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

CARLOS CHAVEZ, individually, and on behalf
of all others similarly situated;

Plaintiff,

v.

SOUTHWEST TRAFFIC CORP., a California
Corporation; BOHDAN NALEPA, an individual;
and DOES 1 through 100, inclusive;

Defendants.

Case No.: 20STCV30617

*[Assigned for all purposes to Honorable
Maren Nelson; Department 17]*

**REVISED JOINT STIPULATION OF
CLASS ACTION AND PAGA
SETTLEMENT**

1 This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and
2 between Plaintiff Carlos Chavez (“Plaintiff”) and Defendants Southwest Traffic Corporation
3 (“Southwest Traffic”) and Bohdan Nalepa (“Nalepa”) (collectively “Defendants”). The Agreement
4 refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

5 **1. DEFINED TERMS**

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

7 **A. “Action”**

8 The Plaintiff’s lawsuit alleging wage and hour violations against Defendants captioned
9 *Carlos Chavez v. Southwest Traffic Corp., et al.* initiated on April 27, 2021 and pending in the Los
10 Angeles County Superior Court Case No. 20STCV30617.

11 **B. “Administrator”**

12 Phoenix Administration, the neutral entity the Parties have agreed to appoint to administer
13 the Settlement.

14 **C. “Administration Expenses Payment”**

15 The amount the Administrator will be paid from the Gross Settlement Amount to reimburse
16 its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid
17 submitted to the Court in connection with Preliminary Approval of the Settlement. The
18 Administration Expenses Payment is in an amount not to exceed \$10,000.00.

19 **D. “Aggrieved Employee”**

20 All individuals, who were employed by Bohdan Nalepa and Southwest Traffic Corporation
21 as non-exempt, hourly employees at any time during the PAGA Period. Aggrieved Employees will
22 receive their share of the employee portion of the PAGA Penalties and will be deemed to have
23 released any claims arising out of PAGA, regardless of whether they opt-out from the release of
24 their class claims.

25 **E. “Class”**

26 All individuals, who were employed by Bohdan Nalepa and Southwest Traffic Corporation
27 as non-exempt, hourly employees at any time during the Class Period.

28 **F. “Class Counsel”**

1 Daniel Srourian, Esq. of Srourian Law Firm, P.C.

2 **G. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses**
3 **Payment”**

4 The amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees in
5 the amount of up to one-third of the Gross Settlement Amount and expenses, respectively, incurred
6 to prosecute the Action in the amount not to exceed \$80,000.00.

7 **H. “Class Data”**

8 Each Class Member identifying information in Defendants’ possession including the Class
9 Member’s name, last-known mailing address, Social Security number, and number of Class Period
10 Workweeks and PAGA Pay Periods.

11 **I. “Class Member” or “Settlement Class Member”**

12 A member of the Class, as either a Participating Class Member or Non-Participating Class
13 Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).

14 **J. “Class Member Address Search”**

15 The Administrator’s investigation and search for current Class Member mailing addresses
16 using all reasonably available sources, methods and means including, but not limited to, the
17 National Change of Address database, skip traces, and direct contact by the Administrator with
18 Class Members.

19 **K. “Class Notice”**

20 The COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND
21 HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English
22 and Spanish in the form, without material variation, attached as **Exhibit A** and incorporated by
23 reference into this Agreement.

24 **L. “Class Period”**

25 The period from August 13, 2016 through May 20, 2022.

26 **M. “Class Representative”**

27 The named Plaintiff in the operative complaint in the Action seeking Court approval to
28 serve as a Class Representative. Carlos Chavez is the named Plaintiff in the Action.

1 **N. “Class Representative Service Payment”**

2 The payment to the Class Representative for initiating the Action and providing services in
3 support of the action in the amount not to exceed \$5,000.00, which shall be paid from the Gross
4 Settlement Amount.

5 **O. “Court”**

6 The Superior Court of California, County of Los Angeles.

7 **P. “Defendants”**

8 The named Defendants Southwest Traffic Corporation and Bohdan Nalepa.¹

9 **Q. “Defendant’s Counsel”**

10 Barry A. Bradley, Jaimee K. Wellerstein, and Daniel J. Park of BRADLEY GMELICH &
11 WELLERSTEIN LLP

12 **R. “Effective Date”**

13 The date by when both of the following have occurred: (a) the Court enters a Judgment on
14 its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is
15 final as of the latest of the following occurrences: (a) if no Participating Class Member objects to
16 the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members
17 objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment;
18 or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the
19 Judgment and issues a remittitur.

20 **S. “Final Approval”**

21 The Court’s order granting final approval of the Settlement.

22 **T. “Final Approval Hearing”**

23 The Court’s hearing on the Motion for Final Approval of Settlement.

24 **U. “Final Judgment”**

26 ¹ After the filing of the Complaint in the Action, two additional defendants were added, Southwest
27 Training Center and Southwest Motorcade Services. The Settlement Agreement is only entered into
28 by and between Defendants Southwest Traffic Corporation and Bohdan Nalepa. Defendants
Southwest Traffic Corporation and Bohdan Nalepa are the only Defendants contributing funds to
the present settlement.

1 The Judgment Entered by the Court upon Granting Final Approval of the Settlement.

2 **V. “Gross Settlement Amount”**

3 The amount of \$240,000.00, which is the total amount Defendants agree to pay under the
4 Settlement except as provided herein below. The Gross Settlement Amount will be used to pay
5 Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class
6 Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the
7 Administrator’s Expenses. The Gross Settlement Amount does not include the employer’s share of
8 payroll taxes on the portion of payments to class members allocated as wages, which Defendants
9 Nalepa and Southwest Traffic shall be responsible for paying. The Gross Settlement Amount is
10 non-reversionary and under no circumstances shall any of the funds revert back to Defendants
11 Nalepa or Southwest Traffic.

12 **W. “Individual Class Payment”**

13 The Participating Class Member’s pro rata share of the Net Settlement Amount calculated
14 according to the number of Workweeks worked during the Class Period.

15 **X. “Individual PAGA Payment”**

16 The Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated
17 according to the number of Workweeks worked during the PAGA Period.

18 **Y. “Judgment”**

19 The judgment entered by the Court based upon the Final Approval.

20 **Z. “LWDA”**

21 The California Labor and Workforce Development Agency, the agency entitled, under
22 Labor Code section 2699, subd. (i).

