

07/06/2022 at 03:53:00 PM

Clerk of the Superior Court
By Connie Hines, Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF SAN DIEGO

ALEXANDER CASTELLANOS, an
individual, on behalf of himself, and on
behalf of all persons similarly situated,

Plaintiff,

vs.

SOUTHWEST SECURITY PATROL, INC.,
d.b.a. SOUTHWEST PATROL, a California
corporation; and DOES 1 through 50,
Inclusive;

Defendants.

Case No. 37-2020-00024905-CU-OE-CTL

**[PROPOSED] ORDER AND JUDGMENT
GRANTING FINAL APPROVAL OF CLASS
ACTION SETTLEMENT, APPROVAL OF
CLASS COUNSEL AWARD AND CLASS
REPRESENTATIVE SERVICE AWARDS**

Date: April 8, 2022

Time: 8:30 a.m.

Judge: Hon. Keri Katz

Dept.: 74

1 This matter came on for hearing on April 8, 2022 at 8:30 a.m., in front of the Hon. Keri Katz,
2 presiding, Plaintiff's unopposed Motion for Order Granting Final Approval of Class Action Settlement
3 and Entering Judgment pursuant to California Rule of Court 3.769, with the attorneys from the JCL
4 LAW FIRM, APC, ZAKAY LAW GROUP, APC, FRONTIER LAW CENTER and DONABEDIAN
5 LAW, APC, as counsel for plaintiffs ALEXANDER CASTELLANOS, ROBERT MAUNA, and
6 DOUGLAS ALONZO ALLEN GRAY (hereinafter collectively "Plaintiffs") and counsel from
7 BRADLEY & GMELICH, LLP, appearing as counsel for defendant SOUTHWEST SECURITY
8 PATROL, INC., d.b.a. SOUTHWEST PATROL (hereinafter "Defendant").

9 The Court, having received and carefully considering the Stipulation of Settlement of Class
10 Action Claims and Release of Claims ("Agreement"), the supporting papers filed by the Parties, the
11 evidence and argument received by the Court in conjunction with the unopposed Motion for Preliminary
12 Approval of Class Action Settlement heard on November 9, 2022, the instant Motion for Order Granting
13 Final Approval of Class Action and PAGA Settlement, the Court grants final approval of the Settlement
14 and HEREBY ORDERS, ADJUDICATES and DECREES THE FOLLOWING:

15 1. All capitalized terms used herein shall have the same meaning as defined in the Agreement
16 which is attached hereto as Exhibit "A".

17 2. Pursuant to the Order Granting Preliminary Approval, the Class Notice was sent to each
18 Settlement Class Member by first-class mail. The Class Notice informed the Settlement Class Members
19 of the terms of the Settlement, and of (a) their right to receive an Individual Settlement Shares, (b) their
20 right to comment on or object to the Settlement, (c) their right to request exclusion from the Settlement
21 and pursue their own remedies, and (d) their right to appear in person or by counsel at the final approval
22 hearing and to be heard regarding approval of the Settlement. Adequate periods of time were provided
23 by each of these procedures.

24 3. Following the conclusion of the Notice Period, the Settlement Administrator reports that
25 it received *zero (0) written objections* to the Settlement and *two (2) written Requests for Excluision*
26 from the Settlement.

27 4. The two (2) Class Members who are excluded from this Settlement are: Elrie Stephens III
28

and Paxton Way Lee.

5. The Court finds and determines that the notice procedure afforded adequate protections to the Settlement Class and provides the basis for the Court to make an informed decision regarding approval of the Settlement based on the responses of the Settlement Class. The Court finds and determines that the notice provided in this case was the best notice practicable, which satisfied the requirements of law and due process.

6. With respect to the Settlement Class and for purposes of approving this Settlement only, this Court finds and concludes that: (a) the members of the Settlement Class are ascertainable and so numerous that joinder of all members is impracticable; (b) there are questions of law or fact common to the Settlement Class, and there is a well-defined community of interest among the Settlement Class with respect to the subject matter of the Action; (c) the claims of Class Representatives ALEXANDER CASTELLANOS, ROBERT MAUNA, and DOUGLAS ALONZO ALLEN GRAY are typical of the claims of the Settlement Class; (d) the Class Representatives have fairly and adequately protected the interests of the Settlement Class; (e) a class action is superior to other available methods for an efficient adjudication of this controversy; and (f) the counsel of record for the Class Representatives, i.e., Jean-Claude Lapuyade, Esq. of the JCL Law Firm, APC, Shani Zakay, Esq. of the Zaky Law Group, APLC, Manny M. Starr, Esq., of Frontier Law Center, and Sam A. Donabedian of Donabedian Law, APC (hereinafter "Class Counsel"), are qualified to serve as counsel for the Class Representatives and the Settlement Class.

7. The Court has certifies the Settlement Class, as that term is defined in and by the terms of the Settlement Agreement as follows:

All of Southwest Security Patrol, Inc., d.b.a. Southwest Patrol's current and former non-exempt employees employed in California between November 1, 2018 and September 21, 2021 ("Class Period"). The Settlement Class Members shall not include any person who submits a timely and valid request for exclusion.

8. The Court deems the definition of Settlement Class Members sufficient for purposes of

1 California Rule of Court 3.765(a).

2 9. The Court hereby confirms Jean-Claude Lapuyade, Esq. of the JCL Law Firm, APC, Shani
3 Zakay, Esq. of the Zaky Law Group, APLC, Manny M. Starr, Esq., of Frontier Law Center, and Sam A.
4 Donabedian of Donabedian Law, APC

5 10. The Court hereby confirms plaintiffs ALEXANDER CASTELLANOS, ROBERT
6 MAUNA, and DOUGLAS ALONZO ALLEN GRAY as the Class Representatives in this Action.

7 11. The Court finds and determines that the terms set forth in the Settlement Agreement and
8 the Amendment are fair, reasonable, and adequate and directs the Parties to effectuate the Settlement
9 according to its terms having found that the Settlement was reached as a result of informed and non-
10 collusive arms' length negotiations facilitated by a neutral mediator. The Court further finds that the
11 Parties conducted extensive investigation, research, and discovery and that their attorneys were able to
12 reasonably evaluate their respective positions. The Court also finds that Settlement will enable the
13 Parties to avoid additional and potentially substantial litigation costs, as well as delay and risks if the
14 Parties were to continue to litigate the case. The Court has reviewed the monetary recovery provided as
15 part of the Settlement and recognizes the significant value accorded to the Settlement Class.

16 12. The Court further finds and determines that the terms of the Settlement, including the
17 Total Settlement Amount of Six Hundred Thousand Dollars (\$600,000.00), are fair, reasonable and
18 adequate to the Settlement Class and to each member of the Settlement Class and that the Settlement is
19 ordered finally approved, and that all terms and provisions of the Settlement should be and hereby are
20 ordered to be consummated.

21 13. The Court further finds and determines that Class Counsel satisfied California Labor
22 Code § 2699(1)(2) by giving the LWDA notice of the proposed Settlement of claims arising under the
23 Private Attorney General Act ("PAGA") on March 3, 2021, and again on August 4, 2021.

24 14. The Court orders Class Counsel to to comply with California Labor Code § 2699(1)(3) by
25 providing the LWDA a copy of this order within ten (10) calendar days of the Court's entry of this
26 Order.

27 15. The Court finds and determines that the Individual Settlement Payments to be paid to
28

participating members of the Settlement Class as provided for by the Settlement are fair and reasonable. The Court hereby gives final approval to and orders the payment of those amounts be made to the participating Settlement Class Members in accordance with the Settlement Agreement.

16. The Court finds and determines that payment to the California Labor and Workforce Development Agency, the PAGA Payment, of \$37,500.00 as its share of the settlement of civil penalties in this case is fair, reasonable, and appropriate. The Court hereby gives final approval to and orders that the payment of that amount be paid in accordance with the Settlement Agreement.

17. The Court finds and determines that the fees and expenses in administrating the Settlement incurred by ILYM, Inc., in the amount of \$18,414.60 are fair and reasonable. The Court hereby gives final approval to and orders that the payment of that amount in accordance with the Settlement.

