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HANS MORALES, individually and on behalf of others
similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF VENTURA

HANS MORALES, an Individual, on behalf
of himself and all others similarly situated

Plaintiffs,

v.

STEELWORKS ETC. INC., a California
corporation; and DOES 1 through 100,
Inclusive

Defendants.

CASE NO.: 56-2020-00542479-CU-OE-VTA

[Assigned for all purposes to Hon. Mark Borrell-
Department 40]

CLASS ACTION

**JOINT STIPULATION AND SETTLEMENT OF
CLASS ACTION AND PRIVATE ATTORNEYS
GENERAL ACT CLAIMS**

Complaint Filed: June 16, 2020
Trial Date: None Set

Subject to final approval by the Court, which counsel and parties agree to pursue and recommend
in good faith, Plaintiff HANS MORALES individually ("Named Plaintiff") and on behalf of all
employees similarly situated, on the one hand, and Defendant STEELWORKS ETC. INC., (hereinafter
collectively "Defendant") hereby agree to the following binding settlement of the class action and
Private Attorneys General Act ("PAGA") case of *HANS MORALES V. STEELWORKS ETC. INC.*
("Action") Ventura Superior Court Case No. 56-2020-00542479-CU-OE-VTA.

1 1. “Action” means, and refers to, the case captioned *HANS MORALES V. STEELWORKS*
2 *ETC. INC.* in the California Superior Court for the County of Ventura, Case No. 56-2020-00542479-
3 CU-OE-VTA

4 2. “Agreement,” “Settlement,” or “Stipulation” mean, and refer to, this Joint Stipulation
5 and Settlement of Class Action and PAGA Claims.

6 3. “Aggregate Workweek Number” means, and refers to, the sum of all of the Participating
7 Class Members’ Total Workweeks which will be used to calculate the Weekly Settlement Amounts of
8 the Participating Class Members’ Individual Settlement Payments.

9 4. “Attorneys’ Fees and Cost Award” means, and refers to, the amount authorized by the
10 Court to be paid to Class Counsel for the services they have rendered, and expenses they have incurred,
11 in prosecuting the Action. As set forth *infra* in Section III, Paragraph 8, Class Counsel shall request,
12 and Defendant will not oppose, an award of attorneys’ fees of Two Hundred Thousand Dollars
13 (\$200,000) or Thirty Three and one third percent $33\frac{1}{3}\%$ of the Gross Fund Value and a Cost Award of
14 up to Fifteen Thousand Dollars (\$15,000). The Attorneys’ Fees and Cost Award shall come out of the
15 Gross Fund Value and will not increase the amount of the Gross Fund Value. Class Counsel will be
16 issued IRS Form 1099 for the Attorneys’ Fees and Cost Award.

17 5. “Settlement Administrator” means, and refers to, CPT GROUP, Inc. or another settlement
18 administration provider upon which the Named Plaintiff, Class Counsel, Defendant, and Defendant’s
19 Counsel mutually agree.

20 6. “Settlement Administration Costs” means, and refers to, the amount that will be paid to the
21 Settlement Administrator, and includes all costs incurred in administering the Settlement, which will be
22 paid from the Gross Fund Value, as defined in Section I, Paragraph 36, *infra*. The Parties agree to work
23 in good faith to minimize, as much as possible, the Settlement Administration Costs. Defendants will not
24 object to any application for approval of the Settlement Administration Costs, provided the Settlement
25 Administration Costs are paid out of the Gross Fund Value and will not increase the Gross Fund Value.

1 7. “Class” and “Class Member” mean, and refer to, a member of the class conditionally
2 certified for settlement purposes, consisting of all current and former employees of Defendant who
3 were employed in California as a non-exempt, hourly paid employees during the Class Period. The
4 Class Period is defined as June 16, 2016 through the date of preliminary approval or October 18, 2021,
5 which date is earlier.

6 8. “Class Counsel” and “Plaintiff’s Counsel” means and refers to Kokozyan Law Firm, APC.

7 9. “Class List and Data Report” means a list of Class Members that Defendant will diligently
8 and in good faith compile from its Human Resources, and/or Payroll employee information database. The
9 Class List and Data Report shall be in excel format, and shall include each Class Member’s full name;
10 dates of employment during which he or she was employed by Defendant; last known home address; and
11 the last four digits of his or her Social Security number.

12 10. “Class Period” means, and refers to, the period from June 16, 2016 through the date of
13 preliminary approval or October 18, 2021, which date is earlier.

14 11. “Complaint” means, and refers to, all of the operative complaint filed by the Named
15 Plaintiff in this Action titled *HANS MORALES V. STEELWORKS ETC. INC.* in the California Superior
16 Court for the County of Ventura, Case No. 56-2020-00542479-CU-OE-VTA.

17 12. “Court” means, and refers to, the Superior Court of the State of California for the County
18 of Ventura.

19 13. “Defendant” means, and refers to Steelworks Etc. Inc.

20 14. “Defendant’s Counsel” or “Defense Counsel” shall mean Brook Carroll, Esq. of Clark
21 Everson LLP.

22 15. “Effective Date” means the following: (a) if no one objects to the Settlement, then the
23 Effective Date will be the date of Final Approval, as defined in Section I, Paragraph 18, *infra*; (b) if a
24 Class Member timely objects to the Settlement and is overruled, and if an appeal is not timely sought
25 from the Final Order and Judgment, then the Effective Date will be sixty five (65) days after service of
26 the Final Order and Judgment by Plaintiff on Defendant and any Objectors; or (c) if a Class Member
27 timely objects to the settlement and if a timely appeal is sought from the Final Order and Judgment, then

the Effective Date shall be twenty (20) days after the applicable appellate court has rendered a final decision or opinion affirming the trial court's final approval, and the applicable date for seeking further appellate review has passed, or twenty (20) days after any such Appeal has been either dismissed or withdrawn by the appellant or the time for filing an appeal expires.

16. "Excluded Class Members" means, and refers to, all Class Members who timely and validly submit a written request to be excluded from the Class on or before the Objection/Exclusion Deadline Date, as defined in Section I, Paragraph 24, *infra*.

17. "Final Approval" means, and refers to, the Court's order granting final approval of the Settlement.

18. "Final Approval Date" means, and refers to, the date on which the Court's Final Approval Order is entered.

19. "Final Approval Hearing/Settlement Fairness Hearing" means, and refers to, the hearing at which the Court considers whether to approve the Settlement and to enter the Final Approval Order.

20. "Individual Settlement Payment" means, and refers to, the amount to be paid to each individual Participating Class Member from the Net Fund Value. The estimated Individual Settlement amount shall be indicated on the Notice. Individual Settlement Payment for each individual Participating Class Member will result from the calculations set forth in Section III, paragraph 12, *infra*, less all applicable state and federal withholding taxes, including FICA, FUTA and SDI contributions and any other applicable payroll deductions required by law as a result of the payment of the amount allocated to such Participating Class Member under the terms of this Stipulation.

21. "Named Plaintiff" means Hans Morales.

22. "Net Fund Value" or "NFV" means, and refers to, the funds available to be distributed to Participating Class Members from the Gross Fund Value after payment of any Attorneys' Fees and Cost Awards, Service Award, Settlement Administration Costs, and the PAGA payment.

