Loading Dock Workers. Class Members does not include, and Released Claims do not extinguish,
7 any claims arising from work performed solely as an employee or independent contractor of Imperial
8 Dade.

9 I. "Class Period" means June 23, 2016 through March 18, 2021, inclusive.

10 J. "Costs Award" means Class Counsel's actual and reasonable litigation costs incurred
11 in prosecuting the Action, in an amount not to exceed Twenty Thousand Dollars and No Cents
12 (\$20,000.00), as approved by the Court.

13 K. "Court" means the Superior Court of the State of California for the County of Santa
14 Clara.

15 L. "Defendants" means defendants RBLI Inc. (California corporation entity number
16 C2110603) and Kelly J. Ryan, collectively.

17 M. "Defendants' Counsel" means Arthur Eidelhoch and Philip B. Baldwin of Littler
18 Mendelson, P.C.

19 N. "Effective Date" means the date that the Court grants Final Approval unless there are
20 objector/objections to the Settlement in which case the Effective Date shall be the first regular
21 business day after the appeal period runs (if no appeal is filed) or the first day after all appeals are
22 denied or otherwise finally resolved or decided in favor of the Settlement.

23 O. "Employee Taxes" means the Settlement Class Members' share of all applicable
24 payroll taxes or withholdings related to Individual Settlement Payments received under the
25 Settlement. Plaintiffs and Settlement Class Members bear full responsibility for payment of any
26 personal income taxes, interest or penalties arising from Individual Settlement Payments or Incentive
27 Awards paid to them.

1 P. "Employer Taxes" means Defendants' share of applicable payroll taxes, such as
2 FICA and FUTA, for that portion of the Individual Settlement Payments attributed to wages. Any
3 payroll taxes owed by Defendants as a result of the Individual Settlement Payments to Settlement
4 Class Members shall be paid solely from the Maximum Settlement Amount.

5 Q. "Estimated Settlement Payment" means the amount each Settlement Class Member
6 could receive as an Individual Settlement Payment, if he or she does not request exclusion, as set
7 forth in the Notice. The actual Individual Settlement Payments distributed to Settlement Class
8 Members following Final Approval may vary from the Estimated Settlement Payments depending on
9 the number of Class Members who request exclusion from the Settlement and Court approval of all
10 other amounts set forth herein.

11 R. "Excluded Class Members" means all Class Members who timely submit valid
12 written requests to be excluded from the Settlement on or before the Response Deadline.

13 S. "Fees and Costs Award" means the aggregate total of the Fees Award and the Costs
14 Award, as approved by the Court.

15 T. "Fees Award" means the fee amount authorized by the Court to be paid to Class
16 Counsel for services rendered in prosecuting the Action, in an amount not to exceed thirty-three
17 percent (33%) of the Settlement Amount, *i.e.*, Sixty-Six Thousand Dollars and No Cents
18 (\$66,000.00).

19 U. "Final Approval" and/or "Final Approval Order and Judgment" means the Court's
20 order granting final approval of the Settlement and entering judgment thereon in a form to be agreed
21 upon by the Parties in advance, subject to approval and modification by the Court.

22 V. "Final Approval Date" means the date the Court signs the Final Approval Order and
23 Judgment.

24 W. "Final Approval Hearing" means the hearing at which the Court considers whether to
25 issue an order granting final approval to the Settlement.

26 X. "Incentive Awards" means the amounts the Court authorizes to be paid to each Class
27 Representative (in addition to their Individual Settlement Payments) in recognition of their efforts in
28 assisting with the prosecution of the Action on behalf of the Class Members. This amount is not to

1 exceed Five Thousand Dollars and No Cents (\$5,000.00) to each of the named Plaintiffs, for a total
2 of no more than Twenty Thousand Dollars and No Cents (\$20,000.00).

3 Y. "Individual Settlement Payment" means the amount each Settlement Class Member is
4 eligible to recover from the Net Settlement Fund, subject to applicable payroll deductions or
5 withholdings as required by law.

6 Z. "Judgment" means the Final Approval Order and Judgment issued by the Court,
7 which is intended to be immediately appealable and shall constitute a final judgment respecting the
8 Parties and permanently bar the Class Representatives and all Settlement Class Members from
9 prosecuting any and all Released Claims against the Released Parties.

10 AA. "Net Settlement Fund" means the funds available for distribution to participating
11 Settlement Class Members who do not timely Opt-Out after deducting from the Maximum
12 Settlement Amount the following, as approved by the Court: (1) the Fees and Cost Award, (2) the
13 Incentive Awards, (3) the Administration Costs, (4) the PAGA Payment, and (5) Employer Taxes.

14 BB. "Notice" or "Notice Package" means the Court-approved form of notice to Class
15 Members that will notify Class Members of the nature of the Action, summary of the Settlement,
16 definition of the Class, conditional certification of the Class, Preliminary Approval of the Settlement,
17 the procedures for requesting exclusion or objecting to the Settlement, and scheduling of the Final
18 Approval Hearing, substantially in the form attached hereto as **Exhibit "A"**.

19 CC. "Maximum Settlement Amount" means the maximum amount Defendants could be
20 required to pay under the terms of this Settlement, not to exceed the total of Two Hundred Thousand
21 Dollars and No Cents (\$200,000.00). The Maximum Settlement Amount will be used to pay Court-
22 approved Administration Costs, Incentive Awards, Fees and Costs Award, the PAGA Payment,
23 Employer Taxes, and Individual Settlement Payments to Settlement Class Members. The Maximum
24 Settlement Amount is non-reversionary meaning no part will revert to the Defendants.

25 DD. "PAGA Payment" means that portion of the Maximum Settlement Amount allocated
26 to settle claims brought pursuant to the Private Attorneys General Act, California Labor Code
27 Section 2698 *et seq.*, not to exceed Nine Thousand Dollars and No Cents (\$9,000.00), as approved
28 by the Court, which shall be distributed to the California Labor and Workforce Development

1 Agency and Class Members employed during the PAGA Period as set forth herein. The PAGA
2 Payment shall be allocated as follows: twenty-five percent (25%) to the qualifying Settlement Class
3 Members and seventy-five percent (75%) to the California Labor and Workforce Development
4 Agency. If it should be determined by the Court that an additional amount is needed to effectuate a
5 full and complete release of all California Labor Code Private Attorneys' General Act claims, Labor
6 Code Section 2698 *et seq.*, any additional amounts shall be deducted from the Maximum Settlement
7 Amount.

8 EE. "PAGA Period" means June 23, 2019 through March 18, 2021, inclusive.

9 FF. "Parties" means the Class Representatives, the Class, and Defendants.

10 GG. "Preliminary Approval Date" means the date the Court serves a signed notice of entry
11 of the Preliminary Approval Order.

12 HH. "Preliminary Approval Order" means an order to be issued by the Court preliminarily
13 approving the terms of the Settlement set forth herein.

14 II. "Released Claims" refers to claims released by the Class Members including, but not
15 limited to, any and all claims of any nature and description whatsoever, that were alleged in the
16 Complaint or could have been asserted based on the factual allegations in the Action. Specifically,
17 without limitation, Settlement Class Members will release claims under California Labor Code
18 sections 201, 202, 203, 204, 223, 226, 226.7, 510, 512, 1194, 1197, 1198; claims under the Private
19 Attorneys General Act, Labor Code Section 2698, *et seq.*; claims for unlawful and/or unfair business
20 practices under Business and Professions Code Section 17200, *et seq.*, to the extent such claims are
21 predicated on a released claim; and any claim for attorneys' fees and costs related to the above-
22 referenced released claims. The doctrines of res judicata, claim preclusion, issue preclusion, primary
23 rights, and collateral estoppel shall fully and broadly apply to Released Claims and the release in this
24 Settlement to the greatest effect and extent permitted by law.

25 JJ. The "Released Parties" include RBLI Inc., any predecessors and successors in
26 interest, any current or former parent corporations, subsidiary corporations, affiliates, and assigns,
27 including, without limitation, J.T.R. Area Distributors Inc.; companies acquiring any of all of
28 defendant RBLI Inc.'s assets or capital stock; current or former officers, directors, shareholders,

agents, representatives, and employees of RBLI Inc. or JTR Area Distributors Inc., including Kelly Ryan and Kevin Ryan; and insurers of any of the foregoing persons or entities.

KK. "Response Deadline" means the date, no later than thirty (30) calendar days after the date the Notice Package is mailed (judged by the postmark date) by the Settlement Administrator, prior to which Class Members may validly submit Opt-Outs or written Objections to the Settlement.

LL. "Settlement Class Members" or the "Settlement Class" means those Class Members who do not submit a timely and valid Request for Exclusion.

MM. "Workweeks" means the total number of weeks each Class Member worked in a covered position during the Class Period.

This Stipulation is made by the Class Representatives on behalf of themselves and the Class Members, on the one hand, and Defendants, on the other hand, in this Action, and is subject to approval of the Court.