18. The Court finds and determines the Class Representative Service Awards in the amount of \$10,000.00 to each Class Representative, ALEXANDER CASTELLANOS, ROBERT MAUNA, and DOUGLAS ALONZO ALLEN GRAY, are fair and reasonable. The Court hereby orders the Administrator to make this payment to the each Class Representative in accordance with the terms of the Settlement Agreement.

19. Pursuant to the terms of the Settlement, and the authorities, evidence and arguments submitted by Class Counsel, the Court hereby awards a Class Counsel Award in the total sum of **\$215,047.42**. The Class Counsel Award is comprised of two components. First, \$200,000.00 as attorneys' fees which represents one-third of the Total Settlement Amount. The attorneys' fee poriotn of the Class Counsel Award shall be allocated as follows: 25% to the JCL Law Firm, APC, 25% to the Zakay Law Group, APC, 30% to Frontier Law Center, and 20% to Donabedian Law, APC. Second, \$15,047.42 for actually incurred litigation costs as evidenced by Class Counsels' billing reocrds. The Settlement Administrator shall allocate the cost award according to Class Counsels' actually incurred litigation expenses as stated and supported in their respective declarations filed in support of this motion. The Court finds such amounts to be fair and reasonable. The Court hereby orders the Settlement Administrator to make these payments in accordance with the terms of the Settlement Agreement.

20. Without affecting the finality of this order or the entry of judgment in any way, the Court

1 retains jurisdiction of all matters relating to the interpretation, administration, implementation,
2 effectuation, and enforcement of this order and the Settlement.

3 21. Neither Defendant nor any related persons or entities shall have any further liability for
4 costs, expenses, interest, attorneys' fees, or for any other charge, expense, or liability, except as provided
5 for by the Settlement Agreement.

6 22. Neither the making of the Settlement Agreement nor the entry into the Settlement
7 Agreement constitutes an admission by Defendant, nor is this Order a finding of the validity of any
8 claims in the Action or of any other wrongdoing. Further, the Settlement Agreement is not a concession,
9 and shall not be used as an admission of any wrongdoing, fault, or omission of any entity or persons;
10 nor may any action taken to carry out the terms of the Settlement Agreement be construed as an
11 admission or concession by or against Defendant or any related person or entity.

12 23. Nothing in this order shall preclude any action to enforce the Parties' obligations under
13 the Settlement or under this order, including the requirement that Defendant make payments to the
14 participating Settlement Class members in accordance with the Settlement.

15 24. Upon completion of administration of the Settlement, the Settlement Administrator will
16 provide written certification of such completion to the Court and counsel for the Parties which shall be
17 filed with the Court five (5) court days before the non-appearance compliance hearing set for January
18 ~~13~~ ¹⁹ 2024 ²⁰²⁴ at 11:00 a.m., in Dept. 74.

19 25. The Court hereby enters final judgment in accordance with the terms of the Settlement
20 Agreement, the Order Granting Preliminary Approval of Class Action Settlement granted on December
21 3, 2021, and this order.

22 26. The Parties will bear their own costs and attorneys' fees except as otherwise provided by
23 this Court's Order awarding the Class Counsel Award.

24
25
26
27 ///

1 27. Accordingly, the motions for Final Approval of Class Action Settlement and, Motion for
2 Approval of the Class Counsel Award and Class Representative Service Awards are GRANTED and
3 ~~the corresponding Judgment filed with the motion shall be~~ ^{is} ENTERED.

4
5 IT IS SO ORDERED, ADJUDICATED AND DECREED

6
7 Date: 7-06-22, 2022

Keri G. Katz
8 JUDGE OF THE SUPERIOR COURT

9 KERI G. KATZ
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT A

1 JEAN-CLAUDE LAPUYADE, ESQ. (SBN 248676)
2 **JCL LAW FIRM, APC**
3 3990 OLD TOWN AVENUE, SUITE C204
4 SAN DIEGO, CA 92110
5 TEL: 619-599-8292
6 FAX: 619-599-8291

7 **ZAKAY LAW GROUP, APLC**
8 SHANI O. ZAKAY (STATE BAR #277924)
9 5850 OBERLIN DRIVE, SUITE 230A
10 SAN DIEGO, CA 92121
11 TEL: (619) 255-9047
12 FAX: (858) 404-9203

13
14 ADDITIONAL PLAINTIFFS' COUNSEL ON FOLLOWING PAGE

15
16 **SUPERIOR COURT OF CALIFORNIA**

17 **COUNTY OF SAN DIEGO**

18 ALEXANDER CASTELLANOS,
19 individually, on behalf of all those similarly
20 situated and in his representative capacity on
21 behalf of the State of California

22 PLAINTIFFS,

23 vs.

24 SOUTHWEST SECURITY PATROL, INC.,
25 d.b.a. SOUTHWEST PATROL a California
26 corporation; and DOES 1 through 50;

27 DEFENDANTS.

Case No. 37-2020-00024905

[Action Filed 07/17/2020]

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

Judge: Hon. Keri Katz
Dept.: 74

28
STIPULATION OF SETTLEMENT OF CLASS ACTION AND RELEASE OF CLAIMS

1 ADAM M. ROSE (210880)
2 MANNY M. STARR (319778)
3 **FRONTIER LAW CENTER**
4 23901 CALABASAS ROAD, #2074
5 CALABASAS, CA 91302
6 TEL: 818-914-3433
7 FAX: 818-914-3433
8
9 SAM A. DONABEDIAN (304196)
10 **DONABEDIAN LAW, APC**
11 21550 OXNARD ST., THIRD FLOOR
12 WOODLAND HILLS, CA 91367
13 TEL: 213-761-7268
14 FAX: 213-799-3000
15
16
17
18
19
20
21
22
23
24
25
26
27
28

This Stipulation of Class Action Settlement and Release of Claims is entered into by and between Plaintiffs ALEXANDER CASTELLANOS, ROBERT MAUNA and DOUGLAS ALONZO ALLEN GRAY (hereinafter "Plaintiffs"), individually and on behalf of the Settlement Class, and Defendant SOUTHWEST SECURITY PATROL, INC., d.b.a. SOUTHWEST PATROL (hereinafter "Defendant"):

I. DEFINITIONS

- A. "Actions" shall mean the following collectively, *Castellanos v. Southwest Security Patrol, Inc., dba Southwest Patrol* San Diego Superior Court, Case No. 37-2020-00024905 (hereinafter "*Castellanos Action*"); *Mauna v. Southwest Patrol, Inc.*, Los Angeles Superior Court, Case No. 19STCV28903 (hereinafter "*Mauna Action*"); *Gray v. Southwest Patrol Inc.*, Los Angeles Superior Court, Case No. 20STCV02521(hereinafter "*Gray Action*").
- B. "Aggrieved Employees" shall mean all of Defendant's current and former non-exempt employees employed in California during the PAGA Period.
- C. "Agreement" or "Settlement Agreement" means this Stipulation of Settlement of Class Action and Release of Claims.
- D. "Class Counsel" shall mean Jean-Claude Lapuyade, Esq. of JCL Law Firm, APC, Shani Zakay of Zakay Law Group, APLC, Manny M. Starr, Esq. of Frontier Law Center, and Sam A. Donabedian of Donabedian Law, APC
- E. "Class Counsel Award" means the award of fees and expenses that the Court authorizes to be paid to Class Counsel for the services they have rendered to Plaintiffs and the Class in the Actions, consisting of attorneys' fees not to exceed one-third of the Total Settlement Amount currently estimated to be \$200,000 out of

1 \$600,000 plus costs and expenses not to exceed \$20,000.00. Class Counsel's award
2 for attorneys' fees will be divided between Class Counsel as follows: 25% to JCL
3 Law Firm, APC; 25% to Zakay Law Group, APLC; 30% to Frontier Law Center;
4 and 20% to Donabedian Law, APC.

5
6 F. "Class Data" means information regarding Settlement Class Members that Defendant
7 will in good faith compile from its records and provide to the Settlement
8 Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall
9 include: each Settlement Class Member's full name; last known address; Social
10 Security Number; start dates and end dates of employment, and number of
11 Workweeks as a Settlement Class Member during the Class Period and PAGA Period
12 and email address, if known.

13
14
15 G. "Class Period" means the period from November 1, 2018, to September 21, 2021.