23 **AA. “LWDA PAGA Payment”**

24 The 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd.
25 (i).

26 **BB. “Net Settlement Amount”**

27 The Gross Settlement Amount, less the following payments in the amounts approved by the
28 Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service

1 Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the
2 Administration Expenses Payment. The remainder is to be paid to Participating Class Members as
3 Individual Class Payments.

4 **CC. “Non-Participating Class Member”**

5 Any Class Member who opts out of the Settlement by sending the Administrator a valid and
6 timely Request for Exclusion.

7 **DD. “PAGA Pay Period”**

8 Any Pay Period during which an Aggrieved Employee worked for Defendants for at least
9 one day during the PAGA Period.

10 **EE. “PAGA Period”**

11 The period from April 27, 2020 to May 20, 2022.

12 **FF. “PAGA”**

13 The Private Attorneys General Act (Labor Code §§ 2698. Et seq.).

14 **GG. “PAGA Notice”**

15 Plaintiff’s letter to Defendants and the LWDA providing notice pursuant to Labor Code
16 section 2699.3, subd. (a).

17 **HH. “PAGA Penalties”**

18 The total amount of PAGA civil penalties is \$15,000.00 which is to be paid from the Gross
19 Settlement Amount. The PAGA Penalties are allocated as follows: 25% to the Aggrieved
20 Employees (\$3,750.00) and the 75% to LWDA (11,250.00) in settlement of PAGA

21 **II. “Participating Class Member”**

22 A Class Member who does not submit a valid and timely Request for Exclusion from the
23 Settlement.

24 **JJ. “Plaintiff”**

25 Carlos Chavez, the named plaintiff in the Action.

26 **KK. “Preliminary Approval”**

27 The Court’s Order Granting Preliminary Approval of the Settlement.

28 **LL. “Preliminary Approval Order”**

1 The proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

2 **MM. “Released Class Claims”**

3 The claims being released as described in Paragraph 6 below.

4 **NN. “Released PAGA Claims”**

5 The claims being released as described in Paragraph 6 below.

6 **OO. “Released Parties”**

7 Bohdan Nalepa and Southwest Traffic Corporation, and all of their parents, subsidiaries,
8 predecessors, successors, affiliates, and related entities, and its and their respective shareholders,
9 officers, directors, administrators, fiduciaries, trustees, agents, and benefit plans.

10 **PP. “Request for Exclusion”**

11 A Class Member’s submission of a written request to be excluded from the Class Settlement
12 signed by the Class Member.

13 **QQ. “Response Deadline”**

14 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees,
15 and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for
16 Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement.
17 Class Members to whom Notice Packets are resent after having been returned undeliverable to the
18 Administrator shall have an additional 14 calendar days beyond the Response Deadline has
19 expired.

20 **RR. “Settlement”**

21 The disposition of the Action effected by this Agreement and the Judgment.

22 **SS. “Workweek”**

23 Any week during which a Class Member worked for Defendants for at least one day, during
24 the Class Period.

25 **2. RECITALS**

26 **2.1** On April 27, 2021, Plaintiff commenced this Action by filing a Complaint alleging
27 causes of action against Defendants for Failure to Pay Overtime Wages (Cal. Lab. Code §§ 510
28 and 1198, Failure to Pay Minimum Wage (Cal. Lab. Code §§ 1182.12, 1194, 1197 & 1198, *et*

1 *seq.*), Failure to Pay Meal Period Compensation (Cal. Lab. Code §§ 226.7, 512(a) & 1198 *et seq.*),
2 Failure to Pay Rest Period Compensation (Cal. Lab. Code §§ 226.7 & 1198 *et seq.*), Failure to
3 Furnish Accurate Wage and Hour Statements (Cal. Lab. Code § 226), Failure to Pay Wages Upon
4 Discharge (Cal. Lab. Code §§ 201 & 202, *et seq.*), Failure to Indemnify (Cal. Lab. Code § 2802),
5 Unfair Competition (Class Claim; Business and Professions Code § 17200 *et seq.*), and Violation
6 of Private Attorney General Act. The Complaint is the operative complaint in the Action (the
7 “Operative Complaint.”). The Complaint is the operative complaint in the Action (the “Operative
8 Complaint.”). Defendants deny the allegations in the Operative Complaint, deny any failure to
9 comply with the laws identified in in the Operative Complaint and deny any and all liability for
10 the causes of action alleged.

11 Within ninety (90) days of Parties executing a longform settlement agreement,
12 Plaintiff agrees to file a Request for Dismissal of Defendants Southwest Training Center and
13 Southwest Motorcade Services, including making all filings required under California Rule of
14 Court 3.770.

15 **2.2** Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice
16 to Defendants and the LWDA by sending the PAGA Notice.

17 **2.3** On November 17, 2021 the Parties participated in an all-day mediation presided
18 over by Steven Rottman, Esq., which led to this Agreement to settle the Action. A
19 Memorandum of Understanding was executed after the conclusion of mediation and those
20 terms have been set forth in this Settlement Agreement.

21 **2.4** Prior to reaching the Settlement, Plaintiff obtained, through informal discovery,
22 pertinent documents and data in advance of the mediation including the following: (1) Plaintiff’s
23 personnel file, time, and payroll records; (2) applicable Handbooks; (3) Break Acknowledgement
24 forms; (4) written Overtime Policies; (5) written Timekeeping Policy; (6) Post Orders; and (7) a
25 12% sample of PCMs’ time and payroll records. Plaintiff’s investigation was sufficient to satisfy
26 the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th
27 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130
28 (“*Dunk/Kullar*”).

1 **2.5** The Court has not granted class certification. The Parties agree to conditional
2 certification for Settlement purposes only.

3 **2.6** The Parties, Class Counsel and Defense Counsel represent that they are not aware of
4 any other pending matter or action asserting claims that will be extinguished or affected by
5 the Settlement.

6 **2.7** In conjunction with executing a formal, detailed class-action settlement agreement,
7 Defendant Bohdan Nalepa additionally agrees to voluntarily execute a stipulated judgment
8 for \$500,000.00, which Plaintiff agrees not to enforce so long as payments are made in
9 accordance with the payment schedule set forth herein. The Stipulated Judgment is attached
10 as **Exhibit B** and incorporated by reference into this Agreement.