II. BACKGROUND AND PRELIMINARY REPRESENTATIONS.

A. The Action. On June 23, 2020, Plaintiffs Martin Alcaraz, Jose Cedillo, Jesus Cervantes, and Jose Angel Mireles sent a letter to Defendants and the California Labor Workforce Development Agency (LWDA) pursuant to Labor Code section 2699.3(a)(1) notifying them of Plaintiffs' intent to seek penalties under the Private Attorneys General Act (PAGA) for alleged violations of the California Labor Code, including meal and rest break violations, unpaid minimum and overtime wages, and wage statement violations, among other wage and hour claims. The LWDA thereafter assigned Case No. LWDA-CM-794326-20 to Plaintiffs' claim. On June 23, 2020, Plaintiffs filed a class action complaint against Defendants RBLI Inc. and Kelly J. Ryan for violations of the Labor Code and applicable Wage Order, including failure to provide meal periods or pay meal period premiums, failure to authorize and permit rest breaks or pay rest break premiums, failure to pay overtime and minimum wages, failure to provide accurate itemized wage statements, waiting time penalties, seeking restitution and injunctive relief pursuant to California's Unfair Competition law, and recovery under the Private Attorneys General Act.

1 B. Mediation. On March 16, 2021, the Parties attended a full-day mediation with
2 mediator David Phillips of Signature Resolution, in an attempt to resolve the Action on a class-wide
3 basis. The Action tentatively settled on that day, after which the Parties continued to negotiate to
4 finalize the terms of this Settlement.

5 C. Conditional Certification. The Parties stipulate and agree to the conditional
6 certification of the Class for purposes of this Settlement only. Should for whatever reason the
7 Settlement not become final and effective as herein provided, the conditional class certification shall
8 immediately be dissolved without prejudice. The fact that the Parties were willing to stipulate to
9 conditional class certification as part of the Settlement shall have no bearing on, and shall not be
10 admissible in or considered in connection with, the issue of whether a class should be certified in a
11 non-settlement context in the Action and shall have no bearing on, and shall not be admissible or
12 considered in connection with, the issue of whether a class should be certified in any other lawsuit.
13 Defendants expressly reserve all rights to oppose class certification should this Settlement not
14 become final and effective.

15 D. Investigation. The Parties have conducted significant investigation of the facts and
16 law. Such discovery and investigation included interviews with the Class Representatives and other
17 percipient witnesses as well as the review of documents and data necessary to calculate potential
18 damages. The Parties produced a large volume of documents and data concerning the Class
19 Members in advance of mediation with mediator David Phillips. Counsel for the Parties investigated
20 the law as applied to the facts discovered regarding the alleged claims of the Class Members and
21 potential defenses thereto, and the damages claimed by the Class Members.

22 E. Defendants' Reasons for Settlement. Defendants concluded any further defense of
23 this litigation would be protracted and expensive for all Parties. Substantial amounts of time, energy
24 and resources of Defendants have been and, unless this Settlement is made, will continue to be
25 devoted to the defense of the Released Claims. Defendants have also taken into account the risks of
26 further litigation in reaching its decision to enter into this Settlement. Defendants have, therefore,
27 agreed to settle in the manner and upon the terms set forth in this Settlement to put to rest the
28 Released Claims as set forth in the Action.

1 F. Defendants' Denials of Wrongdoing. Defendants denied and continue to deny each of
2 the claims and contentions alleged by Class Members in the Action. Defendants asserted, and
3 continue to assert, defenses thereto, and expressly denied and continue to deny any wrongdoing or
4 legal liability arising out of any of the facts or conduct alleged in the Action. Defendants also denied
5 and continue to deny, *inter alia*, the allegations: the Class Members have suffered damage;
6 Defendants in any way failed to pay Class Members for all hours worked; Defendants violated any
7 laws regarding minimum wage; Defendants violated any laws regarding overtime compensation;
8 Defendants violated the law regarding meal and rest periods; Defendants failed to provide accurate
9 wage statements; Defendants failed to timely pay Class Members all wages owed upon
10 termination/resignation or otherwise when due; Defendants engaged in any unlawful, unfair or
11 fraudulent business practices; Defendants engaged in any wrongful conduct as alleged in the Action;
12 or Class Members were harmed by the conduct alleged in the Action. Neither this Agreement, nor
13 any document referred to or contemplated herein, nor any action taken to carry out this Agreement,
14 is, may be construed as, or may be used as an admission, concession or indication by or against
15 Defendants of any fault, wrongdoing or liability whatsoever.

16 G. Plaintiffs' Claims. The Class Representatives have claimed and continue to claim the
17 Released Claims have merit and give rise to liability on the part of Defendants. This Agreement is a
18 compromise of disputed claims. Nothing contained in this Agreement and no documents referred to
19 herein and no action taken to carry out this Agreement may be construed or used as an admission by
20 or against the Class Representatives or Class Counsel as to the merits or lack thereof of the claims
21 asserted.

22 **NOW, THEREFORE, IT IS HEREBY STIPULATED**, by and among the Class Representatives
23 on behalf of the Class Members on the one hand, and Defendants on the other hand, and subject to
24 Court approval, that the Action is hereby being compromised and settled pursuant to the terms and
25 conditions set forth in this Settlement as a final disposition of the Action in its entirety and that upon
26 the Effective Date, for the duration of the Class Period, each and every Settlement Class Member
27 shall be deemed to have conclusively released and forever discharged the Released Parties for any
28 and all respective Released Claims, and shall be permanently barred and enjoined from the

1 institution or prosecution of any and all applicable Released Claims against the Released Parties,
2 except as to such rights or claims as may be created by the Settlement, subject to the continuing
3 jurisdiction of the Superior Court as set forth below, pursuant to the following terms and conditions:

4 III. AGREEMENT

5 A. Release As To All Settlement Class Members. As of the Effective Date, and for the
6 duration of the Class Period, all Settlement Class Members (including the Class Representatives)
7 release the Released Parties from the Released Claims and agree not to sue or otherwise make a
8 claim against any of the Released Parties for the Released Claims.

9 B. Release As to All Class Members Regarding PAGA. As of the Effective Date, and for
10 the duration of the PAGA Period, all Class Members (including Class Representatives) who worked
11 during the PAGA Period release the Released Parties for any claims for penalties under the Private
12 Attorneys General Act, Labor Code Section 2698, *et seq.*, irrespective of status as Settlement Class
13 Members. Class Members may not opt out of the release of PAGA claims.

14 C. Additional General Release of All Claims by Class Representatives Only. In addition
15 to the releases made by the Settlement Class Members described above, as of the Effective Date and
16 for the duration of the Class Period, Plaintiffs (on their behalf and on behalf of their heirs, executors,
17 administrators, and assigns), by signing this Agreement, knowingly and voluntarily release and
18 forever discharge the Released Parties from any and all claims, demands, rights, liabilities and
19 causes of action of every nature and description whatsoever, known or unknown, asserted or that
20 might have been asserted, whether in tort, contract, or for violation of any state or federal statute,
21 rule or regulation arising out of, relating to, or in connection with any act or omission by or on the
22 part of any of the Released Parties committed or omitted prior to the Effective Date (the "General
23 Release"). Such claims include, but are not limited to: breaches of contract, whether written, oral or
24 implied; violations of any public policy; tort claims, including but not limited to intentional infliction
25 of emotional distress and negligent infliction of emotional distress, defamation, misrepresentation,
26 and fraud; retaliation claims; common law claims; any other claims for damages, costs, fees, or other
27 expenses, including attorneys' fees; and any violations of the following statutes, laws, and
28 regulations: Title VII of the Civil Rights Act of 1964, as amended; The Civil Rights Act of 1991;

1 Sections 1981 through 1988 of Title 42 of the United States Code, as amended; The Americans with
2 Disabilities Act of 1990, as amended; The Age Discrimination in Employment Act of 1967, as
3 amended; the Older Workers Benefit Protection Act; the Employment Retirement Income Security
4 Act of 1974, as amended; the Occupational Safety and Health Act, as amended; the Sarbanes-Oxley
5 Act of 2002; the Family and Medical Leave Act of 1993, as amended; the Fair Labor Standards Act;
6 the California Fair Employment and Housing Act – Government Code Section 12900 *et seq.*; the
7 California Family Rights Act – Government Code Section 12945.2 *et seq.*; the California Unruh
8 Civil Rights Act – Civil Code Section 51 *et seq.*; the California Whistleblower Protection Law –
9 Labor Code Section 1102-5(a) to (c); the California Occupational Safety and Health Act, as
10 amended, Labor Code Section 6300 *et seq.*, and any applicable regulations thereunder; the Labor
11 Code; the Private Attorneys General Act of 2004 – Labor Code Section 2698 *et seq.*; The California
12 Unfair Competition Law – Business and Professions Code Section 17200 *et seq.*; and any other
13 federal, state, or local civil employment law, statute, regulation, or ordinance capable of being
14 released by Plaintiffs, excluding any claims that cannot be released as a matter of law.

15 This General Release includes any unknown claims that Class Representatives do not know
16 or suspect to exist in their favor at the time of the General Release, which, if known by them, might
17 have affected their settlement with, and release of, the Released Parties or might have affected their
18 decision not to object to this Settlement or the General Release.

19 With respect to the General Release, Class Representatives stipulate and agree that, upon the
20 Effective Date, they shall be deemed to have, and by operation of the Court's Final Approval Order,
21 shall have expressly waived and relinquished, to the fullest extent permitted by law, the provisions,
22 rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under
23 federal or state law, which provides:

24 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS**
25 **THAT THE CREDITOR OR RELEASING PARTY DOES NOT**
26 **KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT**
27 **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.

Class Representatives may hereafter discover facts in addition to or different from those they now know or believe to be true with respect to the subject matter of the General Release, but upon the Effective Date, shall be deemed to have, and by operation of the Court's Final Approval Order, shall have, fully, finally, and forever settled and released any and all of the claims released pursuant to the General Release whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs assume any and all risks of any mistake in connection with the true facts involved in the matters, disputes, or controversies described in this Settlement or with regard to any facts now unknown to either Plaintiff relating to such matters. Notwithstanding the above, the scope of the General Release provided to Defendants and the Released Parties by the Class Representatives does not include any claims that cannot be released as a matter of law or claims that accrued after the Effective Date.