16
17 H. "Class Representative Service Award" means the amount that the Court authorizes to
18 be paid to the Class Representatives, in addition to their Individual Settlement
19 Payments and their pro-rata share of the PAGA Settlement, in recognition of their
20 efforts and risks in assisting with the prosecution of the Actions and in exchange for
21 executing a General Release of Defendant.

22
23 I. "Class Representatives" shall mean plaintiffs ALEXANDER CASTELLANOS,
24 ROBERT MAUNA and DOUGLAS ALONZO ALLEN GRAY.

25
26 J. "Court" means the Superior Court for the State of California, County of Santa Diego
27 presiding over the *Castellanos* Action.

- 1 K. "Defendant" shall mean SOUTHWEST SECURITY PATROL, INC. d.b.a.
2 SOUTHWEST PATROL, a California corporation.
- 3
- 4 L. "Effective Date" means the earliest date, following entry by the Court of an order
5 and judgment finally approving this Settlement, upon which one of the following have
6 occurred: (i) if no objection is filed to the settlement and no objector appears at the
7 hearing on final approval, the date of the Court's entry of the order granting final
8 approval, (ii) if an objection is filed to the settlement and/or an objector appears at the
9 hearing on final approval, then the earlier of the following: (a) the expiration of all
10 potential appeal periods without a filing of a notice of appeal of the final approval
11 order or judgment; (b) final affirmance of the final approval order and judgment by
12 an appellate court as a result of any appeal(s), or (c) final dismissal or denial of all
13 such appeals (including any petition for review, rehearing, certiorari, etc.) such that
14 the final approval order and judgment is no longer subject to further judicial review.
15
- 16
- 17 M. "Funding Date" shall mean the date the date the Total Settlement Amount is funded
18 by Defendant into the QSF in accord with the terms of this Agreement.
- 19
- 20 N. "Individual Settlement Payment" means the amount payable from the Net Settlement
21 Amount to each Settlement Class Member and excludes any amounts distributed to
22 Settlement Class Members pursuant to PAGA
- 23
- 24 O. "Net Settlement Amount" or "NSA" means the Total Settlement Amount, less Class
25 Counsel Award, Class Representative Service Awards, PAGA Settlement, and
26 Settlement Administration Costs.
27
28

- 1 P. "Notice Packet" means the Class Notice to be provided to the Settlement Class
2 Members by the Settlement Administrator in the form set forth as Exhibit A to this
3 Agreement (other than formatting changes to facilitate printing by the Settlement
4 Administrator).
- 5
6 Q. "PAGA" means the California Labor Code Private Attorneys General Act of 2004,
7 Labor Code § 2698 *et seq.*
- 8
9 R. "PAGA Payment Ratio" means the respective Workweeks during the PAGA Period
10 for each Aggrieved Employee divided by the sum total of the Workweeks for all
11 Aggrieved Employees during the PAGA Period.
- 12
13 S. "PAGA Period" means the period between November 1, 2018 and September 21,
14 2021.
- 15
16 T. "PAGA Settlement" shall mean Fifty Thousand Dollars (\$50,000.00) to be allocated
17 from the Total Settlement Amount.
- 18
19 U. "Parties" means Plaintiffs and Defendant, collectively, and "Party" shall mean either
20 Plaintiff or Defendant, individually.
- 21
22 V. "Payment Ratio" means the respective Workweeks for each Settlement Class Member
23 divided by the sum total Workweeks for all Settlement Class Members.
- 24
25 W. "Plaintiff" or "Plaintiffs" shall mean either ALEXANDER CASTELLANOS,
26 ROBERT MUANA or DOUGLAS ALONZO ALLEN GRAY individually or
27 collectively.
28

- 1 X. "QSF" means the Qualified Settlement Fund established, designated and maintained
2 by the Settlement Administrator to fund the Total Settlement Amount.
- 3
- 4 Y. "Released Class Claims" means all class claims alleged in all operative complaints in
5 the *Gray* Action, *Mauna* Action, and the *Castellanos* Action, which occurred during
6 the Class Period, including all claims for violations of the California Labor Code
7 related to meal period, rest period, unpaid wages, minimum wage, unpaid overtime
8 wages, inaccurate wage statements, waiting time penalties, failure to reimburse
9 business expenses, and claims under the UCL arising from such violations.
- 10
- 11 Z. "Released PAGA Claims" mean any and all PAGA claims alleged in all operative
12 complaints and Plaintiffs' PAGA notices to the LWDA in the *Gray* Action, *Mauna*
13 Action, and the *Castellanos* Action, which occurred during the PAGA Period,
14 including all claims for PAGA penalties arising from violations of the California
15 Labor Code related to meal period, rest period, unpaid wages, minimum wage, unpaid
16 overtime wages, inaccurate wage statements, waiting time penalties and failure to
17 reimburse business expenses.
- 18
- 19
- 20 AA. "Released Parties" shall mean Defendant and their respective present and former
21 parents, owners, successors, subsidiaries and any affiliated or related persons or
22 entities and each of their respective officers, directors, employees, partners,
23 shareholders, attorneys and agents and any other successors, assigns or legal
24 representatives from the factual allegations pleaded or claims that could have been
25 brought based on the same facts in Plaintiffs' respective Complaints and PAGA
26 notices.
- 27
- 28

1 BB. "Response Deadline" means the date forty-five (45) days after the Settlement
2 Administrator mails Notice Packets to Settlement Class Members and the last date on
3 which Settlement Class Members may submit requests for exclusion or objections to
4 the Settlement.

5
6 CC. "Settlement" means the disposition of the Action pursuant to this Agreement.

7
8 DD. "Settlement Administrator" means ILYM Group Inc., 14771 Plaza Drive, Ste. L,
9 Tustin, CA 92780; Tel: 1-888-250-6810; Fax: 1-888-845-6185. The Settlement
10 Administrator establishes, designates and maintains, as a QSF under Internal Revenue
11 Code section 468B and Treasury Regulation section 1.468B-1, into which the amount
12 of the Total Settlement Amount is deposited for the purpose of resolving the claims
13 of Settlement Class Members. The Settlement Administrator shall maintain the funds
14 until distribution in an account(s) segregated from the assets of Defendant and any
15 person related to Defendant. *All accrued interest shall be paid and distributed to the*
16 *Settlement Class Members as part of their respective Individual Settlement*
17 *Payment.*

18
19
20 EE. "Settlement Class Members" or "Settlement Class" means all of Defendant's current
21 and former non-exempt employees employed in California during the Class Period.
22 The "Settlement Class Members" shall not include any person who submits a timely
23 and valid request for exclusion as provided in this Agreement.

24
25 FF. "Total Settlement Amount" means Six Hundred Thousand Dollars (\$600,000.00) that
26 Defendant must pay into the QSF in connection with this Settlement, inclusive of the
27 sum of the Individual Settlement Payments, the Class Representative Service Awards,
28

the Class Counsel Award, PAGA Settlement and the Settlement Administration Costs and *exclusive* of the employer's share of payroll tax, if any, triggered by any payment under this Settlement.

GG. "Workweeks", for purposes of calculating the distribution of the Net Settlement Amount, means the number of weeks of employment during the Class Period that each Settlement Class Member worked in California. The Settlement Administrator will calculate the number of Workweeks by calculating the number of days each Settlement Class Member was employed during the Class Period, dividing by seven (7), and rounding up to the nearest whole number. For purpose of determining the Individual Settlement Payments and Payment Ratio, each Settlement Class Member who is a former employee no longer working for Defendant will be assigned four (4) additional Workweeks. For purposes of distributing the PAGA Settlement to the Settlement Class, Workweeks means the number of weeks of employment for each Settlement Class Member during the PAGA Period.

II. RECITALS

A. On July 17, 2020, plaintiff Castellanos filed a Notice of Labor Code Violations with the Labor and Workforce Development Agency (LWDA) and served the same on Defendant alleging Defendant violated California Labor Code Sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 1199, 2802 and 2804, and the applicable Industrial Welfare Commission Wage Order.

B. On July 17, 2020, plaintiff Castellanos filed the *Castellanos* Action for:

1. Unfair Competition in Violation of Bus. and Prof. Code §§ 17200;
2. failure to pay overtime wages in violation of California Labor Code sections 510 *et seq.*;
3. failure to pay minimum wages in violation of California Labor Code sections 1194, 1197 and 1197.1;
4. failure to provide required rest periods in violation of California Labor Code sections 226.7 and 512;
5. failure to provide required meal periods in violation of California Labor Code sections 226.7 and 512;
6. failure to provide accurate itemized wage statements in violation of California Labor Code section 226;
7. failure to reimburse employees required expenses in violation of California Labor Code section 2802; and
8. failure to provide wages when due in violation of California Labor Code sections 201, 202 and 203.