23. "Notice" means and refers to the "Notice of Class Action Settlement" that the Court directs to be sent via regular mail to all Class Members (substantially in the form annexed hereto as Exhibit A).

24. "Objection/Exclusion Deadline" means and refers to the date no later than sixty (60) calendar days after the date the Class Notices are mailed (judged by the postmark date) to Class Members by the Settlement Administrator, on or before which a Class Member, may (1) validly submit a Notice of Objection, (2) submit a Request for Exclusion, or (3) challenge with documentary evidence his or her Total Workweeks.

25. "PAGA Payment" means and refers to Eighteen Thousand Dollars (\$18,000) of the Gross Fund Value, which constitutes penalties pursuant to California's Private Attorneys General Act of 2004 (California Labor Code § 2699 et seq., or "PAGA,") and pursuant to Labor Code Section 2699(i), which will be distributed as follows: 25% to the Participating Class Members and 75% to the California Labor and Workforce Development Agency, which shall be Thirteen Thousand Five Hundred Dollars (\$13,500). The 25% portion of the PAGA Payment that shall be paid to the Participating Class Members shall remain within the Net Fund Value so that it is available to be included within the calculation of the Participating Class Members' Individual Settlement Payments.

26. "Participating Class Member" means and refers to any and all Class Members who are not Excluded Class Members.

27. "Parties" means, and refers to Defendant, the Named Plaintiff, and the Class Members.

28. "Preliminary Approval Order" means, and refers to, the Order issued by the Court preliminarily approving the terms of the Settlement.

29. "Preliminary Approval Date" means and refers to the date that the Court enters the Preliminary Approval Order.

30. "Preliminary Approval Hearing" means and refers to the hearing on Named Plaintiff's Motion for Preliminary Approval, as discussed in Section III, Paragraph 10, *infra*.

31. "Qualified Settlement Fund" means and refers to the fund to be established by the Settlement Administrator pursuant to Internal Revenue Code Section 1.468B-1.

32. "Released Claims" is defined as follows: Upon the Effective Date and upon Defendant fully funding the Settlement, Participating Class Members for the Class Period shall fully and finally release and discharge the Released Parties of all claims, rights, demands, liabilities, damages, attorneys'

1 fees, costs, and causes of action of every nature and description arising from any and all claims which
2 were asserted in the Action or could have been asserted based on the facts alleged in the Action, and
3 arising during the Class Period of this settlement, including statutory, constitutional or common law
4 claims for wages, damages, unpaid costs, liquidated damages, penalties, interest, attorneys' fees,
5 litigation costs, restitution, equitable relief, or other relief under California Business & Professions Code
6 §17200, et seq. based on the following categories of allegations as set forth in the operative complaint:
7 (a) all claims for unpaid overtime wages; (b) all claims for unpaid minimum wages; (c) all claims for
8 failure to pay overtime wages at the legal overtime pay rate; (d) all claims for failure to provide meal
9 periods; (e) all claims for failure to authorize and permit rest periods; (f) all claims for the failure to
10 promptly pay all wages due and owing at the time of an employee's termination or discharge; (g) all
11 claims for the failure to issue properly itemized wage statements; (h) all claims for Unfair Competition
12 or Business Practices under California's Business and Professions Code based on the preceding claims;
13 (i) all claims for any and all penalties pursuant to the California Labor Code and/or the Private
14 Attorneys General Act of 2004 based on the preceding claims.

15 33. "Released Parties" means and refers to Defendant Steelworks Etc. Inc. and its past,
16 present and future officers, directors, parents, subsidiaries, predecessors, successors, assigns, affiliates,
17 joint employers, co-employers, PEOs, joint obligors, affiliated or related companies, divisions,
18 fiduciaries, trustees, partners, investors, insurers, owners, operators, principals, agents, administrators,
19 shareholders, principals, members, partners, consultants, attorneys, employees, and each of their
20 respective agents, employees, insurers, partners, associates, successors, joint employers, co-employers,
21 affiliates, and assigns, in any and all capacities (including but not limited to the fiduciary, representative,
22 or individual capacity of any released person or entity), and any entity owned in whole or part by or
23 affiliated with any of the above.

24 34. "Service Award" means and refers to the amount that the Court authorizes to be paid to
25 the Named Plaintiff over and above his Individual Settlement Payment, in recognition of Named
26 Plaintiff's efforts in assisting with the prosecution of the Action on behalf of the Class Members and in
27 return for executing a General Release of all Claims against Released Parties. Named Plaintiff will
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request, and Defendant will not oppose, a Service Award up to Seven Thousand Dollars (\$7,000).

Named Plaintiff will be issued an IRS Form 1099 in connection with his Service Award.

35. "Settlement Award" means, and refers to, the total portion of the Net Fund Value payable to each Class Member after deduction of all applicable state and federal employment withholding taxes, FICA and FUTA contributions and any other applicable payroll deductions required by law.

36. "Gross Fund Value" means, and refers to, the total amount that Defendant will be required to pay by this Settlement. The Gross Fund Value consists of the Attorneys' Fees and Costs Award, the Service Award, the Settlement Administration Costs, the PAGA Payment and the Net Fund Value. The Gross Fund Value is equal to Six Hundred Thousand Dollars (\$600,000). In addition, Defendant must also pay the employer side share of payroll taxes, as described below.

37. "Workweek" is any calendar week during the Class Period in which a Class Member was employed by Defendant.

38. "Total Workweeks" means and refers to the sum of all the Workweeks a Class Member was employed during the Class Period.

II. RECITALS

This Stipulation is made by the Named Plaintiff on behalf of himself and each of the other Class Members, on the one hand, and the Defendant, on the other hand, in this Action, and is subject to the approval of the Court.

A. CLASS CERTIFICATION FOR SETTLEMENT PURPOSES ONLY

At or about the time that the Named Plaintiff files his motion for preliminary approval of this Settlement Agreement, the Named Plaintiff shall request certification of the Class for settlement purposes only.

Limitation on Effect of Certification.

The certification of the Class – for settlement purposes only – shall not constitute, in this or any other proceeding, an admission of any kind by Defendant, including without limitation, that certification of a class or collective action for trial purposes is appropriate or proper or that Named Plaintiff could establish any of the requisite elements for class or collective treatment of any of the claims in the Action.

1 In the event that the Settlement is not finally approved, or the Settlement is otherwise terminated or
2 rendered null and void, the certification of the Class shall be automatically vacated and shall not constitute
3 evidence or a binding determination that the requirements for certification of a class or collective action
4 for trial purposes in this Action or in any other actions are satisfied. In such circumstances, Defendant
5 expressly reserves all rights to challenge the Class certification for any purpose other than settlement
6 purposes in this Action or in any other action on all available grounds as if no class had been certified for
7 settlement purposes in the Action, and no reference to the prior certification of this class, or any documents
8 related thereto, shall be made available for any purpose. Additionally, the Parties stipulate that to further
9 the certification for settlement purposes, and for no other purpose or effect, the Named Plaintiff is typical
10 of other Class Members and can represent the Class.