11 **3. MONETARY TERMS**

12 **3.1 Gross Settlement Amount.** Except as otherwise provided by Paragraph 9 below,
13 Defendants promise to pay \$240,000.00 and no more as the Gross Settlement Amount and to
14 separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual
15 Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any
16 payroll taxes) prior to the deadline stated in Paragraph 6 of this Agreement. The Administrator will
17 disburse the entire Gross Settlement Amount without asking or requiring Participating Class
18 Members or Aggrieved Employees to submit any claim as a condition of payment. None of the
19 Gross Settlement Amount will revert to Defendants.

20 **3.2 Payments from the Gross Settlement Amount.** The Administrator will make and
21 deduct the following payments from the Gross Settlement Amount, in the amounts specified by the
22 Court in the Final Approval:

23 **3.2.1. To Plaintiff:** Class Representative Service Payment to the Class
24 Representative of not more than \$5,000.00. The Class Representative Service Payment is in
25 addition to any Individual Class Payment and any Individual PAGA Payment (to the extent
26 applicable) that the Class Representative is entitled to receive as a Participating Class Member.
27 Defendants will not oppose Plaintiff's request for a Class Representative Service Payment that does
28 not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation

1 Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service
2 Payments. If the Court approves a Class Representative Service Payment less than the amount
3 requested, the Administrator will retain the remainder in the Net Settlement Amount. The
4 Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff
5 assumes full responsibility and liability for employee taxes owed on the Class Representative
6 Service Payment.

7 **3.2.2. To Class Counsel:** A Class Counsel Fees Payment of not more than one-
8 third of the Gross Settlement Amount, which is currently estimated to be \$80,000.00 and a Class
9 Counsel Litigation Expenses Payment of not more than \$25,000.00. Defendants will not oppose
10 requests for these payments provided that do not exceed these amounts. Plaintiff and/or Class
11 Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment
12 in connection with the Final Approval Hearing. If the Court approves a Class Counsel Fees
13 Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the
14 Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall
15 have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any
16 portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The
17 Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment
18 using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for
19 taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses
20 Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or
21 controversy regarding any division or sharing of any of these Payments.

22 **3.2.3. To the Administrator:** An Administrator Expenses Payment not to exceed
23 \$10,000.00, except for a showing of good cause and as approved by the Court. To the extent the
24 Administration Expenses are less or the Court approves payment less than \$10,000.00, the
25 Administrator will retain the remainder in the Net Settlement Amount.

26 **3.2.4. To Each Participating Class Member:** An Individual Class Payment
27 calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked
28 by all Participating Class Members during the Class Period and (b) multiplying the result by each

Participating Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. 20 %of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for [e.g., interest and penalties] (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$15,000.00 to be paid from the Gross Settlement Amount, with 75% (\$11,250.00) allocated to the LWDA PAGA Payment and 25% (\$3,740.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$3,750.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendants estimate that there are 394 Class Members who

collectively worked a total of 23,609 Workweeks, and 167 Aggrieved Employees who worked a total 5,801 of PAGA Pay Periods.

4.2 Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendants will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet, or some other form mutually agreeable by the Parties. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3 Funding of Gross Settlement Amount. Defendants shall pay the Gross Settlement Fund in accordance with the following payment schedule: Payment of Thirty Thousand Dollars and Zero Cents (\$30,000.00) within thirty (30) days of the Court granting Final Approval, and monthly payments thereafter of Three Thousand Five Hundred Dollars and Zero Cents (\$3,500.00) per month for 60 consecutive months.

4.4 Payments from the Gross Settlement Amount. Within 14 days after Defendants fully fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service

1 Payment shall not precede disbursement of Individual Class Payments and
2 Individual PAGA Payments.

3 **4.4.1** The Administrator will issue checks for the Individual Class Payments and/or
4 Individual PAGA Payments and send them to the Class Members via First Class
5 U.S. Mail, postage prepaid. The face of each check shall prominently state the
6 date (not less than 180 days after the date of mailing) when the check will be
7 voided. The Administrator will cancel all checks not cashed by the void date.
8 The Administrator will send checks for Individual Settlement Payments to all
9 Participating Class Members (including those for whom Class Notice was
10 returned undelivered). The Administrator will send checks for Individual PAGA
11 Payments to all Aggrieved Employees including Non-Participating Class
12 Members who qualify as Aggrieved Employees (including those for whom Class
13 Notice was returned undelivered). The Administrator may send Participating
14 Class Members a single check combining the Individual Class Payment and the
15 Individual PAGA Payment. Before mailing any checks, the Settlement
16 Administrator must update the recipients' mailing addresses using the National
17 Change of Address Database.

18 **4.4.2** The Administrator must conduct a Class Member Address Search for all other
19 Class Members whose checks are returned undelivered without USPS forwarding
20 address. Within 7 days of receiving a returned check the Administrator must re-
21 mail checks to the USPS forwarding address provided or to an address
22 ascertained through the Class Member Address Search. The Administrator need
23 not take further steps to deliver checks to Class Members whose re-mailed
24 checks are returned as undelivered. The Administrator shall promptly send a
25 replacement check to any Class Member whose original check was lost or
26 misplaced, requested by the Class Member prior to the void date.

27 **4.4.3** Class members shall have 180 days to cash settlement checks. If a class member
28 does not cash his or her settlement check within 180 days, the checks shall be

1 voided by the Settlement Administrator and the Settlement Administrator will
2 take all steps necessary to ensure that the proceeds from the Settlement Class
3 Member's un-cashed check(s) are transmitted to the cy pres designee, Legal Aid
4 of Los Angeles. The Parties, Class Counsel and Defense Counsel represent that
5 they have no interest or relationship, financial or otherwise, with Legal Aid of
6 Los Angeles.

7 **4.4.4** The payment of Individual Class Payments and Individual PAGA Payments
8 shall not obligate Defendants to confer any additional benefits or make any
9 additional payments to Class Members (such as 401(k) contributions or bonuses)
10 beyond those specified in this Agreement.