Nothing in this Agreement shall affect, impact, preclude, or prevent Defendants from pursuing claims against third parties, including, without limitation, claims for express, implied or equitable indemnity or contribution, including claims against payroll companies, payroll processors, management companies and related individuals and entities.

Plaintiffs hereby agree not to request exclusion or otherwise object to the Settlement.

In accordance with the Older Worker's Benefit Protection Act of 1990, Plaintiffs represent they are aware of the following with respect to any possible claims they might have under the Age Discrimination in Employment Act:

- They have been advised of the right to consult with an attorney and have done so before signing this Agreement.
- They have twenty-one days to review and consider this Agreement and the release of any Age Discrimination in Employment Act claims and that they may use as much of this 21-day period as they wish prior to signing.

- For a period of seven days following the execution of this Agreement, they may revoke this Agreement with regard to the release of claims under the Age Discrimination in Employment Act and it shall not be effective or enforceable with respect to the claims under the Age Discrimination in Employment Act until the revocation period has expired.
- This Agreement and the releases contained within it shall become effective as to any Age Discrimination in Employment Act claim eight days after it is signed. Plaintiffs understand that they cannot revoke this waiver of any Age Discrimination in Employment Act claim after such 8 day period and that it will, at that point, become binding upon them.
- To revoke the waiver of claims based upon the Age Discrimination in Employment Act, Plaintiffs must give timely written notice to defense counsel as follows: to Arthur Eidelhoch and Philip Baldwin, counsel for Defendants, at AEidelhoch@littler.com and PBaldwin@littler.com.
- To the extent Plaintiffs, or any of them, timely revokes the waiver of claims based upon the Age Discrimination in Employment Act, Defendants may cancel and revoke this Agreement in its entirety and will have no obligation to make the payments specified in this Agreement, including any portion of the Maximum Settlement Amount.

D. Tax Liability. One-third (33-1/3%) of each Settlement Class Member's Individual Settlement Payment shall be treated as wages (reported on IRS Form W-2) and two-thirds (66-2/3%) equally as interest and penalties (reported on IRS Form 1099). Employer-side payroll taxes (including Employer Taxes) shall be paid out of the Maximum Settlement Amount. Defendants, their counsel and Plaintiffs' counsel make no representations as to the tax treatment or legal effect of the payments to Plaintiffs and Class Members called for hereunder and Plaintiffs are not relying on any statement or representation by Defendants, their counsel and Plaintiffs' counsel in this regard. Plaintiffs understand and agree Class Members will be solely responsible for the payment of any taxes or penalties predicated on the payments to them described herein. Defendants shall be held

1 harmless from and against any claims resulting from treatment of such payments as non-taxable
2 damages, including the treatment of such payments as not subject to withholding or deduction for
3 payroll and employment taxes.

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

27 F. Funding of the Settlement Amount. Defendant RBLI Inc. shall fund the entire
28 Maximum Settlement Amount within ten (10) calendar days after the Effective Date into a Qualified

Settlement Fund established by the Settlement Administrator for this purpose. In the event defendant RBLI Inc. fails to fund the Settlement in whole or part, for whatever reason including bankruptcy or insolvency, then defendant Kelly J. Ryan shall be required to do so subject to any legally recognized defense Kelly J. Ryan may have personally, including personal bankruptcy protections (if any) or termination of the Settlement as provided herein. All payments or distributions required pursuant to this Settlement shall be made by the Settlement Administrator from the Maximum Settlement Amount. Distributions from the Maximum Settlement Amount shall be as follows:

1. Class Representatives. The Incentive Awards ultimately approved by the Court shall be paid from the Maximum Settlement Amount to the Class Representatives within fourteen (14) days after the first regular business day after the appeal period runs (if no appeal is filed) or the first day after all appeals are denied or otherwise finally resolved or decided in favor of the settlement. The Parties agree that a decision by the Court to award the Class Representatives an amount less than applied for herein shall not be a basis for the Class Representatives, or any of them, or Class Counsel to void this Stipulation. The Settlement Administrator shall issue each of the Class Representatives a Form 1099 for their Incentive Awards. Class Representatives shall be solely and legally responsible to pay their applicable taxes on these payments and shall hold harmless Defendants from any claim or liability for taxes, penalties, or interest owed by the Class Representatives as a result of these payments. The Incentive Awards shall be in addition to the Class Representatives' Individual Settlement Payments.

2. Class Counsel. Defendants agree not to oppose or impede any application or motion by Class Counsel for the Fees Award not to exceed thirty-three percent (33%) of the Maximum Settlement Amount (*i.e.*, \$66,000.00) and the Costs Award (not to exceed \$20,000.00). The Fees and Costs Award ultimately approved by the Court shall be paid from the Maximum Settlement Amount to Class Counsel within fourteen (14) days after the first regular business day after the appeal period runs (if no appeal is filed) or the first day after all appeals are denied or otherwise finally resolved or decided in favor of the settlement. Class Counsel shall be solely and legally responsible to pay their applicable taxes on the payment made pursuant to this Paragraph. Class Counsel further agree that Class Counsel shall be solely responsible for any allocation of the Fees and Costs Award as between or among attorneys who have claims for such fees. The Settlement Administrator shall issue Forms 1099 to Class Counsel for the payments made pursuant to this Paragraph. In consideration of their awarded attorneys' fees and expenses, Class Counsel waive any and all claims to any further attorneys' fees and expenses in connection with the Lawsuit. The Parties agree that a decision by the Court to award Class Counsel a Fees and/or Costs award less than what Class Counsel seek shall not be a basis for Class Counsel or any party to void this Stipulation.

3. Settlement Administrator. The Settlement Administrator shall be paid for the costs of settlement administration from the Maximum Settlement Amount. Total Claims Administration costs are estimated to cost Five Thousand, Seven Hundred and Fifty Dollars and No Cents (\$5,750.00) based on Defendant's estimate of 104 Class Members. This estimate includes all tasks required of the Settlement Administrator by this Agreement including distribution of the Notice, collecting and processing Claims and requests for Exclusion, all required tax reporting in connection with distributions

from the Maximum Settlement Amount, issuance of Individual Settlement Payment checks, including issuance of W2 and 1099 forms as applicable, the handling of Class Member questions and disputes, as well as calculation of Employee Taxes and Employer Taxes to be remitted to the tax authorities. Not more than ten (10) calendar days prior to the date for filing of the motion for Final Approval of the Settlement, the Settlement Administrator shall provide counsel for the Parties with a statement detailing the final costs of administration to be filed with the Court. The Parties agree to cooperate in the settlement administration process and to make all reasonable efforts to control and minimize the costs and expenses incurred in the administration of the Settlement. The Total Claims Administration Costs ultimately approved by the Court shall be paid from the Maximum Settlement Amount within fourteen (14) days after the first regular business day after the appeal period runs (if no appeal is filed) or the first day after all appeals are denied or otherwise finally resolved or decided in favor of the settlement.

4. Class Members. Payments to Class Members shall be managed and administered as follows:

a) Defendants shall provide the Settlement Administrator with the Class List within ten (10) calendar days after the Preliminary Approval Date (but Defendants need not provide the Class List earlier than July 17, 2021). The Class List will be treated as confidential by the Settlement Administrator and will not be disclosed by the Settlement Administrator to anyone, except as permitted by this Settlement, as may be required to applicable tax authorities, pursuant to the express written consent of Defendants, by order of the Court, or as may be necessary to carry out the reasonable steps described in this Settlement to locate missing Class Members.

b) Within fourteen (14) calendar days of receiving the Class List, the Settlement Administrator shall mail the Notice Package to each Class Member. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database information to update and correct for any known or identifiable address changes. For each Notice Package returned as undeliverable, without a forwarding address, the Settlement Administrator will perform one "skip trace" search to obtain an updated address for the Class Member.

c) Individual Settlement Payments and PAGA Payments shall be paid by the Settlement Administrator from the Maximum Settlement Amount within 14 days after the first regular business day after the appeal period runs (if no appeal is filed) or the first day after all appeals are denied or otherwise finally resolved or decided in favor of the settlement.

d) Payments under the Settlement shall be calculated as follows:

(1) Class Members employed during the PAGA Period shall receive a pro-rata share of 25% of the PAGA Payment, based on the number of Workweeks worked during the PAGA Period relative to the total Workweeks worked by all qualifying Class Members during the PAGA Period.

(2) Settlement Class Members shall receive Individual Settlement Payments calculated as a pro-rata share of the Net Settlement Fund, based on the number of Workweeks worked during the Class Period relative to the total Workweeks worked by all Settlement Class

Members during the Class Period.

(3) The Settlement Administrator may combine the pro-rata PAGA Payment and Individual Settlement Payment for Settlement Class Members who worked during the PAGA Period into a single payment.

(4) Class Members who timely and properly request to be excluded will not receive an Individual Settlement Payment and the amount otherwise allocated to that Class Member shall revert to the Net Settlement Fund for distribution amongst Settlement Class Members. Under no circumstances shall any of the Settlement Amount revert to Defendants.