C. On September 12, 2019, plaintiff Mauna filed a Notice of Labor Code Violations with the Labor and Workforce Development Agency (LWDA) and served the same on Defendant alleging Defendant violated California Labor Code Sections 203, 204, 226, 226.7, 510, 512, 1194, 1197.1, and 2802.

D. On August 15, 2019, plaintiff Mauna filed the *Mauna* Action for:

Meal Period Violation, Rest Period Violations, Wage and Hour Violations, Wage Statement Penalties, Violation of Labor Code 2802, and Violation of the Unfair Competition Law.

E. On November 1, 2019, plaintiff Gray filed a Notice of Labor Code Violations with the Labor and Workforce Development Agency (LWDA) and served the same on Defendant alleging Defendant violated California Labor Code Sections 226, 226.7, 510, 512, 1194, 1194.2, 1197.1, and 2802.

F. On January 21, 2020, plaintiff Gray filed the *Gray* Action for: PAGA penalties.

G. On June 8, 2021, the Parties participated in mediation presided over by Lynn Frank, Esq., a well-respected wage and hour class action mediator. The mediation concluded with a settlement after both sides agreed to a Mediator's proposal which was subsequently memorialized in the form of a Memorandum of Understanding.

H. This Agreement replaces and supersedes the Memorandum of Understanding and any other agreements, understandings, or representations between the Parties. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that the claims in the Actions of Plaintiffs or the Settlement Class Members have merit or that Defendant bears any liability to Plaintiff or the Class on those claims or any other claims, or as an admission by Plaintiffs that Defendant's defenses in the Actions have merit. The Parties agree to certification of the Class for purposes of this Settlement only. If for any reason the settlement does not become effective,

1 Defendant reserves the right to contest certification of any class for any reason and
2 reserves all available defenses to the claims in the Action.

3
4 Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

5
6 **III. TERMS OF AGREEMENT**

7 **A. Settlement Consideration and Settlement Payments by Defendant.**

8 1. Settlement Consideration. In full and complete settlement of the Actions, and
9 in exchange for the releases set forth below, Defendant and the Released
10 Parties will pay the sum of the Individual Settlement Payments, the Class
11 Representative Service Award, the Class Counsel Award, PAGA Settlement,
12 and the Settlement Administration Costs, as specified in this Agreement, equal
13 to the Total Settlement Amount of Six Hundred Thousand Dollars
14 (\$600,000.00). The Parties agree that this is a non-reversionary Settlement and
15 that no portion of the Total Settlement Amount shall revert to Defendant.
16 Other than the Defendant's share of employer payroll taxes, or as otherwise
17 specified in the Agreement, Defendant shall not be required to pay more or
18 less than the Total Settlement Amount, except as provided for hereinbelow.
19

20
21 2. Class Size. At the time of mediation, Defendant estimated that the Settlement
22 Class was comprised of 864 individuals that collectively worked
23 approximately 39,937 Workweeks ("Projected Workweeks") during the Class
24 Period. In regard hereto, Defendant will provide a declaration under penalty
25 of perjury confirming the number of Class Members and Workweeks they
26 worked during the Class Period prior to the filing of the motion for preliminary
27
28

1 approval. If, at the time of Defendant's declaration, the actual number of
2 Workweeks exceeds the Projected Workweeks by more than 10% (i.e., greater
3 than 49,931), the Gross Settlement Amount shall increase proportionally with
4 each added workweek at a rate of \$15.02 per Workweek.

5
6 3. Settlement Payments. Defendant and the Released Parties, and each of them,
7 are jointly and severally liable for payment of the Total Settlement Amount.
8 Defendant shall pay \$250,000.08 within fourteen (14) calendar days of the
9 Court's preliminary approval of the settlement, plus twenty-four (24) equal
10 monthly payments, each via wire transfer to the QSF, in the amount of
11 \$14,583.33, with the initial monthly payment commencing 60 days after the
12 initial deposit and continuing every 30 days thereafter.

13
14
15 4. Early Payment Discount. The Total Settlement Amount shall be discounted
16 and reduced to \$575,000.00 should Defendant agree to pay the Gross
17 Settlement Amount early, as follows: \$250,000.04, via wire transfer to the
18 QSF, within fourteen (14) calendar days of the Court's preliminary approval
19 of the settlement, plus twelve (12) equal monthly payments in the amount of
20 \$27,083.33, with the initial monthly payment commencing 60 days after the
21 initial deposit and continuing every 30 days thereafter. Defendant shall advise
22 Class Counsel of its decision to trigger the Early Payment Discount by August
23 8, 2021 or waive the Early Payment Discount.

24
25
26 5. Defendant's Share of Payroll Taxes. Defendant's share of employer side
27 payroll taxes is in addition to the Total Settlement Amount and shall be paid
28

1 by Defendant within fourteen (14) calendar days of request by the Settlement
2 Administrator.

3
4 B. Right to File Amended Complaint in the *Castellanos* Action. Prior to filing the Motion
5 for Preliminary Approval of this Settlement, Defendant shall stipulate for leave for
6 Plaintiffs to file a First Amended Complaint in the *Castellanos* Action. The First
7 Amended Complaint will join plaintiffs Mauna and Gray and add all claims and causes
8 of action causes of action asserted in the *Mauna* Action and *Gray* Action into the
9 *Castellanos* Action.

10
11 C. Release by Settlement Class Members. As of the Funding Date, in exchange for the
12 consideration set forth in this Agreement, Plaintiffs and the Settlement Class Members
13 release the Released Parties from the Released Class Claims for the Class Period.

14 D. Release by the Aggrieved Employees. As of the Funding Date, in exchange for the
15 consideration set forth in this Agreement, the Plaintiff, the Aggrieved Employees, the
16 LWDA and the State of California release the Released Parties from the PAGA
17 Released Claims for the PAGA Period.

18
19 E. General Release by Plaintiffs. As of the Funding Date, for the consideration set forth
20 in this Agreement, Plaintiffs, for themselves and each of them individually, waive,
21 release, acquit and forever discharge the Released Parties from any and all claims,
22 actions, charges, complaints, grievances and causes of action, of whatever nature,
23 whether known or unknown, which exist or may exist on their behalf as of the date of
24 this Agreement, including but not limited to any and all tort claims, contract claims,
25 wage claims, wrongful termination claims, disability claims, benefit claims, public
26 policy claims, retaliation claims, statutory claims, personal injury claims, emotional
27 distress claims, invasion of privacy claims, defamation claims, fraud claims, quantum
28

meruit claims, and any and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance, including, but not limited to claims for violation of the Fair Labor Standards Act, the California Labor Code, the Wage Orders of California's Industrial Welfare Commission, other state wage and hour laws, the Americans with Disabilities Act, the Age Discrimination in Employment Act (ADEA), the Employee Retirement Income Security Act, Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Family Rights Act, the Family Medical Leave Act, California's Whistleblower Protection Act, California Business & Professions Code Section 17200 et seq., and any and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance. Plaintiffs also waive and relinquish any and all claims, rights or benefits that they may have under California Civil Code § 1542, which provides as follows:

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

Plaintiffs are creditors and/or a "releasing party" within the meaning of Civil Code § 1542. Plaintiffs may discover claims or facts in addition to, or different from, those which they now know or believe to exist, but Plaintiffs expressly agree to fully, finally and forever settle and release any and all claims against the Released Parties,

1 known or unknown, suspected or unsuspected, which exist or may exist on behalf of
2 or against the other at the time of execution of this Agreement, including, but not
3 limited to, any and all claims relating to or arising from Plaintiffs' employment with
4 Defendant. The Parties further acknowledge, understand, and agree that this
5 representation and commitment is essential to the Agreement and that this
6 Agreement would not have been entered into were it not for this representation and
7 commitment.
8

9
10 F. Dismissal of the *Mauna* Action and *Gray* Action: Upon the Funding Date, Class
11 Counsel will take all steps necessary to dismiss the *Mauna* Action and *Gray* Action
12 with prejudice.