11 **5. RESERVED**

12 **6. RELEASE OF CLAIMS.** Effective on the date when Defendants fully fund the entire
13 Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion
14 of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release
15 claims against all Released Parties as follows:—

16 **6.1 Plaintiff's Release.** Plaintiff and his or her respective former and present spouses,
17 representatives, agents, attorneys, heirs, administrators, successors, and assigns
18 generally, release and discharge Released Parties from all claims, transactions, or
19 occurrences that occurred during the Class Period, including, but not limited to: (a)
20 all claims that were, or reasonably could have been, alleged, based on the facts
21 contained, in the Operative Complaint and (b) all PAGA claims that were, or
22 reasonably could have been, alleged based on facts contained in the Operative
23 Complaint and Notice. Plaintiff's Release does not extend to any claims or actions
24 to enforce this Agreement, or to any claims for vested benefits, unemployment
25 benefits, disability benefits, social security benefits, workers' compensation benefits
26 that arose at any time, or based on occurrences outside the Class Period. Plaintiff
27 acknowledges that Plaintiff may discover facts or law different from, or in addition
28 to, the facts or law that Plaintiff now knows or believes to be true but agrees,

1 nonetheless, that Plaintiff's Release shall be and remain effective in all respects,
2 notwithstanding such different or additional facts or Plaintiff's discovery of them.

3 **6.1.1** Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For
4 purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the
5 provisions, rights, and benefits, if any, of section 1542 of the California Civil
6 Code, which reads:

7 A general release does not extend to claims that the creditor or releasing party
8 does not know or suspect to exist in his or her favor at the time of executing the
9 release, and that if known by him or her would have materially affected his or
10 her settlement with the debtor or Released Party.

11 Plaintiffs understand fully the statutory language of Civil Code section 1542
12 and, with this understanding, nevertheless elect to, and do, assume all risks for
13 claims that have arisen, whether known or unknown, which they ever had, or
14 hereafter may claim to have, arising on or before the date of their signature to
15 this Agreement, and they specifically waive all rights they may have under
16 California Civil Code section 1542.

17 **6.2** Release by Participating Class Members Who Are Not Aggrieved Employees: All
18 Participating Class Members, on behalf of themselves and their respective former
19 and present representatives, agents, attorneys, heirs, administrators, successors, and
20 assigns, release Released Parties from (i) all claims that were alleged, or reasonably
21 could have been alleged, based on the Class Period facts stated in the Operative
22 Complaint and ascertained in the course of the Action, including, any and all claims,
23 debts, liabilities, demands, obligations, guarantees, costs, expenses, attorney's fees,
24 damages, actions, or causes of action which are alleged, or reasonably could have
25 been alleged based on the facts and claims asserted in Plaintiff's operative pleadings
26 in this action as of the date preliminary approval is sought, including without
27 limitation to, claims for restitution and other equitable relief, claims for unpaid
28 wages, unpaid overtime wages, meal/rest period penalties, waiting time penalties,

1 conversion, unfair business practices, failure to provide accurate wage statements,
2 declaratory relief, accounting, injunctive relief, civil penalties brought under the
3 Labor Code Private Attorneys General Act of 2004 (Labor Code Section 2698 et
4 seq.) as relating to the claims alleged in the operative pleadings, and other claims for
5 penalties of any nature whatsoever arising out of the Class Member Released
6 Claims. This release shall apply to class members' claims arising at any point during
7 the Class Period and only with respect to time worked for Defendants. Except as set
8 forth in Section 6.3 of this Agreement, Participating Class Members do not release
9 any other claims, including claims for vested benefits, wrongful termination,
10 violation of the Fair Employment and Housing Act, unemployment insurance,
11 disability, social security, workers' compensation, or claims based on facts
12 occurring outside the Class Period.

13 **6.3** Release by Non-Participating Class Members Who Are Aggrieved Employees. All
14 Non-Participating Class Members who are Aggrieved Employees are deemed to
15 release, on behalf of themselves and their respective former and present
16 representatives, agents, attorneys, heirs, administrators, successors, and assigns, the
17 Released Parties from all claims for PAGA penalties that were alleged, or
18 reasonably could have been alleged, based on the PAGA Period facts stated in the
19 Operative Complaint, the PAGA Notice, and ascertained in the course of the Action.
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1 **7. MOTION FOR PRELIMINARY APPROVAL.**

2 **7.1** Defendants' Declaration in Support of Preliminary Approval. In connection with the
3 preparing and filing of the Motion for Preliminary Approval, Defendants will
4 prepare and deliver to Class Counsel a signed Declaration from Defendants and
5 Defense Counsel disclosing all facts relevant to any actual or potential conflicts of
6 interest with the Administrator and Cy Pres Recipient. In their Declarations,
7 Defense Counsel and Defendants shall aver that they are not aware of any other
8 pending matter or action asserting claims that will be extinguished or adversely
9 affected by the Settlement.

10 **7.2** Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all
11 documents necessary for obtaining Preliminary Approval, including: (i) a draft of
12 the notice, and memorandum in support, of the Motion for Preliminary Approval
13 that includes an analysis of the Settlement under *Dunk/Kullar* and a request for
14 approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii)
15 a draft proposed Order Granting Preliminary Approval and Approval of PAGA
16 Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the
17 Administrator attaching its "not to exceed" bid for administering the Settlement and
18 attesting to its willingness to serve; competency; operative procedures for protecting
19 the security of Class Data; amounts of insurance coverage for any data breach,
20 defalcation of funds or other misfeasance; all facts relevant to any actual or potential
21 conflicts of interest with Class Members and/or the proposed Cy Pres; and the
22 nature and extent of any financial relationship with Plaintiff, Class Counsel or
23 Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and
24 competency to serve and disclosing all facts relevant to any actual or potential
25 conflicts of interest with Class Members, the Administrator and the proposed Cy
26 Pres; (v) a signed declaration from each Class Counsel firm attesting to its
27 competency to represent the Class Members; its timely transmission to the LWDA
28 of all necessary PAGA documents (initial notice of violations (Labor Code section

1 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this
2 Agreement (Labor Code section 2699, subd. (1)(2)); (vi) a redlined version of the
3 parties' Agreement showing all modifications made to the Model Agreement ready
4 for filing with the Court; and (vii) all facts relevant to any actual or potential conflict
5 of interest with Class Members, the Administrator and/or the Cy Pres Recipient. In
6 their Declarations, Plaintiff and Class Counsel Declaration shall aver that they are
7 not aware of any other pending matter or action asserting claims that will be
8 extinguished or adversely affected by the Settlement.

9 **7.3** Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly
10 responsible for expeditiously finalizing and filing the Motion for Preliminary
11 Approval no later than 30 days after the full execution of this Agreement; obtaining
12 a prompt hearing date for the Motion for Preliminary Approval; and for appearing in
13 Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is
14 responsible for delivering the Court's Preliminary Approval to the Administrator.