(5) Class Members' pro-rated PAGA Payments shall be allocated as payment of penalties, reported on IRS Form 1099. One-third (33-1/3%) of each Individual Settlement Payment to Settlement Class Members shall be allocated to payment of wages (the "Wage Component"), reported on IRS Form W2. Two-thirds (66-2/3%) of each Individual Settlement Payment to Settlement Class Members shall be allocated equally to penalties and interest (the "Non-Wage Component"), reported on IRS Form 1099. Each Settlement Class Member's Wage Component shall be subject to Employee Taxes and reduced by the amount of applicable payroll deductions or withholdings calculated by the Settlement Administrator, resulting in a "Net Wage Component." No withholding shall be made on the Non-Wage Component of the Individual Settlement Payments to Settlement Class Members or pro-rated PAGA Payments to Class Members.

(6) Class Members will have the opportunity, should they disagree with Defendants' records regarding their number of Workweeks, as presented on the Notice, to provide documentation and/or an explanation to show contrary Workweeks during the Class Period. Class Members must notify the Settlement Administrator of the dispute and submit documentation to support their dispute (such as, without limitation, payroll or time keeping records, paycheck stubs) prior to the Response Deadline. Moreover, a Class Member can only dispute his/her Workweeks outside of the PAGA Period if he/she does not exclude himself/herself from the Settlement. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Parties shall engage in a good faith effort to reach an agreement as to whether a workweek adjustment for the Class Member is warranted and, if the Parties are unable to reach an agreement, the determination of the Settlement Administrator shall be deemed final.

e) The Settlement Administrator, on Defendants' and Class Counsels' collective behalf, shall have the authority and obligation to make payments, credits and disbursements, including payments and credits in the manner set forth herein, to Settlement Class Members calculated in accordance with the methodology set out in this Agreement and consistent with subsequent orders of the Court.

f) No person shall have any claim against Defendants, Defendants' Counsel, the Class Representatives, the Class, Class Counsel, or the Settlement Administrator based on any errors or omissions in the distributions and payments that are required to be made in accordance with the terms of this Agreement.

1 G. Settlement Administration.

2 1. The Parties agree to cooperate in the settlement administration process and to
3 make all reasonable efforts to control and minimize the costs and expenses incurred
4 in administration of the Settlement.

5 2. The Settlement Administrator shall be responsible for: printing and mailing
6 the Notices to the Class Members as directed by the Court; skip-tracing; receiving
7 and reporting the Opt-Out Forms submitted by Class Members; issuing and mailing
8 pro-rated PAGA Payments to Class Members; issuing and mailing Individual
9 Settlement Payments to Settlement Class Members who did not make a timely and
10 proper request for exclusion; remitting all amounts due to the appropriate federal,
11 state, and local tax authorities, and other tasks as the Parties mutually agree or the
12 Court orders the Settlement Administrator to perform. The Settlement Administrator
13 shall keep Defendants' Counsel and Class Counsel timely apprised of the
14 performance of all Claims Administration responsibilities.

15 3. Any tax return filing required by this Agreement shall be made by the
16 Settlement Administrator. Any expenses incurred in connection with such filing shall
17 be a cost of administration of the Settlement.

18 H. Notice/Approval of Settlement and Settlement Implementation. As part of this
19 Settlement, the Parties agree to the following procedures for obtaining preliminary Court approval of
20 the Settlement, certifying the proposed Class, notifying Class Members, obtaining final Court
21 approval of the Settlement, and processing the Individual Settlement Payments and other
22 distributions from the Settlement Amount:

23 1. Preliminary Settlement Approval Hearing. Plaintiffs have and/or shall request
24 a hearing before the Court to request preliminary approval of the Settlement and to
25 request the entry of the Preliminary Approval Order for certification of the Class for
26 settlement purposes only. In conjunction with this hearing, Plaintiffs will submit this
27 Agreement and the proposed Notice (attached hereto as **Exhibit "A"**) as part of the
28 Order issued by the Court on the Motion for Preliminary Approval.

1 2. Certification of the Class for Settlement Purposes. Simultaneous with the
2 filing of the Preliminary Approval Motion and solely for purposes of this Settlement,
3 Plaintiffs will request that the Court enter an order preliminarily approving the
4 proposed Settlement, certifying the Class for settlement purposes only, and setting a
5 date for a Final Approval Hearing. The Preliminary Approval Order shall be in a form
6 to be agreed upon by the Parties prior to the hearing on the Motion for Preliminary
7 Approval and provide for Notice of the Settlement and related matters to be sent to
8 Class Members as specified herein.

9 3. Notice to Class Members. The Notice shall be provided to Class Members,
10 and Class Members shall submit objections to the Settlement and/or requests for
11 exclusion from the Class, pursuant to the following procedures:

12 a) Notice By First-Class Mail. Within fourteen (14) calendar days after
13 receiving the Class List from Defendants, the Settlement Administrator shall
14 send the Notice Package to each Class Member via First Class regular U.S.
15 mail. Prior to mailing, the Settlement Administrator shall check all addresses
16 on the Class List against the National Change of Address (NCOA) database.
17 The Settlement Administrator shall mail the Notice to the most current
18 mailing address as identified by reference to the Class List and/or the National
19 Change of Address (NCOA) database.

20 b) Procedure For Undeliverable Notices. Any Notices returned to the
21 Settlement Administrator as non-delivered within fourteen (14) calendar days
22 shall be sent to the forwarding address affixed thereto. If no forwarding
23 address is provided, then the Settlement Administrator shall promptly attempt
24 to determine a correct address using a skip-trace, computer or other search
25 using the name, address and/or Social Security number of the individual
26 involved, and shall then perform a single re-mailing. The deadline for Class
27 Members who receive a re-mailed Notice to object or request exclusion from
28 the Settlement shall be the later of the original Response Deadline or twenty-

one (21) days from the date of re-mailing. In the event the procedures in this Paragraph are followed and the intended recipient of a Notice still does not receive the Notice, the intended recipient shall be deemed a Settlement Class Member and shall be bound by all terms of the Settlement and any Final Approval Order and Judgment entered by the Court unless they have timely opted out as set forth in the Notice.

4. Procedure for Distribution of Individual Settlement Payments and Pro-Rated PAGA Payments.

a) Only Class Members who do not request exclusion from the Settlement on or before the Response Deadline (referred to as “Settlement Class Members”) are eligible to receive an Individual Settlement Payment. Class Members remain eligible to receive the pro-rated PAGA Payment even if they request to be excluded from the Class.

b) Individual Settlement Payments and the pro-rated PAGA Payments shall be paid exclusively from the Net Settlement Fund, pursuant to the *pro rata* formula set forth herein.

c) Individual Settlement Payments and the pro-rated PAGA Payments shall be issued within fourteen (14) days after the first regular business day after the appeal period runs (if no appeal is filed) or the first day after all appeals are denied or otherwise finally resolved or decided in favor of the settlement.

d) Should any question arise regarding the determination of eligibility for, or the amounts of, any Individual Settlement Payments or pro-rated PAGA Payments under the terms of this Agreement, Class Counsel and Defendants’ Counsel shall meet and confer in an attempt to reach agreement. The Parties shall engage in a good faith effort to reach an agreement and, if the Parties are unable to reach an agreement, the determination of the Settlement Administrator shall be deemed final and binding.

e) Each payment check distributed to a Class Member or Settlement Class Member shall remain valid and negotiable for one hundred and eighty (180) days from the date of issuance. This check-cashing deadline shall not be extended unless approved by the Court. In the event that there are any pro-rated PAGA Payment or Individual Settlement Payment funds that are not deposited or cashed within the 180-day period, said funds shall be tendered to Goodwill of Silicon Valley as the *cy pres* pursuant to Code of Civil Procedure Section 384. The Settlement Administrator shall provide periodic updates on the number/amount of pro-rated PAGA Payment and Individual Settlement Award checks that have been cashed or cancelled. The failure of a Settlement Class Member to deposit checks shall not affect the enforceability of the release of wage and hour claims as stated herein, as the Parties jointly agree that valid consideration for same is the offer of monetary consideration by means of the offer of settlement and mailing of settlement checks.

5. Procedure for Claiming Individual Settlement Payment, Objecting to or Requesting Exclusion From Class Action Settlement.

a) Procedure for Claiming Individual Settlement Payments or Pro-rated PAGA Payments. Settlement Class Members need take no action to receive an Individual Settlement Payment or pro-rated PAGA Payment under the Settlement.

b) Procedure for Objecting. The Notice shall inform Settlement Class Members that they may object to the Settlement in writing and may also appear at the Final Approval Hearing at their expense, either in person, telephonically or through an attorney, provided they notice the Court of their intent to do so. Settlement Class Members who wish to object to the Settlement in writing must (i) submit a statement of objection ("Notice of Objection") to the Court either by mailing the Objection to: Clerk of the

1 Court, Superior Court of California, County of Santa Clara, 191 N. First
2 Street, San Jose, California 9513, or by filing in person at the same location
3 and (ii) also submit a copy to Class Counsel and Defense Counsel via mail or
4 email. Settlement Class Members who wish to appear without filing or
5 mailing a written objection must still file or mail a notice of intent to appear
6 with the Court and provide notice to Class Counsel and Defense Counsel via
7 mail as set forth in the Notice. The Notice of Objection and/or notice of intent
8 to appear at the hearing must be filed or postmarked on or before the
9 Response Deadline. Only Settlement Class Members (*i.e.*, not Excluded Class
10 Members) may submit objections and have their objections heard. The Notice
11 of Objection must state the basis for the objection. At no time shall any of the
12 Parties or their counsel seek to solicit or otherwise encourage Settlement Class
13 Members to submit written objections to the Settlement or to appeal from any
14 order of the Court approving the Settlement. Class Counsel shall not
15 represent any Settlement Class Member with respect to any such objection.