13
14 G. Conditions Precedent: This Settlement will become final and effective only upon the
15 occurrence of all of the following events:

- 16 1. The Court enters an order granting preliminary approval of the Settlement;
- 17 2. The Court enters an order granting final approval of the Settlement and a Final
18 Judgment;
- 19 3. If an objector appears at the final approval hearing, the time for appeal of the
20 Final Judgment and Order Granting Final Approval of Class Action
21 Settlement expires; or, if an appeal is timely filed, there is a final resolution of
22 any appeal from the Judgment and Order Granting Final Approval of Class
23 Action Settlement; and
24 4. Defendant fully funds the Total Settlement Amount.
25
26
27
28

1 H. Nullification of Settlement Agreement. If this Settlement Agreement is not
2 preliminarily or finally approved by the Court, fails to become effective, or is reversed,
3 withdrawn, or modified by the Court, or in any way prevents or prohibits Defendant
4 from obtaining a complete resolution of the Released Claims, or if Defendant fails to
5 fully fund the Total Settlement Amount:
6

7 1. This Settlement Agreement shall be void *ab initio* and of no force or effect,
8 and shall not be admissible in any judicial, administrative or arbitral
9 proceeding for any purpose or with respect to any issue, substantive or
10 procedural;
11

12 2. The conditional class certification (obtained for any purpose) shall be void *ab*
13 *initio* and of no force or effect, and shall not be admissible in any judicial,
14 administrative, or arbitral proceeding for any purpose or with respect to any
15 issue, substantive or procedural; and
16

17 3. The First Amended Complaint in the *Castellanos* Action shall be void *ab*
18 *initio* and of no force or effect, and the initial complaint filed in the
19 *Castellanos* Action shall thereafter become the operative complaint.
20

21 4. None of the Parties to this Settlement will be deemed to have waived any
22 claims, objections, defenses, or arguments in the Action, including with
23 respect to the issue of class certification.
24

25 5. Defendant shall bear the sole responsibility for any cost to issue or reissue any
26 curative notice to the Settlement Class Members and all Settlement
27 Administration Costs incurred to the date of nullification.
28

1 I. Certification of the Settlement Class. The Parties stipulate to conditional class
2 certification of the Settlement Class for the Class Period for purposes of settlement
3 only. In the event that this Settlement is not approved by the Court, fails to become
4 effective, or is reversed, withdrawn or modified by the Court, or in any way prevents
5 or prohibits Defendant from obtaining a complete resolution of the Released Claims,
6 the conditional class certification (obtained for any purpose) shall be void *ab initio* and
7 of no force or effect, and shall not be admissible in any judicial, administrative or
8 arbitral proceeding for any purpose or with respect to any issue, substantive or
9 procedural.
10

11
12 J. Tax Liability. The Parties make no representations as to the tax treatment or legal
13 effect of the payments called for, and Settlement Class Members are not relying on
14 any statement or representation by the Parties in this regard. Settlement Class
15 Members understand and agree that they will be responsible for the payment of any
16 taxes and penalties assessed on the Individual Settlement Payments described and will
17 be solely responsible for any penalties or other obligations resulting from their
18 personal tax reporting of Individual Settlement Payments.
19

20 K. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
21 the "acknowledging party" and each Party to this Agreement other than the
22 acknowledging party, an "other party") acknowledges and agrees that: (1) no provision
23 of this Agreement, and no written communication or disclosure between or among the
24 Parties or their attorneys and other advisers, is or was intended to be, nor shall any
25 such communication or disclosure constitute or be construed or be relied upon as, tax
26 advice within the meaning of United States Treasury Department circular 230 (31 CFR
27
28

1 part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his,
2 her or its own, independent legal and tax counsel for advice (including tax advice) in
3 connection with this Agreement, (b) has not entered into this Agreement based upon
4 the recommendation of any other Party or any attorney or advisor to any other Party,
5 and (c) is not entitled to rely upon any communication or disclosure by any attorney
6 or adviser to any other party to avoid any tax penalty that may be imposed on the
7 acknowledging party, and (3) no attorney or adviser to any other Party has imposed
8 any limitation that protects the confidentiality of any such attorney's or adviser's tax
9 strategies (regardless of whether such limitation is legally binding) upon disclosure by
10 the acknowledging party of the tax treatment or tax structure of any transaction,
11 including any transaction contemplated by this Agreement.
12

13
14 L. Preliminary Approval Motion. At the earliest practicable time, Plaintiffs shall file with
15 the Court a Motion for Order Granting Preliminary Approval and supporting papers,
16 which shall include this Settlement Agreement.
17

18 M. Settlement Administrator. The Settlement Administrator shall be responsible for:
19 establishing and administering the QSF; calculating, processing and mailing payments
20 to the Class Representatives, Class Counsel, LWDA and Settlement Class Members;
21 printing, mailing and emailing the Notice Packets to the Settlement Class Members as
22 directed by the Court; establishing and maintaining the a landing page hosted on its
23 website to containing information about the Settlement; receiving and reporting the
24 objections and requests for exclusion; calculating, deducting and remitting all legally
25 required taxes from Individual Settlement Payments and distributing tax forms for the
26 Wage Portion and Non-Wage Portion of the Individual Settlement Payments;
27
28

1 processing and mailing tax payments to the appropriate state and federal taxing
2 authorities; providing declaration(s) as necessary in support of preliminary and/or final
3 approval of this Settlement; posting notice of entry of judgment on its website; and
4 other tasks as the Parties mutually agree or the Court orders the Settlement
5 Administrator to perform. The Settlement Administrator shall keep the Parties timely
6 apprised of the performance of all Settlement Administrator responsibilities by among
7 other things, sending a weekly status report to the Parties' counsel stating the date of
8 the mailing, the of number of Elections Not to Participate in Settlement it receives
9 (including the numbers of valid and deficient), and number of objections received.
10

11
12 N. Notice Procedure.

13
14 1. Class Data. No later than fourteen (14) calendar days after the Preliminary
15 Approval Date, Defendant shall provide the Settlement Administrator with the
16 Class Data for purposes of preparing and mailing Notice Packets to Settlement
17 Class Members. Defendant shall verify the total number of Workweeks at the
18 time Class Data is provided to the Settlement Administer.

19
20 2. Notice Packets.

21 a) The Notice Packet shall contain the Notice of Class Action Settlement
22 in a form substantially similar to the form attached as Exhibit A. The
23 Notice of Class Action Settlement shall inform Settlement Class
24 Members that they need not do anything in order to receive an
25 Individual Settlement Payment and to keep the Settlement
26 Administrator apprised of their current mailing address, to which the
27
28

1 Individual Settlement Payments will be mailed following the Funding
2 Date. The Notice of Class Action Settlement shall set forth the release
3 to be given by all members of the Settlement Class who do not request
4 to be excluded from the Settlement Class in exchange for an Individual
5 Settlement Payment, the number of Workweeks worked by each
6 Settlement Class Member during the Class Period, and the estimated
7 amount of their Individual Settlement Payment if they do not request
8 to be excluded from the Settlement. The Settlement Administrator
9 shall use the Class Data to determine Class Members' Workweeks.
10

11
12 b) The Notice Packet's mailing envelope shall include the following
13 language: "IMPORTANT LEGAL DOCUMENT- YOU MAY BE
14 ENTITLED TO PARTICIPATE IN A CLASS ACTION
15 SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR
16 ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED
17 NOTICE."
18

19 3. Notice by First Class U.S. Mail and Email. Upon receipt of the Class Data,
20 the Settlement Administrator will perform a search based on the National
21 Change of Address Database to update and correct any known or identifiable
22 address changes. No later than fourteen (14) calendar days after receiving the
23 Class Data from Defendant, the Settlement Administrator shall mail and email
24 copies of the Notice Packet to all Settlement Class Members via regular First-
25 Class U.S. Mail and electronic mail. The Settlement Administrator shall
26 exercise its best judgment to determine the current mailing address for each
27
28

1 Settlement Class Member. The address identified by the Settlement
2 Administrator as the current mailing address shall be presumed to be the best
3 mailing address for each Settlement Class Member.
4