15 **7.4** Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
16 Preliminary Approval and/or the supporting declarations and documents, Class
17 Counsel and Defense Counsel will expeditiously work together on behalf of the
18 Parties by meeting in person or by telephone, and in good faith, to resolve the
19 disagreement. If the Court does not grant Preliminary Approval or conditions
20 Preliminary Approval on any material change to this Agreement, Class Counsel and
21 Defense Counsel will expeditiously work together on behalf of the Parties by
22 meeting in person or by telephone, and in good faith, to modify the Agreement and
23 otherwise satisfy the Court's concerns.
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1 **8. SETTLEMENT ADMINISTRATION**

2 **8.1 Selection of Administrator.** The Parties have jointly selected Phoenix
3 Administration to serve as the Administrator and verified that, as a condition of
4 appointment, Phoenix Administration agrees to be bound by this Agreement and to
5 perform, as a fiduciary, all duties specified in this Agreement in exchange for
6 payment of Administration Expenses. The Parties and their Counsel represent that
7 they have no interest or relationship, financial or otherwise, with the Administrator
8 other than a professional relationship arising out of prior experiences administering
9 settlements._

10 **8.2 Employer Identification Number.** The Administrator shall have and use its own
11 Employer Identification Number for purposes of calculating payroll tax
12 withholdings and providing reports state and federal tax authorities.

13 **8.3 Qualified Settlement Fund.** The Administrator shall establish a settlement fund that
14 meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury
15 Regulation section 468B-1.

16 **8.4 Notice to Class Members.**

17 **8.4.1** No later than three (3) business days after receipt of the Class Data, the
18 Administrator shall notify Class Counsel that the list has been received and state
19 the number of Class Members, PAGA Members, Workweeks, and Pay Periods
20 in the Class Data.

21 **8.4.2** Using best efforts to perform as soon as possible, and in no event later than 14
22 days after receiving the Class Data, the Administrator will send to all Class
23 Members identified in the Class Data, via first-class United States Postal Service
24 (“USPS”) mail, the Class Notice with Spanish translation, substantially in the
25 form attached to this Agreement as Exhibit A. The first page of the Class Notice
26 shall prominently estimate the dollar amounts of any Individual Class Payment
27 and/or Individual PAGA Payment payable to the Class Member, and the number
28 of Workweeks and PAGA Pay Periods (if applicable) used to calculate these

amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

8.4.3 Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

8.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

8.4.5 If the Administrator, Defendants or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

8.5 Request for Exclusion (Opt-Outs).

8.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written

1 Request for Exclusion not later than 45 days after the Administrator mails the
2 Class Notice (plus an additional 14 days for Class Members whose Class Notice
3 is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her
4 representative that reasonably communicates the Class Member's election to be
5 excluded from the Settlement and includes the Class Member's name, address
6 and email address or telephone number. To be valid, a Request for Exclusion
7 must be timely faxed, emailed, or postmarked by the Response Deadline.

8 **8.5.2** The Administrator may not reject a Request for Exclusion as invalid because it
9 fails to contain all the information specified in the Class Notice. The
10 Administrator shall accept any Request for Exclusion as valid if the
11 Administrator can reasonably ascertain the identity of the person as a Class
12 Member and the Class Member's desire to be excluded. The Administrator's
13 determination shall be final and not appealable or otherwise susceptible to
14 challenge. If the Administrator has reason to question the authenticity of a
15 Request for Exclusion, the Administrator may demand additional proof of the
16 Class Member's identity. The Administrator's determination of authenticity
17 shall be final and not appealable or otherwise susceptible to challenge.

18 **8.5.3** Every Class Member who does not submit a timely and valid Request for
19 Exclusion is deemed to be a Participating Class Member under this Agreement,
20 entitled to all benefits and bound by all terms and conditions of the Settlement,
21 including the Participating Class Members' Releases under Paragraphs 6.2 and
22 6.3 of this Agreement, regardless whether the Participating Class Member
23 actually receives the Class Notice or objects to the Settlement.

24 **8.5.4** Every Class Member who submits a valid and timely Request for Exclusion is a
25 Non-Participating Class Member and shall not receive an Individual Class
26 Payment or have the right to object to the class action components of the
27 Settlement. Because future PAGA claims are subject to claim preclusion upon
28 entry of the Judgment, Non-Participating Class Members who are Aggrieved

1 Employees are deemed to release the claims identified in Paragraph 6.3 of this
2 Agreement and are eligible for an Individual PAGA Payment. In the event that
3 more than 5% of the Class Members opt out of the settlement, Defendants shall
4 have the right to void the settlement. Neither party, nor their counsel shall
5 encourage any Class Member to opt out of the settlement.

6 **8.6** Challenges to Calculation of Workweeks. Each Class Member shall have 45 days
7 after the Administrator mails the Class Notice (plus an additional 14 days for Class
8 Members whose Class Notice is re-mailed) to challenge the number of Class
9 Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the
10 Class Notice. The Class Member may challenge the allocation by communicating
11 with the Administrator via fax, email or mail. The Administrator must encourage the
12 challenging Class Member to submit supporting documentation. In the absence of
13 any contrary documentation, the Administrator is entitled to presume that the
14 Workweeks contained in the Class Notice are correct so long as they are consistent
15 with the Class Data. The Administrator's determination of each Class Member's
16 allocation of Workweeks and/or Pay Periods shall be final and not appealable or
17 otherwise susceptible to challenge. The Administrator shall promptly provide copies
18 of all challenges to calculation of Workweeks and/or Pay Periods to Defense
19 Counsel and Class Counsel and the Administrator's determination the challenges.

20 **8.7** Objection to Settlement.

21 **8.7.1** Only Participating Class Members may object to the class action components of
22 the Settlement and/or this Agreement, including contesting the fairness of the
23 Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class
24 Counsel Litigation Expenses Payment and/or Class Representative Service
25 Payment.

26 **8.7.2** Participating Class Members may send written objections to the Administrator,
27 by fax, email, or mail. In the alternative, Participating Class Members may
28 appear in Court (or hire an attorney to appear in Court) to present verbal

1 objections at the Final Approval Hearing. A Participating Class Member who
2 elects to send a written objection to the Administrator must do so not later than
3 45 days after the Administrator's mailing of the Class Notice (plus an additional
4 14 days for Class Members whose Class Notice was re-mailed).