16 c) Procedure for Requesting Exclusion. The Notice shall provide that
17 Class Members who wish to exclude themselves from the Settlement Class
18 and, in so doing, become an Excluded Class Member, must submit a written
19 request to be excluded from the Settlement Class on or before the Response
20 Deadline via facsimile or mail. Such request for exclusion: (1) must contain
21 the name, address, telephone number and the last four digits of the Social
22 Security number of the person requesting exclusion and the location and years
23 of his or her employment by Defendant; (2) must be returned by mail to the
24 Settlement Administrator at the specified address; (3) and must be postmarked
25 on or before the Response Deadline. If it is returned via Mail, then the date of
26 the postmark shall be used to determine whether a request for exclusion has
27 been timely submitted except that requests returned without a postmark will
28 be considered timely so long as they are actually received by the Settlement

1 Administrator within seven (7) calendar days of the Response Deadline. Any
2 Class Member who requests exclusion will not be entitled to submit
3 objections to the Settlement, will not be entitled to any recovery under the
4 Settlement beyond his/her pro-rated PAGA Payment (if any), and will not be
5 bound by the Settlement or have any right to object, appeal or comment
6 thereon. All Class Members who fail to submit a valid and timely request for
7 exclusion on or before the Response Deadline shall be Settlement Class
8 Members and shall be bound by all terms of the Settlement, if the Settlement
9 is approved by the Court, and regardless of whether or not they submitted a
10 timely request for exclusion.

11 d) Within fourteen (14) calendar days after the Response Deadline, the
12 Settlement Administrator shall provide counsel for Defendants with a
13 complete list of all Class Members who have timely requested exclusion from
14 the Settlement, and shall notify Class Counsel of the number of Class
15 Members who requested exclusion. At no time shall any of the Parties or their
16 counsel seek to solicit or otherwise encourage Class Members to submit
17 requests for exclusion from the Settlement.

18 6. Claims Deemed Waived. Any Class Member who is not excluded pursuant to
19 the process set forth above shall be deemed a Settlement Class Member and, upon the
20 Effective Date, to have released all Released Claims against Released Parties as set
21 forth herein. Class Members who submit timely and proper requests for exclusion
22 will not be eligible to receive an Individual Settlement Payment and will remain
23 bound by the Release.

24 7. Final Settlement Approval Hearing. Upon expiration of the Response
25 Deadline, with the Court's permission, a Final Approval Hearing shall be conducted
26 to determine final approval of the Settlement along with the amount properly payable
27 for (i) attorneys' fees and costs, (ii) Incentive Awards, (iii) to the LWDA for the
28 release of PAGA claims, (iv) pro-rated PAGA Payments to Class Members; and (v)

1 costs of administration. The Final Approval Hearing shall be held as soon as
2 reasonably practical following the Response Deadline, and the date of the hearing
3 shall be jointly selected by the Parties. After entry of an order finally approving the
4 settlement, the Court shall have continuing jurisdiction solely for purposes of
5 addressing: (i) the interpretation and enforcement of the terms of the settlement, (ii)
6 settlement administration matters and (iii) such other matters as may be appropriate
7 under the California Rules of Court or as set forth in this Agreement.

8 8. Defendants' Option to Terminate Settlement. Within fourteen (14) days after
9 the Response Deadline, the Settlement Administrator shall inform the Parties how
10 many Class Members have made timely requests to be excluded from the Settlement.
11 If the number of Class Members who have submitted timely requests for exclusion
12 from the Settlement Class exceeds five percent (5%) of all Class Members or if any
13 of the named Plaintiffs requests exclusion, Defendants shall have, in their sole
14 discretion, the option (but not obligation) to terminate this Settlement. Defendants
15 shall have ten (10) days after receiving notification from the Settlement Administrator
16 regarding how many Class Members made timely exclusion requests to exercise this
17 termination option, but under no circumstance shall Defendants exercise this option
18 after Plaintiffs file their Motion for Final Approval. If Defendants exercise this option
19 to terminate, the Settlement will be void *ab initio* and of no force and effect, and will
20 not be admissible in any judicial, administrative, or arbitral proceeding for any
21 purpose or with respect to any issue, substantive or procedural. In addition, none of
22 the Parties to this Settlement will be deemed to have waived or assigned any claims,
23 objections, defenses, or arguments in the Action, including with respect to the issue of
24 class certification. In the event Defendants terminate the Agreement pursuant to this
25 provision, Defendants shall be solely responsible for payment of all costs incurred by
26 the Settlement Administrator through the date Defendants notify the Settlement
27 Administrator in writing (with a copy to Class Counsel) that they are exercising this
28 option.

1 9. Plaintiff's Reliance on Defendants' Data Points and Option to Increase
2 Settlement Amount. Defendants represent there are approximately 104 Class
3 Members during the Class Period and they collectively reported approximately 7,135
4 Workweeks between June 23, 2016 and November 30, 2020. If the actual number of
5 Workweeks exceeds the above figures by ten percent (10%), Plaintiffs may, in their
6 sole option, elect to either increase the Settlement Fund proportionally (i.e., if there
7 are 11% more Workweeks then Defendants would be required to pay an additional
8 11%, or \$22,000.00) or to terminate the Settlement. Additionally, Defendants
9 represented only six (6) Class Members continued working for defendant JTR after it
10 was renamed "RBLI Inc." on or about November 19, 2019. If more than eight (8)
11 Class Members performed worked for RBLI Inc. after November 19, 2019, Plaintiffs
12 may, in their sole option, elect to terminate the Settlement. This option shall be
13 exercised, if at all, prior to the date the Settlement Administrator sends out notice of
14 the Settlement to the Settlement Class. If Plaintiffs exercise their right to terminate
15 under this provision, the Settlement will be void *ab initio* and of no force or effect,
16 and will not be admissible in any judicial, administrative, or arbitral proceeding for
17 any purpose or with respect to any issue, substantive or procedural. Furthermore, the
18 Parties shall be responsible for equal splitting of costs, if any, incurred by the
19 Settlement Administrator prior to the date Plaintiffs terminate the Agreement.

20 10. Nullification of Settlement Agreement. In the event: (i) the Court does not
21 enter the orders specified herein; (ii) the Court does not issue an order finally
22 approving the Settlement or said order does not become final as a result of the
23 occurrence of the Effective Date; (iii) any party elects to terminate the Settlement as
24 set forth herein; or (iv) the Settlement does not become final for any other reason, this
25 Agreement shall be null and void and any order entered by the Court in furtherance of
26 this Settlement shall be treated as void from the beginning, unless otherwise stated
27 herein. In such a case, the Parties shall be returned to their respective statuses in the
28 Action as of the date and time immediately prior to the execution of this Agreement,

1 and the Parties shall proceed in all respects as if this Agreement had not been
2 executed, except for payment of any costs to the Settlement Administrator as
3 provided herein. In the event appellate review is sought prior to the Effective Date,
4 administration of the Settlement shall be stayed pending final resolution of the
5 appeal(s).

6 11. Certification By Settlement Administrator. Upon completion of
7 administration of the distributions, the Settlement Administrator shall provide written
8 certification of such completion to counsel for the Parties for filing with the Court in
9 connection with a final accounting.

10 I. No Effect on Employee Benefits. Any Incentive Awards or Individual Settlement
11 Payments distributed to the Class Representatives, Class Members, or Settlement Class Members
12 shall be deemed not to be pensionable earnings and shall not have any effect on the eligibility for, or
13 calculation of, any of the employee benefits (*e.g.*, vacations, holiday pay, retirement plans, etc.) of
14 the respective Class Representatives, Class Members, or Settlement Class Members. The Parties
15 agree that any Individual Settlement Payments to Settlement Class Members under the terms of this
16 Agreement do not represent any modification of Settlement Class Members' previously credited
17 hours of service or other eligibility criteria under any employee pension benefit plan or employee
18 welfare benefit plan sponsored by Defendants. Further, any Individual Settlement Payments or
19 Incentive Awards hereunder shall not be considered "compensation" in any year for purposes of
20 determining eligibility for, or benefit accrual within, an employee pension benefit plan, employee
21 welfare benefit plan, or incentive compensation plan sponsored by Defendants.

22 J. Exhibit(s) and Headings. The terms of this Agreement include the terms set forth in
23 any attached Exhibit(s), which are incorporated by this reference as though fully set forth herein.
24 Any Exhibit(s) to this Agreement are an integral part of the Settlement. The descriptive headings of
25 any paragraphs or sections of this Agreement are inserted for convenience of reference only and do
26 not constitute a part of this Agreement.

27 K. Interim Stay of Proceedings. The Parties agree to stay all proceedings and deadlines
28 in the Action, except such proceedings necessary to implement and complete the Settlement, in

1 abeyance pending the Preliminary and Final Approval Hearings to be conducted by the Court
2 presiding over this Action. Said stay shall terminate if and when (1) the Court permanently denies
3 approval (preliminary or final) of the Settlement, (2) any party terminates the Agreement as provided
4 herein, or (3) the Court issues an order terminating the stay.