11 **B. INVESTIGATION IN THE CLASS ACTION**

12 The Parties have conducted significant investigation of the facts and law during the prosecution
13 of this Action. Discovery and investigation included: the exchange of discovery between Plaintiff and
14 Defendant including the production by Plaintiff of all documents related to Plaintiff's employment with
15 Defendant, the production of documents by Defendant including Defendant's employee handbooks,
16 policies and procedures regarding the payment of wages, time keeping, overtime, meal and rest periods
17 and the production of detailed voluminous class-wide payroll and time punch data by Defendant.
18 Plaintiff's counsel retained an expert to review timekeeping records and payroll records and to assist in
19 the preparation of a damage analysis for this litigation. Also there were numerous conferences between
20 representatives of the Parties and a full day-long mediation session with Hon. Carl J. West, Ret. an
experienced mediator of wage-and-hour class actions, on August 18, 2021.

21 **C. BENEFITS OF SETTLEMENT TO CLASS MEMBERS**

22 Named Plaintiff and Class Counsel recognize the expense and length of continued proceedings
23 necessary to litigate their disputes through trial and through any possible appeals. Named Plaintiff has
24 also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties
25 and delays inherent in such litigation. Named Plaintiff and Class Counsel are also aware of the burdens
26 of proof necessary to establish liability for the claims asserted in the Action, both generally and in
27 response to Defendant's defenses thereto (many of which have been shared at the mediation and in
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1 settlement discussions). Named Plaintiff and Class Counsel have also taken into account the extensive
2 settlement negotiations conducted. Named Plaintiff and Class Counsel have also taken into account
3 Defendant's agreement to enter into a settlement that confers substantial relief upon the Class Members.
4 Based on the foregoing, Named Plaintiff and Class Counsel have determined that the Settlement set
5 forth in this Agreement is a fair, adequate and a reasonable settlement, and is in the best interests of the
6 Class Members.

7 **D. DEFENDANT'S REASONS FOR SETTLEMENT**

8 Defendant has concluded that any further defense of this litigation would be protracted and
9 expensive for all Parties. Substantial amounts of Defendant's time, energy and resources have been and,
10 unless this Settlement is made, will continue to be devoted to the defense of the Claims asserted by the
11 Class. Defendant has also taken into account the risks of further litigation in reaching its decision to
12 enter into this Settlement. Defendant has, therefore, agreed to settle in the manner and upon the terms
13 set forth in this Agreement to put to rest the Claims as set forth in the Action.

14 **E. DEFENDANT'S DENIAL OF WRONGDOING**

15 Defendant does not admit any wrongdoing and contends that they fully complied with the law at
16 all times in all respects. Whether the Settlement is finally approved, neither this Settlement, nor any
17 terms, document, statement, proceeding or conduct related to settlement, nor any reports or accounts
18 thereof, shall in any event be (a) construed as, offered or admitted in evidence as, received as, or deemed
19 to be evidence for any purpose, including, but not limited to, evidence of a presumption, concession,
20 indication, or admission by Defendant of any fault, wrongdoing, liability and/or unlawful activity
21 whatsoever or any effort to certify a class or collective action; or (b) disclosed, referred to, or offered or
22 received in evidence, in any further proceeding in this action, or any other civil, criminal or
23 administrative action or proceeding, except for purposes of settling this Action or enforcing this
24 Settlement, or as a defense to any claims released by the Settlement.

25 **F. NAMED PLAINTIFF'S CLAIMS**

26 Named Plaintiff has claimed and continues to claim that the Released Claims have merit and give
27 rise to liability on the part of Defendant. This Agreement is a compromise of disputed claims. Nothing
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1 contained in this Agreement and no documents referred to herein and no action taken to carry out this
2 Agreement may be construed or used as an admission by or against the Named Plaintiff or Class
3 Counsel as to the merits or lack thereof of the Claims asserted.

4 **III. STIPULATION AND AGREEMENT**

5 ***NOW, THEREFORE, IT IS HEREBY STIPULATED***, by and among the Named Plaintiff on
6 behalf of the Class Members on the one hand, and Defendant on the other hand, and subject to the approval
7 of the Court, that the Action is hereby being compromised and settled pursuant to the terms and conditions
8 set forth in this Agreement, subject to the definitions and recitals set forth in Sections I and II, *supra*,
9 which by this reference become an integral part of this Agreement, and subject to the following terms and
10 conditions:

11 1. Full Investigation. Named Plaintiff and Class Counsel have fully investigated the
12 factual and legal bases for the causes of action asserted in the Action.

13 2. Release As To All Participating Class Members. Upon the Effective Date and upon
14 Defendant fully funding the Settlement, the Participating Class Members, including the Named Plaintiff,
15 release the Released Parties for the Released Claims for the Class Period.

16 3. General Release By Named Plaintiff Only. In addition to the releases made by the
17 Participating Class Members as set forth in Section I, Paragraphs 32 *supra*, Named Plaintiff, in exchange
18 for the Service Award as requested or as otherwise authorized by the Court, will, as of the Effective
19 Date, make the additional following General Release of all his Claims, known or unknown, in exchange
20 and consideration of the sum set forth in Section I, Paragraph 34, *supra*. As of the Effective Date and
21 upon Defendant fully funding the Settlement, Named Plaintiff only for himself agrees to the General
22 Release of the Released Parties. Named Plaintiff as of the Effective Date also agrees to release all wage
23 and hour Claims, including, but not limited to, overtime wages, expense reimbursement, meal and rest
24 period sanctions, penalties under the Private Attorneys General Act and all other Released Claims.

25 Also, without limiting the generality of the foregoing: NAMED PLAINTIFF ONLY ALSO
26 SPECIFICALLY AGREES AND ACKNOWLEDGES WAIVER OF ANY RIGHT TO RECOVERY
27 ARISING OUT OF HIS EMPLOYMENT WITH DEFENDANT INCLUDING BUT NOT LIMITED
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TO STATE OR FEDERAL SEX, GENDER, CITIZENSHIP, RACE, COLOR, NATIONAL ORIGIN, MARITAL STATUS, RELIGION, VETERAN STATUS, DISABILITY, SEXUAL ORIENTATION, MEDICAL CONDITION OR OTHER ANTI DISCRIMINATION LAWS, INCLUDING, WITHOUT LIMITATION, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, THE AMERICANS WITH DISABILITIES ACT AND THE CALIFORNIA FAIR EMPLOYMENT AND HOUSING ACT, OR BASED ON THE FAMILY AND MEDICAL LEAVE ACT, THE CALIFORNIA FAMILY RIGHTS ACT, THE NEW PARENT LEAVE ACT, THE EMPLOYEE RETIREMENT INCOME SECURITY ACT, THE WORKER ADJUSTMENT AND RETRAINING ACT, THE FAMILIES FIRST CORONAVIRUS RESPONSE ACT, THE OCCUPATIONAL SAFETY AND HEALTH ACT, THE CALIFORNIA OCCUPATIONAL SAFETY AND HEALTH ACT, THE IMMIGRATION REFORM AND CONTROL ACT, THE FAIR CREDIT REPORTING ACT, THE EQUAL PAY ACT, CALIFORNIA EQUAL PAY LAW, CALIFORNIA UNRUH CIVIL RIGHTS ACT, CALIFORNIA CONFIDENTIALITY OF MEDICAL INFORMATION ACT, THE CALIFORNIA CONSUMER PRIVACY ACT, CALIFORNIA WHISTLEBLOWER PROTECTION LAW, THE FAIR LABOR STANDARDS ACT AND THE CALIFORNIA LABOR CODE, ALL AS AMENDED, WHETHER SUCH CLAIM BE BASED UPON AN ACTION FILED BY EMPLOYEES OR BY A GOVERNMENTAL AGENCY.