5 **8.7.3** Non-Participating Class Members have no right to object to any of the class
6 action components of the Settlement.

7 **8.8** Administrator Duties. The Administrator has a duty to perform or observe all tasks
8 to be performed or observed by the Administrator contained in this Agreement or
9 otherwise.

10 **8.8.1** Website, Email Address and Toll-Free Number. The Administrator will establish
11 and maintain and use an internet website to post information of interest to Class
12 Members including the date, time and location for the Final Approval Hearing
13 and copies of the Settlement Agreement, Motion for Preliminary Approval, the
14 Preliminary Approval, the Class Notice, the Motion for Final Approval, the
15 Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses
16 Payment and Class Representative Service Payment, the Final Approval and the
17 Judgment. The Administrator will also maintain and monitor an email address
18 and a toll-free telephone number to receive Class Member calls, faxes and
19 emails.

20 **8.8.2** Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
21 promptly review on a rolling basis Requests for Exclusion to ascertain their
22 validity. Not later than 5 days after the expiration of the deadline for submitting
23 Requests for Exclusion, the Administrator shall email a list to Class Counsel and
24 Defense Counsel containing (a) the names and other identifying information of
25 Class Members who have timely submitted valid Requests for Exclusion
26 ("Exclusion List"); (b) the names and other identifying information of Class
27 Members who have submitted invalid Requests for Exclusion; (c) copies of all
28 Requests for Exclusion from Settlement submitted (whether valid or invalid).

1 **8.8.3** Weekly Reports. The Administrator must, on a weekly basis, provide written
2 reports to Class Counsel and Defense Counsel that, among other things, tally the
3 number of: Class Notices mailed or re-mailed, Class Notices returned
4 undelivered, Requests for Exclusion (whether valid or invalid) received,
5 objections received, challenges to Workweeks and/or Pay Periods received
6 and/or resolved, and checks mailed for Individual Class Payments and
7 Individual PAGA Payments (“Weekly Report”). The Weekly Reports must
8 include provide the Administrator’s assessment of the validity of Requests for
9 Exclusion and attach copies of all Requests for Exclusion and objections
10 received.

11 **8.8.4** Workweek and/or Pay Period Challenges. The Administrator has the authority to
12 address and make final decisions consistent with the terms of this Agreement on
13 all Class Member challenges over the calculation of Workweeks and/or Pay
14 Periods. The Administrator’s decision shall be final and not appealable or
15 otherwise susceptible to challenge.

16 **8.8.5** Administrator’s Declaration. Not later than 14 days before the date by which
17 Plaintiff is required to file the Motion for Final Approval of the Settlement, the
18 Administrator will provide to Class Counsel and Defense Counsel, a signed
19 declaration suitable for filing in Court attesting to its due diligence and
20 compliance with all of its obligations under this Agreement, including, but not
21 limited to, its mailing of Class Notice, the Class Notices returned as undelivered,
22 the re-mailing of Class Notices, attempts to locate Class Members, the total
23 number of Requests for Exclusion from Settlement it received (both valid or
24 invalid), the number of written objections and attach the Exclusion List. The
25 Administrator will supplement its declaration as needed or requested by the
26 Parties and/or the Court. Class Counsel is responsible for filing the
27 Administrator’s declaration(s) in Court.

28 **8.8.6** Final Report by Settlement Administrator. Within [10] days after the

1 Administrator disburses all funds in the Gross Settlement Amount, the
2 Administrator will provide Class Counsel and Defense Counsel with a final
3 report detailing its disbursements by employee identification number only of all
4 payments made under this Agreement. At least 15 days before any deadline set
5 by the Court, the Administrator will prepare, and submit to Class Counsel and
6 Defense Counsel, a signed declaration suitable for filing in Court attesting to its
7 disbursement of all payments required under this Agreement. Class Counsel is
8 responsible for filing the Administrator's declaration in Court.

9 **9. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.** Based on its records,
10 Defendants estimate that, as of the date of this Settlement Agreement, (1) there are 394
11 Class Members and no more than 23,609.00 Total Workweeks during the Class Period and
12 (2) there were 167 Aggrieved Employees who worked 5,801 Pay Periods during the PAGA
13 Period. If as of the date of preliminary approval, the number of workweeks during the Class
14 Period is determined to actually exceed 23,609 by more than Ten Percent (10%), then the
15 amount of the Gross Settlement Fund shall increase in proportion to the increased
16 percentage. For example, if such increase during the Class Period in weeks worked by class
17 members during the Class Period is determined to be 25% over 23,609 workweeks, the
18 Gross Settlement Fund will correspondingly increase by 25%.

19 **10. DEFENDANTS' RIGHT TO WITHDRAW.** If the number of valid Requests for
20 Exclusion identified in the Exclusion List exceeds % 5 of the total of all Class Members,
21 Defendants may, but are not obligated, elect to withdraw from the Settlement. The Parties
22 agree that, if Defendants withdraws, the Settlement shall be void ab initio, have no force or
23 effect whatsoever, and that neither Party will have any further obligation to perform under
24 this Agreement; provided, however, Defendants will remain responsible for paying all
25 Settlement Administration Expenses incurred to that point. Defendants must notify Class
26 Counsel and the Court of its election to withdraw not later than seven days after the
27 Administrator sends the final Exclusion List to Defense Counsel; late elections will have no
28 effect.

11. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

11.1 **Response to Objections.** Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

11.2 **Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

11.3 **Continuing Jurisdiction of the Court.** The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

11.4 **Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms and

conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

11.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

12. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

13. ADDITIONAL PROVISIONS

1 **13.1** No Admission of Liability, Class Certification or Representative Manageability for
2 Other Purposes. This Agreement represents a compromise and settlement of highly
3 disputed claims. Nothing in this Agreement is intended or should be construed as an
4 admission by Defendants that any of the allegations in the Operative Complaint
5 have merit or that Defendants have any liability for any claims asserted; nor should
6 it be intended or construed as an admission by Plaintiff that Defendants' defenses in
7 the Action have merit. The Parties agree that class certification and representative
8 treatment is for purposes of this Settlement only. If, for any reason the Court does
9 grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve
10 the right to contest certification of any class for any reasons, and Defendants reserve
11 all available defenses to the claims in the Action, and Plaintiff reserves the right to
12 move for class certification on any grounds available and to contest Defendants'
13 defenses. The Settlement, this Agreement and Parties' willingness to settle the
14 Action will have no bearing on, and will not be admissible in connection with, any
15 litigation (except for proceedings to enforce or effectuate the Settlement and this
16 Agreement).