5 L. Section 583.310 of the California Code of Civil Procedure, "An action shall be
6 brought to trial within five years after the action is commenced against the defendant." The Parties
7 hereby stipulate and agree that the five-year period for bringing the Action to trial is extended by the
8 period of the stay until the stay is lifted by the occurrence of any of the following events: (i) the
9 Court does not enter the orders specified herein; (ii) the Court does not issue an order finally
10 approving the Settlement or said order does not become final as a result of the occurrence of the
11 Effective Date; (iii) Defendant elects to terminate the Settlement as set forth herein; or (iv) the
12 Settlement does not become final for any other reason

13 M. Amendment or Modification. This Agreement may be amended or modified only by
14 a written instrument signed by the Parties, their successors-in-interest, or counsel for the Parties on
15 behalf of the Parties.

16 N. Entire Agreement. This Agreement and any attached Exhibit(s) constitute the entire
17 agreement among these Parties, and no oral or written representations, warranties or inducements
18 have been made to any Party concerning this Agreement or its Exhibit(s) other than the
19 representations, warranties and covenants contained and memorialized in such documents.
20 Defendants shall not be required as part of the Settlement to modify or eliminate any of their
21 personnel, compensation or payroll practices, or adopt any new personnel, compensation or payroll
22 practices.

23 O. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant
24 and represent they are expressly authorized by the Parties whom they represent to negotiate this
25 Agreement and to take all appropriate action required or permitted to be taken by such Parties
26 pursuant to this Agreement to effectuate its terms, and to execute any other documents required to
27 effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other
28 and use their best efforts to affect the implementation of the Settlement. In the event the Parties are

1 unable to reach agreement on the form or content of any document needed to implement the
2 Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of
3 this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement. The
4 persons signing this Agreement on behalf of each Defendant represent and warrant that they are
5 authorized to sign this Agreement on behalf of each respective Defendant.

6 P. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure
7 to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

8 Q. California Law Governs. All terms of this Agreement and the Exhibit(s) hereto shall
9 be governed by and interpreted according to the laws of the State of California.

10 R. Counterparts. This Agreement may be executed in one or more counterparts. All
11 executed counterparts and each of them shall be deemed to be one and the same instrument provided
12 that counsel for the Parties to this Agreement shall exchange among themselves original signed
13 counterparts.

14 S. This Settlement Is Fair, Adequate, and Reasonable. The Parties believe this
15 Settlement is a fair, adequate and reasonable settlement of the Action and have arrived at this
16 Settlement after extensive arms-length negotiations, taking into account all relevant factors, present
17 and potential.

18 T. Class Action Certification for Settlement Purposes Only. The Parties agree to
19 stipulate to class action certification for purposes of the Settlement only. If, for any reason, the
20 Settlement is not approved, the stipulation to certification will be void. The Parties further agree that
21 certification for purposes of the Settlement is not an admission that class action certification is
22 proper under the standards applied to contested certification motions and that this Settlement will not
23 be admissible in this or any other proceeding as evidence that either (i) a class action should be
24 certified or (ii) Defendants are liable to Plaintiffs or any Class Member, other than according to the
25 Settlement's terms.

26 U. Non-Admission of Liability. The Parties enter into this Settlement to resolve the
27 dispute that has arisen between them and to avoid the burden, expense and risk of continued
28 litigation. In entering into this Settlement, Defendants do not admit, and specifically deny, violation

1 of any federal, state, or local law; violation of any regulations or guidelines promulgated pursuant to
2 any statute or any other applicable laws, regulations or legal requirements; breach of any contract;
3 violation or breach of any duty; any misrepresentation or deception; or any other unlawful conduct
4 with respect to Defendants' employees. Neither this Settlement, nor any of its terms or provisions,
5 nor any of the negotiations connected with it, will be construed as an admission or concession by
6 Defendants of any such violations or failures to comply with any applicable law. Except as
7 necessary in a proceeding to enforce the terms of this Settlement, this Settlement and its terms and
8 provisions will not be offered or received as evidence in any action or proceeding to establish any
9 liability or admission on the part of Defendants or to establish the existence of any condition
10 constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

11 V. Jurisdiction of the Court. The Court shall retain jurisdiction with respect to the
12 interpretation, implementation, and enforcement of the terms of this Agreement and all orders
13 entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of
14 the Court for purposes of interpreting, implementing and enforcing the settlement terms embodied in
15 this Agreement and all orders entered in connection therewith.

16 W. Cooperation and Drafting. Each of the Parties has cooperated in the drafting and
17 preparation of this Agreement. Hence, in any construction made to this Agreement, the same shall
18 not be construed against any of the Parties.

19 X. Invalidity of Any Provision. Before declaring any provision of this Agreement
20 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible
21 consistent with applicable precedents so as to define all provisions of this Agreement valid and
22 enforceable. The Parties agree that this agreement is enforceable pursuant to Code of Civil
23 Procedure Section 664.6.

24 Y. Class Representatives' Waiver of Right to be Excluded and Object. The Class
25 Representatives agree to sign this Agreement and by signing this Agreement are bound by the terms
26 herein stated and further agree not to request to be excluded from the Class and agree not to object to
27 any of the terms of this Agreement. Non-compliance by the Class Representatives with this
28

Paragraph shall be void and of no force or effect. Any such requests for exclusion or objections shall therefore be void and of no force or effect.

Z. No Public Comment: Class Counsel shall do nothing to publicize this Settlement or use it for marketing purposes, including on web sites and on the Internet and in any form of electronic or no-electronic press whatsoever, although this confidentiality obligation shall not be construed to interfere with Class Counsel's communications with Settlement Class Members and will not preclude Class Counsel from referring to the Settlement in any future Court filings in support of class certification and/or prevailing party attorneys' fees and/or settlement approval. The Parties further agree that, so as to not cause confusion with the court approved Notice Package, not to send or distribute any notices or communications or solicitations urging Class Members to object or request exclusion from the Settlement.

AA. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one single instrument. Where convenient for the Parties to do so, the signed signature pages may be facsimile or scanned PDF transmissions. The Parties agree their signatures on the facsimile or scanned PDF transmissions shall be fully binding upon them in the same manner as if the Parties had each signed the same original document.

Dated: 08/14/2024

DEFENDANT

By:

Name: [Signature]
Title:

Defendant RBLI Inc.

Dated: _____

DEFENDANT

By: _____

Kelly J. Ryan

Additional Signatures on Following Page

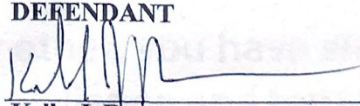
Paragraph shall be void and of no force or effect. Any such requests for exclusion or objections shall therefore be void and of no force or effect.

Z. No Public Comment: Class Counsel shall do nothing to publicize this Settlement or use it for marketing purposes, including on web sites and on the Internet and in any form of electronic or no-electronic press whatsoever, although this confidentiality obligation shall not be construed to interfere with Class Counsel's communications with Settlement Class Members and will not preclude Class Counsel from referring to the Settlement in any future Court filings in support of class certification and/or prevailing party attorneys' fees and/or settlement approval. The Parties further agree that, so as to not cause confusion with the court approved Notice Package, not to send or distribute any notices or communications or solicitations urging Class Members to object or request exclusion from the Settlement.

AA. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one single instrument. Where convenient for the Parties to do so, the signed signature pages may be facsimile or scanned PDF transmissions. The Parties agree their signatures on the facsimile or scanned PDF transmissions shall be fully binding upon them in the same manner as if the Parties had each signed the same original document.

Dated: _____ **DEFENDANT**

By: _____
Name: _____
Title: _____
Defendant RBLI Inc.

Dated: 6/14/21 **DEFENDANT**
By:  _____
Kelly J. Ryan

Additional Signatures on Following Page

1 Dated: 6/14/2021

REPRESENTATIVE PLAINTIFF

2
3 By:  DocuSigned by:
Jose Cedillo

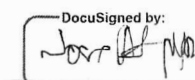
4 Dated: 6/19/2021

REPRESENTATIVE PLAINTIFF

5
6 By:  Jesus Cervantes

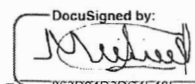
7 Dated: 6/16/2021

REPRESENTATIVE PLAINTIFF

8
9 By:  DocuSigned by:
Jose Angel Mireles

10 Dated: 6/14/2021

REPRESENTATIVE PLAINTIFF

11
12 By:  DocuSigned by:
Martin Alcaraz

1 **APPROVED AS TO FORM:**

2
3 Dated: June 14, 2021

LITTLER MENDELSON, P.C.

4
5 By: 
6 Arthur Eidelhoch
7 Philip Baldwin
8 Attorneys for Defendants

9
10 Dated: June 14, 2021

ALLEN ATTORNEY GROUP

11 By: *Kevin Allen*
12 Kevin R. Allen
13 Attorneys for Plaintiffs

14 Dated: 6/19/2021

LAW OFFICE OF DANIEL A MENENDEZ

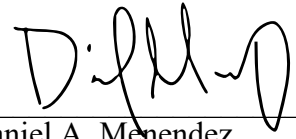
15
16 By: 
17 Daniel A. Menendez
18 Attorneys for Plaintiffs

EXHIBIT A

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NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

SUPERIOR COURT OF CALIFORNIA FOR THE COUNTY OF SANTA CLARA

ALCARAZ, ET AL. V. RBLI INC, ET AL., CASE NO. 20CV367471

ATTENTION: IF YOU WERE EMPLOYED BY RBLI INC. DOING BUSINESS AS J.T.R AREA DISTRIBUTORS IN CALIFORNIA BETWEEN JUNE 23, 2016 AND MARCH 18, 2021 YOU COULD GET A PAYMENT FROM THIS SETTLEMENT.