The General Release as to Named Plaintiff includes any unknown Claims that Named Plaintiff does not know or suspect to exist in his favor at the time of the General Release, which, if known by him, might have affected his settlement with, and release of, the Released Parties or might have affected his decision not to object to this Settlement or the General Release.

With respect to his General Release, Named Plaintiff stipulates and agrees that, upon the Effective Date, Named Plaintiff shall be deemed to have, and by operation of the Final Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which provides:

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

6 Named Plaintiff may hereafter discover facts in addition to or different from those He now
7 knows or believes to be true with respect to the subject matter of the General Release, but Named
8 Plaintiff upon the Effective Date shall be deemed to have, and by operation of the Final Judgment shall
9 have, fully, finally, and forever settled and released any and all of the claims released pursuant to the
10 General Release whether known or unknown, suspected or unsuspected, contingent or non-contingent,
11 which now exist, or heretofore have existed upon any theory of law or equity now existing or coming
12 into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or
13 without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or
14 existence of such different or additional facts.

15 4. Service Award. Subject to Court approval, and expressly in exchange for the release of
16 all Released Claims and for his time and effort in bringing and prosecuting this matter, Named Plaintiff
17 shall be paid a Service Award up to a total of Seven Thousand Dollars (\$7,000), or such other
18 distribution or lower amount as the Court may order. The Service Award shall be paid from the Gross
19 Fund Value and shall not increase the Gross Fund Value. The Service Award shall be paid to the Named
20 Plaintiff by the Settlement Administrator no later than ten (10) business days after Defendant delivers
21 the Gross Fund Value to the Settlement Administrator for deposit into the Qualified Settlement Fund.
22 The Parties agree that a decision by the Court to award Named Plaintiff an amount less than the amount
23 stated above shall not be a basis for Class Counsel to void this Stipulation. The Settlement Administrator
24 shall issue Named Plaintiff an IRS Form 1099 for the Service Award. Any amount awarded for service
25 payments to the Named Plaintiff less than the requested amounts will result in the non-awarded funds to
26 be awarded to Participating Class Members on a proportionate basis to the amount of their Individual
27 Settlement Payment. The Named Plaintiff shall be solely and legally responsible to pay any and all
28 applicable taxes on this payment. The Service Award shall be paid in addition to the Named Plaintiff's
share of the Settlement Amount as a Participating Class Member.

1 5. Tax Liability. Defendant makes no representations as to the tax treatment or legal effect
2 of the payments called for hereunder, and Named Plaintiff and Participating Class Members are not
3 relying on any statement or representation by Defendant in this regard. Named Plaintiff and
4 Participating Class Members understand and agree that except for Defendant's payment of the
5 employer's portion of any payroll taxes, they will be solely responsible for the payment of any taxes and
6 penalties assessed on the payments described herein.

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

1 BY THIS AGREEMENT.

2 7. Creation Of The Qualified Settlement Fund And Administration Of The Settlement.

3 Within forty-five (45) days after the Effective Date, Defendant shall deliver the Gross Fund
4 Value of Six Hundred Thousand Dollars (\$600,000) as required by this Stipulation into the Qualified
5 Settlement Fund created by the Settlement Administrator. Defendant shall also simultaneously deliver
6 to the Settlement Administrator, Defendant's (Employer) share of payroll taxes, including but not
7 limited to, FICA, FUTA and SDI contributions, as determined by the Settlement Administrator. In
8 addition to the employer's portion of payroll taxes, payments from the Qualified Settlement Fund shall
9 be made (1) for the Service Award to the Named Plaintiff, as specified in this Agreement and approved
10 by the Court; (2) the Attorneys' Fees and Cost Award to be paid to Class Counsel, as specified in this
11 Agreement and approved by the Court; (3) the Settlement Administration Costs; and (4) the amount
12 allocated to PAGA penalties to be paid to the California Labor Workforce and Development Agency.
13 The balance remaining shall constitute the Net Fund Value from which Individual Settlement Payments
14 shall be made to Participating Class Members, less applicable taxes and withholdings.

15 8. Attorneys' Fees And Cost Award. Defendant agrees not to oppose or impede any
16 application or motion by Class Counsel for attorneys' fees in the amount of Two Hundred Thousand
17 Dollars (\$200,000) or Thirty Three and one third percent $33\frac{1}{3}\%$ of the Gross Fund Value. Defendant
18 further agrees not to oppose any application or motion by Class Counsel for the reimbursement of any
19 actual costs associated with Class Counsel's prosecution of this matter not in excess of Fifteen Thousand
20 Dollars (\$15,000). Class Counsel will provide verification of the cost amount that it is seeking to be
21 reimbursed. Any amount awarded for attorneys' fees and costs to Class Counsel less than Two Hundred
22 Thousand (\$200,000) and Fifteen Thousand Dollars (\$15,000), respectively, will result in the non-
23 awarded amounts to be awarded to Participating Class Members on a proportionate basis to the amount
24 of their Individual Settlement Payments. Class Counsel shall be paid any Court-approved fees and costs
25 no later than ten (10) business days after Defendant delivers the required funds to the Settlement
26 Administrator for deposit into the Qualified Settlement Fund. Class Counsel shall be solely and legally
27 responsible to pay all applicable taxes on the payment made to Class Counsel. Forms 1099 – MISC, Box

14 shall be provided to Class Counsel for the payments made, and Class Counsel shall provide, before the Effective Date, properly completed Forms W-9.

9. Settlement Administrator. The Settlement Administrator shall be paid for the costs of administration of the Settlement out of the Gross Fund Value as deposited in the Qualified Settlement Fund. The estimate of such costs of administration for the disbursement of the Gross Fund Value is no more than Twelve Thousand Dollars (\$12,000.) Any amount awarded for costs of administration to Settlement Administrator, or such other entity upon whom the Parties mutually agree, less than Twelve Thousand Dollars (\$12,000) will result in the non-awarded amount to be awarded to Participating Class Members on a proportionate basis to the amount of their Individual Settlement Payments. This estimate includes all tasks required of the Settlement Administrator by this Agreement including the issuance of the Notice, the issuance of settlement checks, the required tax reporting on the settlement amounts, including the issuing of W2 and 1099 forms (if any), the determination of the Defendant's share of payroll taxes, the handling of Class Member questions and disputes and the calculation of employee withholding taxes and the employer payroll taxes, which will be remitted to the tax authorities by the Claims Administrator. At least sixteen (16) court days prior to the Final Approval Hearing, the Settlement Administrator shall provide the Court and all counsel for the Parties with a statement detailing the costs of administration of the Gross Fund Value and the breakdown of the Gross Fund Value.