5 4. Undeliverable Notices. Any Notice Packets returned to the Settlement
6 Administrator as non-delivered on or before the Response Deadline shall be
7 re-mailed to any forwarding address provided. If no forwarding address is
8 provided, the Settlement Administrator shall promptly attempt to determine a
9 correct address by lawful use of skip-tracing, or other search using the name,
10 address and/or Social Security number of the Settlement Class Member
11 involved, and shall then perform a re-mailing, if another mailing address is
12 identified by the Settlement Administrator. In addition, if any Notice Packets,
13 which are addressed to Settlement Class Members who are currently
14 employed by Defendant, are returned to the Settlement Administrator as non-
15 delivered and no forwarding address is provided, the Settlement Administrator
16 shall notify Defendant. Defendant will request that the currently employed
17 Settlement Class Member provide a corrected address, and transmit to the
18 Administrator any corrected address provided by the Settlement Class
19 Member. Settlement Class Members who received a re-mailed Notice Packet
20 shall have their Response Deadline extended fifteen (15) days from the
21 original Response Deadline.
22
23

24
25 5. Disputes Regarding Individual Settlement Payments. Settlement Class
26 Members will have the opportunity, should they disagree with Defendant's
27 records regarding the start and end dates of employment while paid on a draw,
28

1 as stated on their Employment Information Sheet, to provide documentation
2 and/or an explanation to show contrary dates. If there is a dispute, the
3 Settlement Administrator will consult with the Parties to determine whether
4 an adjustment is warranted. The Settlement Administrator shall determine the
5 eligibility for, and the amounts of, any Individual Settlement Payments under
6 the terms of this Agreement. The Settlement Administrator's determination
7 of the eligibility for and amount of any Individual Settlement Payment shall
8 be binding upon the Settlement Class Member and the Parties.
9

10
11 6. Disputes Regarding Administration of Settlement. Any disputes not resolved
12 by the Settlement Administrator concerning the administration of the
13 Settlement will be resolved by the Court under the laws of the State of
14 California. Before any such involvement of the Court, counsel for the Parties
15 will confer in good faith to resolve the disputes without the necessity of
16 involving the Court.
17

18 7. Exclusions. The Notice of Class Action Settlement contained in the Notice
19 Packet shall state that Settlement Class Members who wish to exclude
20 themselves from the Settlement must submit a written request for exclusion
21 by the Response Deadline. The written request for exclusion must state that
22 the Settlement Class Member wishes to exclude himself or herself from the
23 Settlement and (1) must contain the name, address, and the last four digits of
24 the Social Security number of the person requesting exclusion; (2) must be
25 signed by the Settlement Class Member; (3) must be postmarked or fax
26 stamped by the Response Deadline and returned to the Settlement
27
28

1 Administrator at the specified address or fax telephone number; and (4)
2 contain a typewritten or handwritten notice stating in substance: "I wish to
3 opt out of the settlement of the class action lawsuit entitled *Castellanos v.*
4 *Southwest Security Patrol Inc., d.b.a Southwest Patrol*, currently pending in
5 the Superior Court for the County of Santa Diego, Case No. 37-2020-
6 00024905-CU-OE-CTL. I understand that by requesting to be excluded from
7 the settlement, I will receive no money from the Settlement described in this
8 Notice." The request for exclusion will not be valid if it is not timely
9 submitted, if it is not signed by the Settlement Class Member, or if it does not
10 contain the name and address and last four digits of the Social Security number
11 of the Settlement Class Member. The date of the postmark on the mailing
12 envelope or fax stamp on the request for exclusion shall be the exclusive
13 means used to determine whether the request for exclusion was timely
14 submitted. Any Settlement Class Member who requests to be excluded from
15 the Settlement Class will not be entitled to an Individual Settlement Payment
16 and will not be otherwise bound by the terms of the Settlement or have any
17 right to object, appeal or comment thereon. However, any Settlement Class
18 Member that submits a timely request for exclusion that is also a member of
19 the Aggrieved Employees will still receive their pro rata share of the PAGA
20 Settlement, as specified below, and in consideration, will be bound by the
21 Release by the Aggrieved Employees as set forth herein. Settlement Class
22 Members who fail to submit a valid and timely written request for exclusion
23 on or before the Response Deadline shall be bound by all terms of the
24 Settlement and any final judgment entered in this Action if the Settlement is
25
26
27
28

1 approved by the Court. No later than fourteen (14) calendar days after the
2 Response Deadline, the Settlement Administrator shall provide counsel for
3 the Parties with a final list of the Settlement Class Members who have timely
4 submitted written requests for exclusion. At no time shall any of the Parties
5 or their counsel seek to solicit or otherwise encourage members of the
6 Settlement Class to submit requests for exclusion from the Settlement.
7

- 8
9 8. Objections. The Notice of Class Action Settlement contained in the Notice
10 Packet shall state that Settlement Class Members who wish to object to the
11 Settlement must submit to the Settlement Administrator a written statement of
12 objection ("Notice of Objection") by the Response Deadline. The postmark
13 date of mailing shall be deemed the exclusive means for determining that a
14 Notice of Objection was served timely. The Notice of Objection must be
15 signed by the Settlement Class Member and state: (1) the case name and
16 number; (2) the name of the Settlement Class Member; (3) the address of the
17 Settlement Class Member; (4) the last four digits of the Settlement Class
18 Member's Social Security number; (4) the basis for the objection; and (5) if
19 the Settlement Class Member intends to appear at the Final
20 Approval/Settlement Fairness Hearing. Settlement Class Members who fail
21 to make objections in writing in the manner specified above may still make
22 their objections orally at the Final Approval/Settlement Fairness Hearing with
23 the Court's permission. Settlement Class Members will have a right to appear
24 at the Final Approval/Settlement Fairness Hearing to have their objections
25 heard by the Court. At no time shall any of the Parties or their counsel seek
26 to solicit or otherwise encourage Settlement Class Members to file or serve
27
28

1 written objections to the Settlement or appeal from the Order and Final
2 Judgment. Settlement Class Members who submit a written request for
3 exclusion may not object to the Settlement.
4

5 O. Funding and Allocation of the Total Settlement Amount. Defendant is required to pay
6 the Total Settlement Amount on or before the Funding Date, plus any employer's share
7 of payroll taxes as mandated by law within the time specified herein.
8

9 1. Individual Settlement Payments. Individual Settlement Payments shall be
10 paid from the Net Settlement Amount and shall be paid pursuant to the
11 formula set forth below.
12

13 a) Calculation of Individual Settlement Payments. Using the Class Data,
14 the Settlement Administrator shall add up the total number of
15 Workweeks for all Settlement Class Members. The respective
16 Workweeks for each Settlement Class Member will be divided by the
17 total Workweeks for all Settlement Class Members, resulting in the
18 Payment Ratio for each Settlement Class Member. Each Settlement
19 Class Member's Payment Ratio will then be multiplied by the Net
20 Settlement Amount to calculate each Settlement Class Member's
21 estimated Individual Settlement Payments. Each Individual
22 Settlement Payment will be reduced by any legally mandated
23 employee tax withholdings (e.g., employee payroll taxes, etc.).
24 Individual Settlement Payments for Class Members who submit valid
25 and timely requests for exclusion will be redistributed to Settlement
26
27
28

1 Class Members who do not submit valid and timely requests for
2 exclusion on a pro rata basis based on their respective Payment Ratios.

3
4 b) Calculation of Individual Payments to the Aggrieved Employees.

5 Using the Class Data, the Settlement Administrator shall add up the
6 total number of Workweeks for all Aggrieved Employees during the
7 PAGA Period. The respective Workweeks for each Aggrieved
8 Employee will be divided by the total Workweeks for all Aggrieved
9 Employees, resulting in the "PAGA Payment Ratio" for each
10 Aggrieved Employee. Each Aggrieved Employee's PAGA Payment
11 Ratio will then be multiplied by the Aggrieved Employee Payment to
12 calculate each Aggrieved Employee's estimated Individual PAGA
13 Settlement.
14

15
16 c) Allocation of Individual Settlement Payments. For tax purposes,
17 Individual Settlement Payments shall be allocated and treated as
18 follows: 15% as wages ("Wage Portion"); 85% as penalties and
19 interest ("Non-Wage Portion"). The Wage Portion is subject to wage
20 withholdings and shall be reported on IRS Form W-2. The Non-Wage
21 Portion shall not be subject to wage withholdings and shall be reported
22 on IRS Form 1099.
23

24 d) Allocation of Aggrieved Employee Payments. For tax purposes,
25 Aggrieved Employee Settlement Payments shall be allocated and
26 treated as 100% penalties and shall be reported on IRS Form 1099.
27
28

1 e) Mailing. Individual Settlement Payments and Aggrieved Employee
2 Payments shall be mailed by regular First-Class U.S. Mail to
3 Settlement Class Members' last known mailing address no later than
4 fifteen (15) calendar days after the Funding Date.