A court authorized this notice. This is not a solicitation from a lawyer.

- If approved by the Court the Settlement will provide \$200,000.00 to resolve claims of individuals who were employed by defendant RBLI Inc. dba J.T.R. Area Distributors (“JTR”) as a non-exempt or hourly warehouse worker at defendant’s warehouse in San Jose, California between June 23, 2016 and March 18, 2021, inclusive.
- The Settlement involves a lawsuit over whether Defendant JTR paid all wages owed and provided timely meal periods and rest breaks. Plaintiffs Martin Alcaraz, Jose Cedillo, Jesus Cervantes, and Jose Angel Mireles also sought recovery from Defendant Kelly J. Ryan as the alter ego or joint employer of Defendant JTR.
- The two sides disagree over how much money, if any, could have been won at trial.
- Your legal rights are affected whether or not you act or don’t act. **READ THIS NOTICE CAREFULLY!**

OVERVIEW OF YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT

DO NOTHING	Get a payment in exchange for a release of covered legal claims.
EXCLUDE YOURSELF	Get <u>no</u> payment. This is the <u>only</u> option that allows you to be a part of another lawsuit (if any) against the Defendants for the legal claims in this lawsuit.
OBJECT	Tell the Court about why you don’t like the Settlement.

- These rights and options – and the deadlines to exercise them- are explained in this notice.
- The Court handling this case still has to decide whether to approve the Settlement. Settlement payments will only be issued if the Court approves the Settlement and all appeals are resolved. Please be patient.
- Additional information and settlement documents are available by contacting Class Counsel.

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BASIC INFORMATION

1. Why did I get this notice?

Defendant JTR's records show that you were employed as a non-exempt or hourly warehouse worker under the classification of Order Puller, Order Checker, Receiver, Custodian, Shipping Worker, Stocker, Order Puller Trainer, Loader, nonexempt warehouse supervisor, nonexempt warehouse manager, or Loading Dock Workers for JTR out of its San Jose, California location between June 23, 2016 and March 18, 2021, inclusive. This is referred to as the "Class Period." This notice explains the lawsuit, the Settlement, and your legal rights.

The lawsuit is known as *Alcaraz, et al. v. RBLI Inc. et al.*, and is pending in the Superior Court of California for the County of Santa Clara, Case No. 20CV367471 (the "Action"). Martin Alcaraz, Jose Cedillo, Jesus Cervantes, and Jose Angel Mireles are called the Plaintiffs or Class Representatives, and the companies/individuals they sued are called the Defendants (i.e., RBLI Inc.

formerly known as J.T.R Area Distributors, Inc. and Kelly J. Ryan).

What is this lawsuit about?

The lawsuit involves claims under California's wage and hour laws. Plaintiffs worked in a covered position at Defendant's San Jose, California warehouse within the Class Period. They allege that Defendants failed to pay them and other Settlement Class Members all wages owed, and failed to provide timely and lawful meal periods and rest breaks. As a result, Plaintiffs allege that they, and the members of the Settlement Class (defined in response to Question 4 below), are entitled to recover unpaid wages, interest, and statutory and civil penalties.

Defendants deny engaging in any wrongful conduct or that they violated the law in any way, and believe that Plaintiffs and the Settlement Class were properly compensated, including final wages, and that they were provided lawful meal and rest periods.

Both Plaintiffs and Defendants believe that the Settlement is fair, adequate, and reasonable, and that it is in the best interest of the members of the Settlement Class.

What is a class action lawsuit?

In a class action, one or more people called the "Plaintiff" or "Plaintiffs" (in this case, Martin Alcaraz, Jose Cedillo, Jesus Cervantes, and Jose Angel Mireles) sue on behalf of people who have similar alleged claims. All of these similar people are a "class" or "class members." The Court resolves the issues for all class members, except for those who exclude themselves from the class. On XXXX, the Court certified the class for purposes of settlement only.

Who is in the Settlement Class?

"Settlement Class Members" or "Settlement Class" means all individuals who were employed as non-exempt or hourly warehouse workers for J.T.R. Area Distributors, Inc. ("JTR") out of JTR's San Jose, California warehouse between June 23, 2016 and March 18, 2021, inclusive, including the following classifications: Order Puller, Order Checker, Receiver, Custodian, Shipping Worker, Stocker, Order Puller Trainer, Loader, nonexempt warehouse supervisor, nonexempt warehouse manager, and Loading Dock Workers.

Why is there a settlement?

After conducting substantial investigation, including review of policies, payroll records and personnel files, both sides agreed to the Settlement to avoid the cost and risk of further litigation. The Settlement does not mean that any law was broken. Defendants deny all of the claims asserted in the Action and deny that they have violated any laws. Plaintiffs and their lawyers think the Settlement is in the best interests of all Settlement Class Members.

THE SETTLEMENT BENEFITS

2. What do I get?

Under the terms of the Settlement, Defendants agreed to pay a total of \$200,000.00 which is referred to as the Maximum Settlement Amount. This Maximum Settlement Amount will be used to pay attorneys' fees (not to exceed 33% of the Maximum Settlement Amount, i.e., \$66,000.00), attorneys' actual litigation costs, Employer-side payroll taxes, a Class Representative Enhancement Award to each of the Plaintiffs (not to exceed \$5,000.00 each), a payment of \$9,000.00 for alleged penalties under the Private Attorney General Act ("PAGA"), and the fees and expenses of the Settlement Administrator (estimated to cost \$5,750.00). The remainder, referred to as the Net Settlement Amount, will be distributed in full to Settlement Class Members.

PAGA Settlement Payment

The employees shall first share 25% of the payment to the LWDA (i.e., \$2,250) which shall be split equally amongst all Class Members that worked for JTR between June 23, 2019 and March 18, 2021, inclusive (the "PAGA Period"). This payment will be distributed to Class Members based on the number of Workweeks worked for Defendants in covered positions during the PAGA Period relative to the total number of Workweeks worked by all Class Members during the PAGA Period.

According to Defendants' records, you worked for ____ weeks in a covered position during the PAGA Period. **Based on these dates, your portion of the PAGA settlement payment is estimated to be at least \$ _____.**

Class Members will receive their portion of the PAGA settlement payment regardless of whether they request exclusion or object to the Settlement. This payment shall be reported as penalties and reported by IRS Form 1099.

Defendants' records shall be presumed correct, unless evidence to the contrary is timely submitted to the Settlement Administrator. Class Members who disagree with Defendants' records of their workweeks total, as presented above, must notify the Settlement Administrator of the dispute and submit documentation to support their claimed dates of employment (such as, without limitation, payroll or time keeping records, paycheck stubs). The dispute must be received by [RESPONSE DEADLINE] or else it will be disregarded and you will be paid according to the dates listed in Defendant's records.

NOTE: A Class Member can only dispute his/her workweeks outside the PAGA Period if he/she does not exclude himself/herself from the Settlement. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Parties shall engage in a good faith effort to reach an agreement as to whether a workweek adjustment for the Class Member is warranted and, if the Parties are unable to reach an agreement, the determination of the Settlement Administrator shall be deemed final.

Individual Settlement Payment

Class Members *who do not file a timely request for exclusion* will receive an additional Individual Settlement along with the PAGA Settlement Payment described above.

The Net Settlement Amount will be distributed to Settlement Class Members based on the number of Workweeks worked for Defendants in covered positions during the Class Period relative to the total

number of Workweeks worked by all Settlement Class Members during the Class Period.

According to Defendants' records, you worked for ____ weeks in a covered position during the Class Period. **Based on these dates, your Individual Settlement Award is estimated to be at least \$_____.** Your actual Individual Settlement Award may be for more than this amount depending on the number of Settlement Class Members who participate and/or request to opt out of the Settlement.

The parties have agreed that one-third (33-1/3%) of each Settlement Class Member's Individual Settlement Payment shall be treated as wages (reported on IRS Form W-2) and two-thirds (66-2/3%) equally as interest and penalties (reported on IRS Form 1099). The employee's share of payroll taxes (FICA, EDD) shall be withheld from the W2 wage payment.

3. What am I giving up?

If the Settlement is approved then Plaintiffs and each member of the Settlement Class who do not submit a timely Request for Exclusion (defined in response to Question 10 below) will release RBLI Inc., any predecessors and successors in interest, any current or former parent corporations, subsidiary corporations, affiliates, and assigns, including, without limitation, J.T.R. Area Distributors Inc.; companies acquiring any of all of defendant RBLI Inc.'s assets or capital stock; current or former officers, directors, shareholders, agents, representatives, and employees of RBLI Inc. or JTR Area Distributors Inc., including Kelly Ryan and Kevin Ryan; and insurers of any of the foregoing persons or entities (collectively, the "Released Parties") from those wage and hour class claims which were alleged in the operative Complaint or that could be brought based on the specific factual allegations contained therein ("Released Claims"). The Released Claims include: (1) Failure to Pay All Wages (Labor Code §§ 510, 1194, 1197); (2) Failure to Provide Meal or Rest Periods or to Pay Meal and Rest Period Premiums (Labor Code §§ 226.7 and 512); (3) Failure to Pay All Wages On Termination (Labor Code Section 203); (4) Failure to Provide Accurate Itemized Wage Statements (Cal. Labor Code Section 226); (5) Unfair Business Practices (Business & Professions Code § 17200 *et seq.*) to the extent predicated on a Released Claim; and, (6) Recovery Under the Private Attorneys General Act (California Labor Code § 2698 *et seq.*) to the extent predicated on a Released Claim.