10. Preliminary Settlement Hearing/Alterations to this Agreement. As part of this Settlement, the Parties agree to the following procedures for obtaining preliminary Court approval of the Settlement:

a. Plaintiff shall file a Motion for Preliminary Approval and request a hearing before the Court to request preliminary approval of the Settlement and to request the entry of the Preliminary Approval Order.

b. Simultaneous with and/or included in the filing of the Motion for Preliminary Approval, and solely for purposes of this Settlement, Named Plaintiff will request the Court to enter the Preliminary Approval Order, preliminarily approving the proposed Settlement, conditionally certifying

the Class, and setting a date for a Final Approval Hearing.

c. In conjunction with the Motion for Preliminary Approval, Named Plaintiff will submit this Stipulation and Settlement of Class Action and PAGA Agreement, which sets forth the terms of this Settlement Agreement, and will include proposed forms of all notices and other documents as attached hereto necessary to implement the Settlement. The Order shall provide for Notice of the Settlement to be sent to Class Members as specified herein.

d. In the event any provision of the Settlement is rejected by the Court, the Parties will work in good faith to negotiate alteration of the rejected term. The parties agree to use the services of a mediator if informal efforts to negotiate alteration have been exhausted.

e. If, following the Parties' good faith efforts and mediation, the Parties cannot agree on alterations, or if ultimately the Court does not grant preliminary or final approval of the Settlement in its entirety, or if the Court's final approval of the Settlement agreement is reversed or materially modified on appellate review, then this Settlement will become null and void. In such case, the Settlement shall not be used or be admissible in any subsequent proceedings, either in this Action, in this Court, or in any other Court or forum.

11. Settlement Administration/Management. The Individual Settlement Payments shall be managed and administered as follows:

a. Claims administrator, CPT Group, or such other entity upon whom the Parties mutually agree, shall be retained to serve as Settlement Administrator. The Parties each represent they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

b. Defendant shall provide the Settlement Administrator the Class List and Data Report within twenty-one (21) days of the Preliminary Approval Date.

c. Within twenty one (21) days of receipt of the Class List and Data Report, the Settlement Administrator shall mail the Class Notice to each Class Member in accordance with Section III, Paragraph 13, infra.

d. Participating Class Members will be eligible to receive an Individual Settlement

1 Payment, calculated in accordance with Section III, Paragraph 12, infra.

2 e. The Settlement Administrator shall provide Defendant's Counsel and Class Counsel a
3 weekly report showing the names and number of Class Members who have objected to or requested
4 exclusion from the Settlement (if any). Sixteen (16) court days prior to the Final Approval Hearing, the
5 Settlement Administrator shall provide Defendant's Counsel and Class Counsel a final report showing
6 the names and number of Class Members who have objected to or requested exclusion from the
7 Settlement.

8 f. The Parties agree to cooperate in the settlement administration process and to make all
9 reasonable efforts to control and minimize the costs and expenses incurred in administration of the
10 Settlement.

11 g. The Settlement Administrator shall be responsible for: printing and mailing the Notices
12 as directed by the Court; receiving and reporting the objections/requests for exclusion and challenges to
13 the Individual Settlement Payments submitted by Class Members; mailing Individual Settlement
14 Payments to Participating Settlement Class Members; mailing the payment to the Labor Workforce
15 Development Agency; and other tasks as the Parties mutually agree or the Court orders the Settlement
16 Administrator to perform (including the calculation and remittance of employer taxes which will be paid
17 by Defendant in addition to Gross Fund Value). The Settlement Administrator shall keep Defendant,
18 Defendant's Counsel and Class Counsel timely apprised of the performance of all Settlement
19 Administrator responsibilities.

20 h. The Settlement Administrator, on Defendant's behalf, shall have the authority and
21 obligation to make payments, credits and disbursements, including payments and credits in the manner
22 set forth herein to Participating Class Members, calculated in accordance with the methodology set out
23 in this Agreement and orders of the Court.

24 i. Any tax return filing required by this Agreement shall be made by the Settlement
25 Administrator. Any expenses incurred in connection with such filing shall be a cost of administration of
26 the Settlement.

27 j. No person shall have any claim against Defendant or Defendant's Counsel, the Named
28

1 Plaintiff, Class Members, the Class, Class Counsel or the Settlement Administrator based on
2 distributions and payments made in accordance with this Agreement.

3 k. The Claims Administrator will provide to Defendant, as soon as practicable, but no later
4 than 60 days after Preliminary Approval is granted, a fully-executed IRS W-9 form and a completed
5 Supplier Profile and ACH Enrollment Form which Defendant requires to process and issue any
6 payment.

7 12. Calculation Of Individual Settlement Payments. The Individual Settlement Payments will be
8 calculated as follows:

9 a. The Settlement Administrator will be provided each Class Members' Total Workweeks as
10 defined in Section I, Paragraph 38, supra, based on the Class List and Data Report, which shall be
11 presumed to be correct. A Class Member's workweek is defined as any calendar week during the Class
12 Period in which a Class Member was employed by Defendant. If a Class Member disagrees with his or
13 her Total Workweeks, which shall be set forth in the Notice he or she may challenge the Total Workweeks
14 in the manner set forth in Section III, Paragraph 14(c), infra.

15 b. The Settlement Administrator will calculate the Aggregate Workweek Number by adding
16 the sum of all of the Participating Class Members' Total Workweeks.

17 c. The Settlement Administrator will divide the Net Fund Value by the Aggregate Workweek
18 Number to calculate the weekly settlement amount.

19 d. The Settlement Administrator will calculate each Class Members' Individual Settlement
20 Award by multiplying his or her Total Workweeks times the Weekly Settlement Amount. Each Class
21 Members' estimated Individual Settlement Award will be indicated on the Notice.

22 e. The Weekly Settlement Amount and Individual Settlement Award estimates indicated on
23 the Notice are subject to change, depending on factors including: (i) how many Class Members become
24 Excluded Class Members (resulting in their Total Workweeks being removed from the final Aggregate
25 Workweek Number, thereby increasing the final weekly settlement amount); (ii) any changes to the Total
26 Workweeks resulting from challenges to Total Workweeks submitted by Class Members resulting in
27 workweek adjustments, which may increase or decrease the final Aggregate Workweek Number and the
28 final weekly settlement amount; and (iii) any increases or reductions in the Net Fund Value which may

1 result from, inter alia, changes to the actual amount of PAGA Payment, and/or Settlement Administration
2 Costs approved by the Court.

3 f. Each Participating Class Member's Individual Settlement Payment will be allocated as
4 follows: (a) 20% as wages; and (b) 80% as interest and penalties. The portion allocated to wages ("Wage
5 Component") shall be reported on an IRS Form W-2 and the portions allocated to interest and penalties
6 (the "Non-Wage Component") shall be reported on an IRS Form-1099 by the Claims Administrator.

7 g. The employee's portion of employment taxes, including payroll deductions for state and
8 federal withholding taxes, and any other applicable payroll deductions, shall be made from each
9 Participating Class Members Wage Component, resulting in a "Net Wage Component." The Claims
10 Administrator will issue a W-2 for the Wage Component.