5
6 f) Expiration. Any checks issued to Settlement Class Members shall
7 remain valid and negotiable for one hundred and eighty (180) days
8 from the date of their issuance. If a Settlement Class Member does not
9 cash his or her settlement check within 90 days, the Settlement
10 Administrator will send a letter to such persons, advising that the
11 check will expire after the 180th day, and invite that Settlement Class
12 Member to request reissuance in the event the check was destroyed,
13 lost or misplaced. In the event an Individual Settlement Payment
14 check has not been cashed within one hundred and eighty (180) days,
15 all funds represented by such uncashed checks, plus any interest
16 accrued thereon, shall be distributed consistent with California Code
17 of Civil Procedure Section 384 as follows: to The Children's
18 Advocacy Institute (CAI), founded at the nonprofit University of San
19 Diego School of Law in 1989. Neither Class Counsel nor Defendant's
20 counsel has any interest, pecuniary or otherwise, in CAI. Similarly,
21 neither Defendant nor Plaintiffs has any interest, pecuniary or
22 otherwise, in CAI.
23
24
25

26 2. Class Representative Service Award. In addition to the Individual Settlement
27 Payment to be paid to Plaintiffs, Plaintiffs will apply to the Court for an award
28

1 of not more than \$10,000, each, as the Class Representative Service Awards.
2 Defendant does not presently intend to oppose a Class Representative Service
3 Awards of no more than \$10,000 for each Plaintiff. The Settlement
4 Administrator shall pay the Class Representative Service Awards, either in the
5 amount stated herein if approved by the Court or some other amount as
6 approved by the Court, to Plaintiffs from the Total Settlement Amount no later
7 than ten (10) calendar days after the Funding Date. Any portion of the
8 requested Class Representative Service Awards that are not awarded to the
9 Class Representatives shall be part of the Net Settlement Amount and shall be
10 distributed to Settlement Class Members as provided in this Agreement. The
11 Settlement Administrator shall issue an IRS Form 1099 — MISC to Plaintiffs
12 for their Class Representative Service Award. Plaintiffs shall be solely and
13 legally responsible to pay any and all applicable taxes on their Class
14 Representative Service Award and shall hold harmless the Released Parties
15 from any claim or liability for taxes, penalties, or interest arising as a result of
16 the Class Representative Service Awards. The Class Representative Service
17 Awards shall be in addition to Plaintiffs' Individual Settlement Payment as a
18 Settlement Class Member. Approval of this Settlement shall not be
19 conditioned on Court approval of the requested amount of the Class
20 Representative Service Awards. In the event that the Court reduces or does
21 not approve the requested Class Representative Service Awards, Plaintiffs
22 shall not have the right to revoke the Settlement, and it will remain binding.
23
24
25
26

27 3. Class Counsel Award. Defendant understands a motion by Class Counsel for
28 attorneys' fees not to exceed one-third of the Total Settlement Amount

1 currently estimated to be \$200,000.00 plus costs and expenses supported by
2 declaration not to exceed Twenty-Five Thousand Dollars (\$20,000.00), from
3 the Total Settlement Amount will be filed. Any portion of the requested Class
4 Counsel Award that is not awarded to Class Counsel shall be part of the Net
5 Settlement Amount and shall be distributed to Settlement Class Members as
6 provided in this Agreement. The Settlement Administrator shall allocate and
7 pay the Class Counsel Award to Class Counsel from the Total Settlement
8 Amount no later than five (5) calendar days after the Funding Date. Class
9 Counsel shall be solely and legally responsible to pay all applicable taxes on
10 the payment made pursuant to this paragraph. The Settlement Administrator
11 shall issue an IRS Form 1099 — MISC to Class Counsel for the payments
12 made pursuant to this paragraph. In the event that the Court reduces or does
13 not approve the requested Class Counsel Award, Plaintiffs and Class Counsel
14 shall not have the right to revoke the Settlement, or to appeal such order, and
15 the Settlement will remain binding.
16
17
18

- 19 4. PAGA Settlement. Fifty Thousand Dollars (\$50,000) shall be allocated from
20 the Total Settlement Amount for settlement of claims for civil penalties under
21 the Private Attorneys General Act of 2004 ("PAGA Settlement"). The
22 Settlement Administrator shall pay seventy-five percent (75%) of the PAGA
23 Settlement (\$37,500) to the California Labor and Workforce Development
24 Agency no later than twenty-five (25) calendar days after the Funding Date
25 (hereinafter "LWDA Payment"). Twenty-five (25%) of the PAGA Settlement
26 (\$12,500) will be distributed to the Aggrieved Employees as described in this
27 Agreement (hereinafter "Aggrieved Employee Payment"). For purposes of
28

1 distributing the PAGA Settlement to the Aggrieved Employees, each
2 Aggrieved Employee shall receive their pro-rata share of the Aggrieved
3 Employee Payment using the PAGA Payment Ratio as defined above.
4

- 5 5. Settlement Administration Costs. The Settlement Administrator shall be paid
6 for the costs of administration of the Settlement from the Total Settlement
7 Amount. . The Settlement Administrator shall be paid the Settlement
8 Administration Costs no later than twenty-five (25) calendar days after the
9 Funding Date.
10

- 11 P. Final Approval Motion. Class Counsel and Plaintiffs shall use best efforts to file with
12 the Court a Motion for Order Granting Final Approval and Entering Judgment, within
13 twenty-eight (28) days following the expiration of the Response Deadline, which
14 motion shall request final approval of the Settlement and a determination of the
15 amounts payable for the Class Representative Service Award, the Class Counsel
16 Award, the PAGA Settlement, and the Settlement Administration Costs.
17

- 18 1. Declaration by Settlement Administrator. No later than fourteen (14) days
19 after the Response Deadline, the Settlement Administrator shall submit a
20 declaration in support of Plaintiffs' motion for final approval of this
21 Settlement detailing the number of Notice Packets mailed and re-mailed to
22 Settlement Class Members, the number of undeliverable Notice Packets, the
23 number of timely requests for exclusion, the number of objections received,
24 the amount of the average Individual Settlement Payment and highest
25 Individual Settlement Payment, the Settlement Administration Costs, and any
26
27
28

1 other information as the Parties mutually agree or the Court orders the
2 Settlement Administrator to provide.

3
4 2. Final Approval Order and Judgment. Class Counsel shall present an Order
5 Granting Final Approval of Class Action Settlement to the Court for its
6 approval, and Judgment thereon, at the time Class Counsel files the Motion
7 for Final Approval.
8

9 N. Defendant's Option to Revoke Settlement. Defendant has the unilateral right to
10 revoke the Settlement and Defendant shall have, in its sole discretion, the option to
11 terminate this Settlement if, after the Response Deadline, the number of Settlement
12 Class Members who submitted timely and valid written requests for exclusion from
13 the Settlement is at least ten percent (10%) of all Settlement Class Members. If
14 Defendant exercises the option to terminate this Settlement, Defendant shall: (a)
15 provide written notice to Class Counsel within five (5) calendar days after (i)
16 providing the Class Data to the Settlement Administrator or (ii) the Settlement
17 Administrator provides information regarding opt outs (which is to occur no later than
18 fourteen (14) calendar days after the Response Deadline, and (b) pay all Settlement
19 Administration Costs incurred up to the date or as a result of the termination; and the
20 Parties shall proceed in all respects as if this Agreement had not been executed.
21
22

23 O. Review of Motions for Preliminary and Final Approval. Class Counsel will provide
24 an opportunity for Counsel for Defendant to review the Motions for Preliminary and
25 Final Approval, including the Order Granting Final Approval of Class Action
26 Settlement, and Judgment before filing with the Court. The Parties and their counsel
27 will cooperate with each other and use their best efforts to affect the Court's approval
28

1 of the Motions for Preliminary and Final Approval of the Settlement, and entry of
2 Judgment.