- A. The Released Claims do not apply to claims that arise outside the Class Period; or claims (if any) arising from work performed solely as an employee or independent contractor of Imperial Dade.

HOW TO GET A SETTLEMENT PAYMENT

4. How do I get a settlement payment?

You need not do anything in order to receive a pro-rated PAGA Settlement Payment or Individual Settlement Payment from this Settlement. If you do not make a timely request to be excluded then, provided the Settlement is approved by the Court, you will be sent both settlement payment(s) (to the extent you are eligible) at the address where this Notice was mailed.

If this was sent to the wrong address, or you move before receiving all settlement checks and tax return documents, then it is very important that you provide a forwarding address to the

1 **Settlement Administrator!** Otherwise your settlement check(s) and/or your tax return
2 documentation could be sent to the wrong address.

3
4 **5. When will I get my check?**

5 If approved then Defendants will be required to fund the \$200,000.00 Maximum Settlement Amount
6 within 14 days of the Effective Date of the Settlement. The Settlement Administrator will issue
7 settlement payment(s) within 14 days of the appeals period lapsing or any appeal being finally
8 resolved.

9 The "Effective Date" is defined as the date that the Court grants Final Approval unless there are
10 objector/objections to the Settlement in which case the Effective Date shall be the first regular
11 business day after the appeal period runs (if no appeal is filed) or the first day after all appeals are
12 denied or otherwise finally resolved or decided in favor of the settlement. If there are any appeals,
13 resolving them could take some time, so please be patient.

14 Please be advised that you will only have 180 days from the date that the check is issued to cash it.
15 This is why it is so important to ensure the Settlement Administrator has your most up to date
16 contact information. If Class Members fail to cash their settlement checks within 180 days, the
17 respective funds will be sent to a Court-approved non-profit organization. The Parties have proposed
18 that the Goodwill of Silicon Valley be appointed as *cy pres* for this purpose.

19 **EXCLUDING YOURSELF FROM THE SETTLEMENT**

20 **6. How do I ask the Court to exclude me from the Settlement Class?**

21 If you do not want to participate in the Settlement ("opt-out"), you must complete and send a timely
22 request to Opt Out or exclude yourself from the Settlement. Class Members who timely request
23 exclusion will no longer be eligible to receive an Individual Settlement Award but will also not be
24 bound by the release of claims in the Settlement. Class Members cannot, however, seek exclusion
25 from the PAGA component of the Settlement and will receive a PAGA Settlement Payment even if
26 they file a timely request, to the extent they worked during the PAGA Period.

27 In order to be valid, your Opt-Out must be signed, dated and mailed by First Class U.S. Mail, or the
28 equivalent, postmarked no later than **[+30 days from date of mailing]** to:

INSERT SETTLEMENT ADMINISTRATOR INFO

Opt-Outs that do not include all required information and/or that are not timely submitted will be
deemed null, void, and ineffective. Class Members who fail to submit a valid and timely Opt Out on
or before the above-specified deadline shall be converted to Settlement Class Members, bound by all
terms of the Settlement, and any Final Judgment entered in the Action if the Settlement is approved
by the Court.

1 **7. If I exclude myself, can I get anything from the settlement?**

2 Yes. If you exclude yourself now you will still get a PAGA Settlement Payment, if you are
3 eligible for one. You will not get an Individual Settlement Payment and you will not be bound by
4 the non-PAGA component of the Settlement.

5 **8. If I don't exclude myself, can I sue later?**

6 No. Unless you exclude yourself, you give up the right to sue Defendants for the claims in this
7 lawsuit that are released by the Settlement. You must exclude yourself from the Settlement Class
8 to start or continue your own lawsuit.

9 **THE LAWYERS REPRESENTING YOU**

10 **9. Do I have a lawyer in this case?**

11 The Court has appointed Kevin R. Allen of Allen Attorney Group and Daniel Menendez of the Law
12 Office of Daniel A Menendez as class counsel. They represent the named Plaintiffs and the
13 Settlement Class Members in this lawsuit. Their contact information is listed in **Paragraph 21**
14 **("Getting More Information").**

15 **10. How will the costs of the lawsuit and the settlement be paid?**

16 Subject to Court approval, the Maximum Settlement Amount will be used to pay Class Counsel their
17 actual litigation costs and up to \$66,000.00 in attorneys' fees (i.e., 33% of the Settlement Amount).
18 It will also be used to pay Plaintiffs up to \$5,000.00 each as a "Class Representative Enhancement
19 Award" for their participation in this lawsuit and for taking on the risk of litigation. The Maximum
20 Settlement Amount will also be used to pay the Settlement Administrator's costs and fees associated
21 with administering the Settlement, estimated at \$5,750.00, as well as Employer-side payroll taxes
22 stemming from the wage-component of the Settlement.

23 The Court may award *less* than these amounts. If lesser amounts are awarded, the difference will be
24 distributed to Settlement Class Members as part of the Net Settlement Amount.

25 **OBJECTING TO THE SETTLEMENT**

26 **11. How do I object to the Settlement?**

27 If you do not think the Settlement is fair then you may object to the proposed settlement in writing.
28 You may also appear at the Final Approval Hearing at your expense, either in person, telephonically,
29 or through an attorney, provided you notify the Court of your intention to do so. All written
30 objections, supporting papers and/or notices of intent to appear at the Final Approval Hearing must
31 (a) clearly identify the case name and number ([*** v. ***], Case Number (20CV367471), (b) be
32 submitted to the Court either by mailing the objection to: Clerk of the Court, Superior Court of
33 California, County of Santa Clara, 191 N. 1st Street, San Jose, California 95113, or by filing in
34 person at the same location; (c) also be mailed to Plaintiff's counsel (Kevin R. Allen, Allen Attorney
35 Group, 2121 N. California Blvd., Suite 290, Walnut Creek CA 94596) and defendant's counsel
36 (Philip Baldwin at LITTLER MENDELSON, 333 Bush St., 34th Floor San Francisco, CA 94104);

and (d) be filed or postmarked on or before _____, 20**

A written objection must also include the objecting person's full name, current address, and the basis your objection and include any supporting papers you wish the Court to consider. Late or incomplete written objections will be considered invalid.

A Settlement Class Member who submits a timely objection may ask the Court to speak at the Final Approval Hearing. Please review the Court's current COVID-19 protocols for details on making a personal or virtual appearance prior to attending the Final Approval Hearing. The Court's current COVID-19 protocols can be found here:

https://www.sccscourt.org/general_info/news_media/covid19.shtml

If you opt out of the Settlement, you may not object. You must be a Settlement Class Member in order to object to the Settlement. Any Settlement Class Member who files an objection remains eligible to get paid from the Settlement.

12. What's the difference between objecting and asking to be excluded?

Objecting is simply telling the Court you do not like something about the Settlement. Excluding yourself is telling the Court that you do not want to be part of the Settlement.

THE COURT'S FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to approve the settlement. If you have filed an objection or filed a notice of your intent to appear on time you may attend and you may ask to speak, but you don't have to. *See* Section 11 for more details.

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

The Court will hold a Final Approval Hearing on **[insert time/date]** in Department 3 at the Superior Court of California for the County of Santa Clara, located at **191 N. First Street, San Jose, California**. The hearing may be moved to a different date and/or time without additional notice. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. You do not need to attend the hearing. The Court will only listen to people who have timely objected and asked to speak at the hearing. The Court will also decide how much to pay Class Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

14. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Judge may have. But, you are welcome to come at your own expense. See Section 11 for more information. Please also review the Court's current COVID-19 protocols for details on making a personal or virtual appearance prior to attending the Final Approval Hearing. The Court's current COVID-19 protocols can be found here:

https://www.scsccourt.org/general_info/news_media/covid19.shtml

If you send a written objection, you don't have to come to Court to talk about it. As long as you mailed/filed your written objection on time, the Court will consider it. You may also pay (at your own expense) another lawyer to attend, but it is not required.

15. May I speak at the hearing?

You do not need to file a written objection in order to appear at the hearing. Any Settlement Class Member, or person purporting to object on behalf of any Settlement Class Member, may be received or considered by the Court at the Final Approval Hearing, regardless of whether a written notice of objection is filed or delivered to the Parties. Settlement Class Members who wish to appear but do not file a written objection must still mail or file a Notice of Intent to Appear with the Court and inform the law firms identified in Section 16(B) by the response deadline of _____. This will ensure that the Parties and the Court are aware in advance of your intent to appear at the hearing.

IF YOU DO NOTHING

16. What happens if I do nothing at all?

- A. If you do nothing, you will bound by the release of claims described in this notice and will receive settlement payment(s).

GETTING MORE INFORMATION

B. How do I get more information?

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you may review the detailed "Joint Stipulation Re: Class Action Settlement and Release" which is on file with the Clerk of Court. The pleadings and other records in the Action, including the proposed Settlement, may be examined at any time during regular business hours at the Office of the Clerk of Court for the Superior Court of California, County of Santa Clara, 191 North 1st Street, San Jose, California, 95113. You may also review most of the filings, including the initial complaint, the Motion for Preliminary Approval of the proposed Settlement, and the Settlement itself on the Court's website which is located at <https://portal.scsccourt.org/>

If you want additional information about the Action and its proceedings, or copies of settlement paperwork, then you may contact Class Counsel:

KEVIN R. ALLEN, SBN 237994

DANIEL A. MENENDEZ, SBN 260822

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daniel@siliconvalleylegal.com