11 i. No withholding shall be made on the Non-Wage Component of the settlement. The Claims
12 Administrator will issue an IRS Form 1099 for the Non-Wage Component.

13 ii. The Net Wage Component shall be added to the Non-Wage Component, resulting in each
14 Participating Class Members Individual Settlement Payment.

15 h. The Settlement Administrator, on Defendant's and Class Counsel's collective behalf, shall
16 have the authority and obligation to make payments, credits and disbursements, including payments and
17 credits in the manner set forth herein, to Class Members calculated in accordance with the methodology
18 set out in this Agreement and orders of the Court. The Settlement Administrator shall be responsible for
19 calculating and withholding all required state and federal taxes.

20 i. No person shall have any claim against Defendant, Defendant's Counsel, the Named
21 Plaintiffs, Plaintiffs, the Class, Class Counsel, or the Settlement Administrator based on any errors or
22 omissions in the distributions and payments that are required to be made in accordance with the terms of
23 this Agreement.

24 13. Notice To Class Members. Notice of the Settlement shall be provided to all Class Members
25 using the following procedures:

26 a. Notice By First-Class Mail. Within twenty one (21) days after receipt of the Class List and
27 Data Report, the Claims Administrator shall mail the Class Notice , which has been mutually approved
28 by counsel for the Parties, to the Class Members via first-class regular U.S. Mail. The Class Notice is

substantially in the form annexed hereto as Exhibit A. Prior to mailing, the Claims Administrator will perform a search based on the National Change of Address Database information to update and correct for any known or identifiable address changes. If a new address is obtained by a way of a returned Class Notice, then the Claims Administrator shall promptly forward the original Class Notice to the updated address via first-class regular U.S. mail indicating on the original Class Notice the date of such re-mailing.

b. No Requirement for a Claim Form. Class Members shall not be required to submit a Claim Form to receive an Individual Settlement Payment.

c. Objection/Exclusion Deadline Date and Deadline to Challenge Total Workweeks: Class Members will have sixty (60) calendar days from the mailing of the Class Notice to submit an objection and/or request for exclusion from the Settlement, or challenge the Total Workweeks indicated on their Class Notice.

d. Procedure For Undeliverable Notices. Any Class Notices returned to the Settlement Administrator as non-delivered on or before the Objection/Exclusion Deadline Date shall be sent to the forwarding address affixed thereto within five (5) business days. If no forwarding address is provided, then the Settlement Administrator shall promptly attempt to determine a correct address using a single skip-trace, computer or other search using the name and address of the individual involved, and shall then perform a single re-mailing within five (5) business days. In the event the procedures in this paragraph are followed and the intended recipient of a Notice still does not receive the Notice, the Class Member shall be bound by all terms of the Settlement and any Final Judgment entered by the Court if the Settlement is approved by the Court.

e. No later than sixteen (16) court days prior to the Final Approval Hearing, the Settlement Administrator shall provide Defendant's Counsel and Class Counsel: (i) the names and contact information of the Class Members objecting to or requesting exclusion from the Settlement; and (ii) the amount owed to each Participating Class Member.

14. Procedure For Objecting To or Requesting Exclusion From The Class Action Settlement, or Challenging Total Workweeks. The Class Members shall submit objections to the Settlement and/or

1 request exclusion from the Settlement and/or submit a challenge to their Total Workweeks using the
2 following procedures:

3 a. Procedure For Objecting. The Class Notice shall provide that those Class Members who
4 wish to object to the Settlement shall mail a written statement of objection ("Notice of
5 Objection") to the Settlement Administrator, no later than the Objection/Exclusion
6 Deadline Date. The postmark date of the mailing shall be deemed the exclusive means for
7 determining if a Notice of Objection is timely. The Notice of Objection must contain the
8 Class Member's name, the last four digits of his/her social security number, dates of
9 employment, current contact information, a statement providing the basis for the Class
10 Member's objections, a statement advising if the objecting Class Member plans to address
11 the Court at the Settlement Fairness Hearing, and any legal briefs, papers or memoranda
12 the objecting Class Member proposes to submit to the Court. Class Members regardless of
13 whether or not they submit a written objection to the Claims Administrator will have the
14 right to appear at the Final Approval Hearing in order to have their objections heard by the
15 Court. No later than sixteen (16) court days before the Settlement Fairness Hearing, the
16 Claims Administrator shall provide counsel for the Parties with complete copies of all
17 objections received, including the postmark dates for each objection. Class Counsel and
18 Counsel for Defendant shall file any responses to any written objections submitted to the
19 Court in accordance with this Settlement Agreement at least five (5) days before the
20 Fairness Settlement Hearing.

21 b. Procedure For Requesting Exclusion. The Notice shall provide that Class Members who
22 wish to exclude themselves from the Class must submit a written request to be excluded
23 ("Request for Exclusion") from the Class on or before the Objection/Exclusion Deadline
24 Date. Such Request for Exclusion: (1) must contain the name, address, telephone number
25 and the last four digits of the Social Security number of the person requesting exclusion;
26 (2) must be signed by the person requesting exclusion; (3) must be returned by mail to the
27 Settlement Administrator at the specified address; (4) and must be postmarked on or before
28 the Objection/Exclusion Deadline Date. The date of the postmark on the return mailing
envelope shall be the exclusive means used to determine whether a request for exclusion

1 has been timely submitted. Any Class Member who requests an exclusion from the Class
2 will not be entitled to any recovery under the Settlement and will not be bound by the
3 Settlement or have any right to object, appeal or comment thereon. Any Class Member
4 who fails to submit valid and timely a Request for Exclusion on or before the
5 Objection/Exclusion Deadline Date shall be a Participating Class Member and shall be
6 bound by all terms of the Settlement and any Final Judgment entered in this Class Action
7 if the Settlement is approved by the Superior Court. No later than sixteen (16) court days
8 before the Settlement Fairness Hearing, the Settlement Administrator shall provide counsel
9 for the Parties with a complete list of all members of the Settlement Class who have timely
10 requested exclusion from the Settlement. At no time shall any of the Parties or their
11 counsel seek to solicit or otherwise encourage members of the Settlement Class to submit
12 a Request for Exclusion from the Settlement.

- 13 c. Procedure for Contesting Individual Settlement Payment: Each Class Member will have
14 the opportunity, should he/she disagree with Defendant's records regarding his/her Total
15 Workweeks as presented in his/her Class Notice, to provide documentation to show
16 contrary employment dates. To do so, Class Members must contact the Settlement
17 Administrator, along with all applicable documentary evidence to support his/her dispute
18 regarding his/her Total Workweeks prior to the Objection/Exclusion Deadline. Moreover,
19 an individual can only dispute his/her number of Total Workweeks if he/she does not
20 exclude himself/herself from the Settlement. If there is a dispute, the Settlement
21 Administrator will consult with the Parties to determine whether a workweek adjustment
22 is warranted. Class Counsel and Defendant's Counsel shall meet and confer in an attempt
23 to reach an agreement regarding whether a workweek adjustment is warranted based on the
24 documentary evidence submitted by the Class Member to challenge his/her Total
25 Workweeks. If they cannot agree, the Settlement Administrator shall make the final
26 determination of whether or not a workweek adjustment is warranted and that
27 determination shall be conclusive, final and binding on all Parties, including all Class
28 Members. In the event that a workweek adjustment is warranted, the additional amount
owed to said Class Member, if any, shall be paid as part of that Participating Class

Member's Individual Settlement Payment and no adjustment will result in an increase to the Gross Fund Value.

d. The Response Deadline for Requests for Exclusion, Objection or workweek disputes will be extended ten (10) calendar days for any Class Member who is re mailed a Notice Packet by the Settlement Administrator, unless the 10th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.

e. No Solicitation Of Settlement Objections. The Parties agree to use their best efforts to carry out the terms of this Settlement. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written objections to the Settlement or appeal from the Order and Final Judgment.