3
4 P. Cooperation. The Parties and their counsel will cooperate with each other and use
5 their best efforts to implement the Settlement.

6
7 Q. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Actions,
8 except such proceedings necessary to implement and complete the Settlement,
9 including the filing of an amended complaint as contemplated herein, pending the Final
10 Approval/Settlement Fairness Hearing to be conducted by the Court

11
12 R. Amendment or Modification. This Agreement may be amended or modified only by
13 a written instrument signed by counsel for all Parties or their successors-in-interest.

14
15 S. Entire Agreement. This Agreement and any attached Exhibit constitute the entire
16 Agreement among these Parties, and no oral or written representations, warranties or
17 inducements have been made to any Party concerning this Agreement or its Exhibit
18 other than the representations, warranties and covenants contained and memorialized
19 in this Agreement and its Exhibit.

20
21 T. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
22 represent they are expressly authorized by the Parties whom they represent to negotiate
23 this Agreement and to take all appropriate Action required or permitted to be taken by
24 such Parties pursuant to this Agreement to effectuate its terms, and to execute any other
25 documents required to effectuate the terms of this Agreement. The persons signing
26 this Agreement on behalf of Defendant represents and warrants that he/she is
27 authorized to sign this Agreement on behalf of Defendant. Plaintiffs represent and
28

warrant that they are authorized to sign this Agreement and that he/she has not assigned any claim, or part of a claim, covered by this Settlement to a third-party.

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

V. California Law Governs. All terms of this Agreement and the Exhibit and any disputes shall be governed by and interpreted according to the laws of the State of California.

W. Counterparts. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Parties to this Agreement shall exchange among themselves copies or originals of the signed counterparts.

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

Y. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with respect to the interpretation, implementation and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing and enforcing the settlement and all orders and judgments entered in connection with this Agreement.

1 Z. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid,
2 the Court shall first attempt to construe the provisions valid to the fullest extent
3 possible consistent with applicable precedents so as to define all provisions of this
4 Agreement valid and enforceable.

5
6 AA. No Unalleged Claims. Plaintiffs and Class Counsel represent that they do not currently
7 intend to pursue any claims against the Released Parties, including, but not limited to,
8 any and all claims relating to or arising from Plaintiffs' employment with Defendant,
9 regardless of whether Class Counsel is currently aware of any facts or legal theories
10 upon which any claims or causes of action could be brought against Released Parties,
11 including those facts or legal theories alleged in the operative complaint in this Action.
12 The Parties further acknowledge, understand and agree that this representation is
13 essential to the Agreement and that this Agreement would not have been entered into
14 were it not for this representation.
15

16
17 BB. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
18 certification for purposes of this settlement only.
19

20 CC. No Admissions by the Parties. Plaintiffs have claimed and continue to claim that the
21 Released Claims have merit and give rise to liability on the part of Defendant.
22 Defendant claims that the Released Claims have no merit and do not give rise to
23 liability. This Agreement is a compromise of disputed claims. Nothing contained in
24 this Agreement and no documents referred to and no action taken to carry out this
25 Agreement may be construed or used as an admission by or against the Defendant or
26 Plaintiffs or Class Counsel as to the merits or lack thereof of the claims asserted. Other
27
28

1 than as may be specifically set forth herein, each Party shall be responsible for and
2 shall bear its/his own attorney's fees and costs.

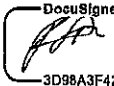
3
4 IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

5
6 DATED: _____

ALEX CASTELLANOS

8 07/22/21 | 10:42 PDT

9 DATED: _____

DocuSigned by:

3D98A3F427F140E...

ROBERT MAUNA

10
11 DATED: _____

DOUGLAS ALONZO ALLEN GRAY

12
13
14
15 IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:

16
17 DATED: _____

SOUTHWEST SECURITY PATROL, INC., d.b.a.
SOUTHWEST PATROL

18
19
20 Printed Name

21
22 Title

23
24 IT IS SO AGREED AS TO FORM BY COUNSEL:

25
26 DATED: _____

JCL LAW FIRM, A.P.C.

27 By: _____

1 than as may be specifically set forth herein, each Party shall be responsible for and
2 shall bear its/his own attorney's fees and costs.
3

4 IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:
5

6 DATED: _____
7

ALEX CASTELLANOS
8

9 DATED: _____
10

ROBERT MAUNA

11 07/28/21 | 7:15 PDT

12 DATED: _____
13

DocuSigned by:
DOUGLAS GRAY
434C21CEC11B4FC...

DOUGLAS ALONZO ALLEN GRAY
14

15 IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:
16

17 DATED: _____
18

SOUTHWEST SECURITY PATROL, INC., d.b.a.
SOUTHWEST PATROL
19

20 Printed Name
21

22 Title
23

24 IT IS SO AGREED AS TO FORM BY COUNSEL:
25

26 DATED: _____
27

JCL LAW FIRM, A.P.C.

28 By: _____

than as may be specifically set forth herein, each Party shall be responsible for and shall bear its/his own attorney's fees and costs.

IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

DATED: 7/22/2021

DocuSigned by:
A.C.
AC6C28B30950485
ALEX CASTELLANOS

DATED: _____

ROBERT MAUNA

DATED: _____

DOUGLAS ALONZO ALLEN GRAY

IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:

DATED: _____

SOUTHWEST SECURITY PATROL, INC., d.b.a.
SOUTHWEST PATROL

Printed Name

Title

IT IS SO AGREED AS TO FORM BY COUNSEL:

DATED: 7/22/2021

JCL LAW FIRM, A.P.C.

By: _____

DocuSigned by:
Jean-Claude Lapuyade
0E9C2505B9CD469...

than as may be specifically set forth herein, each Party shall be responsible for and shall bear its/his own attorney's fees and costs.

IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

DATED: _____

ALEX CASTELLANOS

DATED: _____

ROBERT MAUNA

DATED: _____

DOUGLAS ALONZO ALLEN GRAY

IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:

DATED: 7/22/2021

DocuSigned by:



8D931AFE0F824E6

SOUTHWEST SECURITY PATROL, INC., d.b.a.
SOUTHWEST PATROL

John Stirn

Printed Name

President

Title

IT IS SO AGREED AS TO FORM BY COUNSEL:

DATED: _____

JCL LAW FIRM, A.P.C.

By: _____

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Attorneys for the Plaintiffs and the Settlement Class Members

DATED: _____

ZAKAY LAW GROUP, APLC

By: _____

Attorneys for Plaintiffs and the Settlement Class Members

DATED: July 29, 2021

FRONTIER LAW CENTER

By: Adam Thore

Attorneys for Plaintiffs and the Settlement Class Members

DATED: 07/29/21 | 12:13 PDT

DONABEDIAN LAW, APC

By: Sam Donabedian
64091DB92C34449...

Attorneys for Plaintiffs and the Settlement Class Members

DATED: _____

BRADLEY & GMELICH, LLP

By: _____

Attorneys for Defendant

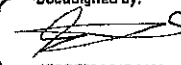
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Attorneys for the Plaintiffs and the Settlement Class Members

DATED: 7/22/2021

ZAKAY LAW GROUP, APLC

By:

DocuSigned by:

4ECDE73A91D4420...

Attorneys for Plaintiffs and the Settlement Class Members

DATED:

FRONTIER LAW CENTER

By:

Attorneys for Plaintiffs and the Settlement Class Members

DATED:

DONABEDIAN LAW, APC

By:

Attorneys for Plaintiffs and the Settlement Class Members

DATED:

BRADLEY & GMELICH, LLP

By:

Attorneys for Defendant

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Attorneys for the Plaintiffs and the Settlement Class Members

DATED: _____

ZAKAY LAW GROUP, APLC

By: _____

Attorneys for Plaintiffs and the Settlement Class Members

DATED: _____

FRONTIER LAW CENTER

By: _____

Attorneys for Plaintiffs and the Settlement Class Members

DATED: _____

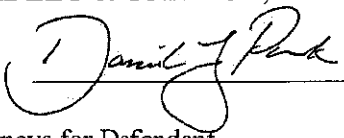
DONABEDIAN LAW, APC

By: _____

Attorneys for Plaintiffs and the Settlement Class Members

DATED: August 2, 2021

BRADLEY & GMELICH, LLP

By:  _____

Attorneys for Defendant