17 **13.2** Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants
18 and Defense Counsel separately agree that, until the Motion for Preliminary
19 Approval of Settlement is filed, they and each of them will not disclose, disseminate
20 and/or publicize, or cause or permit another person to disclose, disseminate or
21 publicize, any of the terms of the Agreement directly or indirectly, specifically or
22 generally, to any person, corporation, association, government agency, or other
23 entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will
24 be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3)
25 to the extent necessary to report income to appropriate taxing authorities; (4) in
26 response to a court order or subpoena; or (5) in response to an inquiry or subpoena
27 issued by a state or federal government agency. Each Party agrees to immediately
28 notify each other Party of any judicial or agency order, inquiry, or subpoena seeking

1 such information. Plaintiff, Class Counsel, Defendants and Defense Counsel
2 separately agree not to, directly or indirectly, initiate any conversation or other
3 communication, before the filing of the Motion for Preliminary Approval, any with
4 third party regarding this Agreement or the matters giving rise to this Agreement
5 except to respond only that “the matter was resolved,” or words to that effect. This
6 paragraph does not restrict Class Counsel’s communications with Class Members in
7 accordance with Class Counsel’s ethical obligations owed to Class Members.

8 **13.3** No Solicitation. The Parties separately agree that they and their respective counsel
9 and employees will not solicit any Class Member to opt out of or object to the
10 Settlement, or appeal from the Judgment. Nothing in this paragraph shall be
11 construed to restrict Class Counsel’s ability to communicate with Class Members in
12 accordance with Class Counsel’s ethical obligations owed to Class Members.

13 **13.4** Integrated Agreement. Upon execution by all Parties and their counsel, this
14 Agreement together with its attached exhibits shall constitute the entire agreement
15 between the Parties relating to the Settlement, superseding any and all oral
16 representations, warranties, covenants, or inducements made to or by any Party.

17 **13.5** Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
18 represent that they are authorized by Plaintiff and Defendants, respectively, to take
19 all appropriate action required or permitted to be taken by such Parties pursuant to
20 this Agreement to effectuate its terms, and to execute any other documents
21 reasonably required to effectuate the terms of this Agreement including any
22 amendments to this Agreement.

23 **13.6** Cooperation. The Parties and their counsel will cooperate with each other and use
24 their best efforts, in good faith, to implement the Settlement by, among other things,
25 modifying the Settlement Agreement, submitting supplemental evidence and
26 supplementing points and authorities as requested by the Court. In the event the
27 Parties are unable to agree upon the form or content of any document necessary to
28 implement the Settlement, or on any modification of the Agreement that may

become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

13.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

13.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

13.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

13.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

13.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

13.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

13.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

13.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement

1 negotiations, or in connection with the Settlement, may be used only with respect to
2 this Settlement, and no other purpose, and may not be used in any way that violates
3 any existing contractual agreement, statute, or rule of court. Not later than 90 days
4 after the date when the Court discharges the Administrator's obligation to provide a
5 Declaration confirming the final pay out of all Settlement funds, Plaintiff shall
6 destroy, all paper and electronic versions of Class Data received from Defendants
7 unless, prior to the Court's discharge of the Administrator's obligation, Defendants
8 make a written request to Class Counsel for the return, rather than the destructions,
9 of Class Data.

10 **13.15** Headings. The descriptive heading of any section or paragraph of this Agreement is
11 inserted for convenience of reference only and does not constitute a part of this
12 Agreement.

13 **13.16** Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement
14 shall be to calendar days. In the event any date or deadline set forth in this
15 Agreement falls on a weekend or federal legal holiday, such date or deadline shall
16 be on the first business day thereafter.

17 **13.17** Notice. All notices, demands or other communications between the Parties in
18 connection with this Agreement will be in writing and deemed to have been duly
19 given as of the third business day after mailing by United States mail, or the day
20 sent by email or messenger, addressed as follows:

21 To Plaintiff:

22
23 To Defendants:

24 **13.18** Execution in Counterparts. This Agreement may be executed in one or more
25 counterparts by facsimile, electronically (i.e. DocuSign), or email which for
26 purposes of this Agreement shall be accepted as an original. All executed
27 counterparts and each of them will be deemed to be one and the same instrument if
28 counsel for the Parties will exchange between themselves signed counterparts. Any

executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

13.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated:

Plaintiff Carlos Chavez

Dated:

Defendant Bohdan Nalepa

Dated:

Defendant Southwest Traffic Corporation

Name: _____

Title: _____

Approved as to Form:

Dated: ____

SROURIAN LAW FIRM, P.C.

By: _____
Daniel Z. Srourian, Esq.
Attorney for Plaintiff and the Proposed Class

Dated:

BRADLEY GMELICH & WELLERSTEIN LLP

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By: _____
Barry A. Bradley
Jaimee K. Wellerstein
Daniel J. Park
Attorneys for Defendants

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Dated: 7/3/2023

DocuSigned by:

Carlos Chavez

Plaintiff Carlos Chavez

Dated:

Defendant Bohdan Nalepa

Dated:

Defendant Southwest Traffic Corporation

Name: _____

Title: _____

Approved as to Form:

Dated: 07/03/2023

SROURIAN LAW FIRM, P.C.

Daniel S. Srourian

By: _____

Daniel Z. Srourian, Esq.

Attorney for Plaintiff and the Proposed Class

Dated:

BRADLEY GMELICH & WELLERSTEIN LLP

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Dated:

Plaintiff Carlos Chavez

Dated: 7/3/2023

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BOHDAN NALEPA

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Defendant Bohdan Nalepa

Dated: 7/3/2023

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BOHDAN NALEPA

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Defendant Southwest Traffic Corporation

BOHDAN NALEPA

Name:

Title:

CEO

Approved as to Form:

Dated: ____

SROURIAN LAW FIRM, P.C.

By:

Daniel Z. Srourian, Esq.