15. Procedure For Payment Of Individual Settlement Payments:

a. Except for Excluded Class Members, all Participating Class Members will receive an Individual Settlement Payment.

b. Individual Settlement Payments for Class Members shall be paid exclusively from the Qualified Settlement Fund, pursuant to the settlement formula set forth herein, and shall be mailed within ten (10) business days after Defendant delivers the required funds to the Settlement Administrator for deposit into the Qualified Settlement Fund.

c. Should any question arise regarding the determination of eligibility for, or the amounts of, any Individual Settlement Payment under the terms of this Agreement, Class Counsel and Defendant's Counsel shall meet and confer in an attempt to reach agreement. If they cannot agree, the Settlement Administrator shall make the final determination, and that determination shall be conclusive, final and binding on all Parties, including all Class Members.

d. Any checks issued by the Settlement Administrator to Participating Class Members shall be negotiable for one hundred and eighty (180) calendar days. Those funds represented by Settlement checks returned as undeliverable and those Settlement checks remaining uncashed for more than 180 days after issuance (collectively, "Uncashed Settlement Checks") shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Code of Civil Procedure Section 1500 et seq. for the benefits of those Settlement Class Members who did not cash their checks until such

1 time they claim their property. The parties agree that this disposition results in no “unpaid residue” under
2 California Civil Procedure Code Section 384, as the entire Net Fund Value (NFV) will be paid out to
3 Settlement Class Members, whether or not they all cash their settlement checks.

4 e. Although Participating Class Members who do not timely cash their Individual Settlement Payments
5 shall not immediately receive the monies from those checks, such persons shall nonetheless be
6 Participating Class Members and will be bound by all terms of the Settlement and any Final Judgment
7 entered in this Class Action if the Settlement is approved by the Superior Court, including the release of
8 the Released Claims, unless they timely file a valid request for exclusion as set forth herein.

9 16. Class Size Differential. It is represented by Defendant that there are no more than 220 Class
10 Members during the Class Period. If the number of Class Members increases by more than five percent
11 (5%) of the number set forth herein, then the Gross Fund Value shall increase in the exact proportionate
12 amount as any increase in the number of Class Members beyond the five percent (5%) increase (e.g. If
13 there is an increase of 7% in number of Class Members then there will be a 2 % increase in the Gross
14 Fund Value.)

15 17. Claims Deemed Waived. Any Class Member who does not request exclusion as set forth
16 above is deemed to be a Participating Class Member and thereby is deemed to have released the Released
17 Claims against Released Parties as set forth herein, regardless of whether or not they timely cash their
18 Individual Settlement Payment.

19 18. Option To Terminate Settlement. Notwithstanding any other provision of this Settlement
20 Agreement, Defendant shall retain the right, in the exercise of its sole discretion, to nullify the settlement
21 if ten percent (10%) or more of the Class Members make a valid Request Exclusion from the class.
22 Defendant must exercise this right of rescission, in writing, to the Court and Class Counsel, within 7
23 calendar days after the Claims Administrator notifies the Parties of the total number of Requests for
24 Exclusion received by the Response Deadline. If Defendant exercises its option to rescind, Defendant
25 shall be solely responsible for the initial payment to the Claims Administrator of all costs of the Claims
26 Administration, including any re-notice to the Class as ordered by the Court, but such initial payment shall
27 be treated as a taxable cost in the event that this case is ultimately litigated and Defendant prevails in a
28 manner permitting an award of costs per applicable statute(s) and/or procedural rule(s). If Defendant
exercises its option to rescind the Settlement under this paragraph all actions taken in furtherance of the

1 Settlement will be null and void.

2 19. Certification By Settlement Administrator. Upon completion of administration of the
3 distributions, the Settlement Administrator shall provide written certification of such completion to the
4 Court and counsel for all Parties.

5 20. Final Approval Hearing And Entry Of Final Judgment. Upon expiration of the
6 Objection/Exclusion Deadline Date, with the Court's permission, a Final Fairness Hearing shall be
7 conducted to determine final approval of the Settlement along with the amount properly payable for (i)
8 the Attorneys' Fees and Cost Award, (ii) any Service Awards, and (iii) Settlement Administration Costs.
9 The Final Fairness Hearing shall not be held earlier than thirty (30) calendar days from
10 Objection/Exclusion Deadline Date. Upon final approval of the Settlement by the Court, Class Counsel
11 shall prepare and the Parties shall present the Final Approval Order and Judgment, in a form agreed to in
12 advance by the Parties, for the Court's approval. After entry of the Final Approval Order and Judgment,
13 the Court shall have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and
14 enforcement of the terms of the Settlement; (ii) Settlement administration matters; and (iii) such post-
15 Final Judgment matters as may be appropriate under court rules or as set forth in this Agreement.

16 21. Defendant shall discharge its obligations to the Class Members through the remittance of
17 the Settlement Award to the Class Members by the Settlement Administrator as set forth hereinabove,
18 regardless of whether checks representing individual settlement sums are actually received and/or
19 negotiated by Participating Class Members. Once Defendant has complied with the obligations set forth
20 in this Joint Stipulation and Settlement of Class Action Claims, it will be deemed to have satisfied all
21 terms and conditions under this Settlement Agreement, and shall have no further obligations under the
22 terms of the Settlement Agreement regardless of what occurs with respect to those sums.

23 22. Nullification Of Settlement Agreement. In the event: (i) the Court does not finally approve
24 the Settlement as provided herein; or (ii) the Court does not enter a Final Approval Order as provided
25 herein, which becomes final as a result of the occurrence of the Effective Date, this Settlement Agreement
26 shall be null and void and any order or judgment entered by the Court in furtherance of this Settlement
27 shall be treated as void from the beginning. In such a case, the Parties and any funds to be awarded under
28 this Settlement shall be returned to their respective statuses as of the date and time immediately prior to
the execution of this Agreement, and the Parties shall proceed in all respects as if this Settlement

1 Agreement had not been executed. In the event an appeal is filed from the Court's Final Judgment, or any
2 other appellate review is sought prior to the Effective Date, administration of the Settlement shall be stayed
3 pending final resolution of the appeal or other appellate review, as well as any fees incurred by the
4 Settlement Administrator prior to it being notified of the filing of an appeal from the Court's Final
5 Judgment, or any other appellate review.