Attorney for Plaintiff and the Proposed Class

Dated: 7/03

BRADLEY GMELICH & WELLERSTEIN LLP

Barry A. Bradley
Jaimee K. Wellerstein
Daniel J. Park
Attorneys for Defendants

EXHIBIT A

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

(Carlos Chavez v. Southwest Traffic Corp., et al.; LASC Case No. 20STCV30617)

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Southwest Traffic Corp. and Bohdan Nalepa (“Defendants”) for alleged wage and hour violations. The Action was filed by a former employee of Defendants, Carlos Chavez (“Plaintiff”) and seeks payment of back wages, unpaid meal and/or rest breaks, and penalties for a class of non-exempt, hourly employees (“Class Members”) who worked for Defendants during the Class Period (August 13, 2016 to May 20, 2022); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all non-exempt, hourly employees who worked for Defendants during the PAGA Period (April 27, 2020 to May 20, 2022) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendants to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Southwest Traffic Corp.’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$XXX (less withholding) and your Individual PAGA Payment is estimated to be \$XXX**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendants’ records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendants’ records showing that **you worked [XXX] workweeks** during the Class Period and **you worked [XXX] workweeks** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

If you worked for Defendants during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendants.

(2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendants, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendants will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is XXXX	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by XXXX	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.

You Can Participate in the _____ Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [XXX]. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendants’ records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [XXX]. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendants. The Action accuses Defendants of violating California labor laws by failing to pay overtime wages, minimum wages, failing to pay meal period compensation, failing to pay rest period compensation, failure to pay wages due upon termination, failure to finish accurate wage and hour statements, failure to indemnify, and unfair compensation. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiff is represented by attorneys in the Action: Daniel Srourian of Srourian Law Firm, P.C. (“Class Counsel.”)

Defendants strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendants or Plaintiff is correct on the merits. In the meantime, Plaintiff and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendants have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendants Will Pay \$240,000.00 as the Gross Settlement Amount (Gross Settlement). Defendants have agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendants will pay the Gross Settlement in accordance with the following payment schedule: Payment of Thirty Thousand Dollars and Zero Cents (\$30,000.00) within thirty (30) days of the Court granting Final Approval, and monthly payments thereafter of Three Thousand Five Hundred Dollars and Zero Cents (\$3,500.00) per month for 60 consecutive months. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$ 80,000.00 (1/3 of the Gross Settlement] to Class Counsel for attorneys' fees and up to \$25,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$5,000.00 as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$10,000.00 to the Administrator for services administering the Settlement.
 - D. Up to \$15,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and Defendants are asking the Court to approve an allocation of % 20 of each Individual Class Payment to taxable wages (“Wage Portion”) and % 80 to [e.g., interest, etc.] (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Defendants have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes, including penalties and interest on back taxes on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will irrevocably lost to you because they will be paid to the Legal Aid of Los Angeles (“Cy Pres”).
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than **XXX**, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the **XXX** Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendants

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.
8. Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re- mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and Defendants have fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

- 1.1 All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action, including, any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorney’s fees, damages, actions, or causes of action which are alleged, or reasonably could have been alleged based on the facts and claims asserted in Plaintiff’s operative pleadings in this action as of the date preliminary approval is sought, including without limitation to, claims for restitution and other equitable relief, claims for unpaid wages, unpaid overtime wages, meal/rest period penalties, waiting time penalties, conversion, unfair business practices, failure to provide accurate wage statements, declaratory relief, accounting, injunctive relief, civil penalties brought under the Labor Code Private Attorneys General Act of 2004 (Labor Code Section 2698 et seq.) as relating to the claims alleged in the operative pleadings, and other claims for penalties of any nature whatsoever arising out of the Class Member Released Claims. This release shall apply to class members’ claims arising at any point during the Class Period and only with respect to time worked for Defendants. Except as set forth in Section 6.4 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing

Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendants have paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint[,] [and] the PAGA Notice [and ascertained in the course of the Action.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$3,750.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until **XXX** to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of Workweeks and/or Pay Periods based on Defendants' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or

Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendants' Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Carlos Chavez v. Southwest Traffic Corp., et al.*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by XXX, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendants are asking the Court to approve. At least 16 days before the XXX Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website _____ (url) or the Court's website <https://www.lacourt.org/>.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to

object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is XXX.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Carlos Chavez v. Southwest Traffic Corp., et al.*, and include your name, current address, telephone number, and approximate dates of employment for Defendants and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on XXX at XXX in Department 17 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website XXX beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to XXX's website at XXX. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 20STCV30617. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

SROURIAN LAW FIRM, P.C.

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Attorneys for Defendants SOUTHWEST TRAFFIC CORP. and BOHDAN NALEPA

Settlement Administrator:
Phoenix Settlement
Administrators
CONTACT INFO

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT B

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Attorneys for Defendants SOUTHWEST TRAFFIC CORP. and BOHDAN NALEPA

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

CARLOS CHAVEZ, individually, and on behalf
of all others similarly situated;

Plaintiff,

v.

SOUTHWEST TRAFFIC CORP., a California
Corporation; BOHDAN NALEPA, an individual;
and DOES 1 through 100, inclusive;

Defendants.

Case No.: 20STCV30617

*[Assigned for all purposes to Honorable
Maren Nelson; Department 17]*

**STIPULATED JUDGMENT IN FAVOR OF
PLAINTIFF CARLOS CHAVEZ AND ALL
OTHERS SIMILARLY SITUATED AND
ORDER THEREON**

Pursuant to the Notice of Settlement filed concurrently herewith and Code Civil Procedure §664.6, Defendants SOUTHWEST TRAFFIC CORPORATION, a California Corporation, and BOHDAN NALEPA, an individual, stipulate and agree to have judgment entered against them in the amount of Five Hundred Thousand Dollars (\$500,000.00) in favor of Plaintiff CARLOS CHAVEZ and all others similarly situated. Said amount shall accrue interest at the legal rate permissible under California law.

IT IS SO STIPULATED:

Dated:

CARLOS CHAVEZ

DocuSigned by:

BOHDAN NALEPA

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SOUTHWEST TRAFFIC CORPORATION

Dated: 5/2/2023

DocuSigned by:

BOHDAN NALEPA

5B61171F93584B6...

BOHDAN NALEPA

Dated: 5/2/2023

The respective parties having agreed thereto, the court hereby Orders that judgement is hereby entered against Defendants SOUTHWEST TRAFFIC CORPORATION and BOHDAN NALEPA, jointly and severally, in the sum of Five Hundred Thousand Dollars (\$500,000.00), which amount shall accrue interest at the legal rate in favor of Plaintiff Carlos Chavez and all those similarly situated.

JUDGE OF THE SUPERIOR COURT