6 23. No Effect On Employee Benefits. Neither the Individual Settlement Payments nor the Service
7 Award to Named Plaintiff shall be deemed to be pensionable earning and shall not have any effect on the
8 eligibility for, or calculation of, any of the employee benefits (e.g., vacations, holiday pay, retirement
9 plans, etc.) of the respective Named Plaintiff or Participating Class Members. The Parties agree that any
10 Individual Settlement Payments to Participating Class Members under the terms of this Agreement do not
11 represent any modification of the Participating Class Members' previously credited hours of service or
12 other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan
13 sponsored by Defendant. Further, any Individual Settlement Payment, or Service Award hereunder shall
14 not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual
15 within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendant.
16 Neither Defendant nor Named Plaintiff are opining on the terms of any such Plan, each of which speaks
17 for itself.

18 24. Dispute Resolution. Except as otherwise set forth herein, all disputes concerning the
19 interpretation, calculation or payment of settlement claims, or other disputes regarding compliance with
20 this Agreement shall be resolved as follows:

- 21 a. If the Named Plaintiff or Class Counsel, on behalf of the Named Plaintiff or any Class
22 Member, or the Defendant at any time believes that the other Party has breached or acted
23 contrary to the Agreement, that Party shall notify the other Party in writing of the alleged
24 violation.
- 25 b. Upon receiving notice of the alleged violation or dispute, the responding Party shall have
26 ten (10) calendar days to correct the alleged violation and/or respond to the initiating Party
27 with the reasons why the Party disputes all or part of the allegation.
- 28 c. If the response does not address the alleged violation to the initiating Party's satisfaction,
the Parties shall negotiate in good faith for up to ten (10) calendar days to resolve their

1 differences.

2 d. If Class Counsel and Defense counsel are unable to resolve their respective parties'
3 differences after twenty (20) calendar days referenced in Section III, Paragraph 24(a)-(c),
4 supra, either Party may elect to file (1) an appropriate Code of Civil Procedure section
5 664.6 motion for enforcement with the Court, or (2) take any other legal action to enforce
6 this Settlement Agreement.

7 e. In the event that the Court does not agree to adopt the above dispute resolution procedure
8 as part of its Order granting final approval to the Settlement, then the above provisions for
9 Dispute Resolution (Section III, paragraph 24(a)-(d)) are null and void, the remainder of
10 the settlement is unaffected, and the parties shall remain free to submit disputes and/or
11 motions for enforcement of the settlement via appropriate noticed motion or ex parte
12 application as though Section III, paragraph 24 was not included herein.

13 25. No Retaliation. Defendant shall not take any adverse action against any Class Member
14 because of the existence of, and/or participation in, the Settlement, or because they choose to benefit from
15 the Settlement or to object to the Settlement. Defendant shall not take action to discourage Class Members
16 from participating in the Settlement.

17 26. Exhibits And Headings. The terms of this Agreement include the terms set forth in any
18 attached Exhibit A which is incorporated by this reference as though fully set forth herein. Any exhibits
19 to this Agreement are an integral part of the Settlement. The descriptive headings of any paragraphs or
20 sections of this Agreement are inserted for convenience of reference only and do not constitute a part of
21 this Agreement.

22 27. Interim Stay Of Proceedings. The Parties agree to hold all proceedings in the Action,
23 except such proceedings necessary to implement and complete the Settlement, in abeyance pending the
24 Settlement Hearing to be conducted by the Court.

25 28. Amendment Or Modification. This Agreement may be amended or modified only by a
26 written instrument signed by counsel for all Parties or their successors-in-interest.

27 29. Entire Agreement. This Agreement and any attached exhibits constitute the entire
28 agreement among these Parties, and no oral or written representations, warranties or inducements have
been made to any Party concerning this Agreement or its exhibits other than the representations, warranties

1 and covenants contained and memorialized in such documents. Defendant shall not be required as part of
2 the Settlement to modify or eliminate any of its personnel, compensation or payroll practices, or adopt
3 any new personnel, compensation or payroll practices.

4 30. Authorization To Enter Into Settlement Agreement. Counsel for all Parties warrant and
5 represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement
6 and to take all appropriate action required or permitted to be taken by such Parties pursuant to this
7 Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of
8 this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to
9 effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the
10 form or content of any document needed to implement the Settlement, or on any supplemental provisions
11 that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance
12 of the Court to resolve such disagreement. The persons signing this Agreement on behalf of Defendant
13 represents and warrants that they are authorized to sign this Agreement on behalf of Defendant.

14 31. Binding On Successors And Assigns. This Agreement shall be binding upon, and inure to
15 the benefit of, the successors or assigns of the Parties hereto, as previously defined.

16 32. California Law Governs. All terms of this Agreement and the exhibits hereto shall be
17 governed by and interpreted according to the laws of the State of California.

18 33. No Public Disclosure prior to Preliminary Approval: Named Plaintiff, Defendant, and Class
19 Counsel will not make any public disclosure of the Settlement until after the filing of the Application for
20 Preliminary Approval of the Settlement. Named Plaintiff, Defendant, and Class Counsel represent that
21 they have not made any such disclosure. The foregoing shall not preclude Class Counsel from advising
22 Class Members regarding this Settlement. This section does not preclude Class Counsel or Named Plaintiff
23 from performing their duties as Class Counsel and/or Class Representative. This section does not preclude
24 the posting of the Order and Judgment of Final Approval on the Settlement Administrator's website.
25 Notwithstanding the foregoing, the Parties agree that Defendant may make such disclosures that in
26 Defendant's judgment are required in the ordinary course of business, except that Defendant and its
27 counsel shall not encourage Class Members to opt out. Similarly, Named Plaintiff shall not contact Class
28 Members to solicit their involvement in the action or encourage their opt out. Class Counsel and Named
Plaintiff agree not to publicize the terms of this Settlement with the media or others, including but not

1 limited to, any newspaper, journal, magazine, website, and/or on-line reporter of settlements. Class
2 Counsel may include a reference to this Settlement in their curriculum vitae, for purposes of presentations
3 in court filings only.

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

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

10 36. Jurisdiction Of The Court. The Court shall retain jurisdiction, pursuant to Code of Civil
11 Procedure Section 664.6 or otherwise, with respect to the interpretation, implementation and enforcement
12 of the terms of this Agreement and all orders and judgments entered in connection therewith, and the
13 Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting,
14 implementing and enforcing the settlement embodied in this Agreement and all orders and judgments
15 entered in connection therewith.

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

19 38. Invalidity Of Any Provision. Before declaring any provision of this Agreement invalid,
20 the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with
21 applicable precedents so as to define all provisions of this Agreement valid and enforceable.

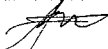
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10/26/2021
Dated: _____

PLAINTIFF



Hans Morales

Represented By:

KOKOZIAN LAW FIRM, APC

10/26/21
Dated: _____

By: 

Bruce Kokozian, Esq.
Attorney for Plaintiff

Dated: _____

DEFENDANT STEELWORKS ETC. INC.

By: _____

Their: _____

Represented by :

Dated: _____

CLARK EVERSON LLP

By: _____
Brook Carroll, Esq.
Attorneys for Defendant

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PLAINTIFF

Dated: _____

Hans Morales

Represented By:

KOKOZIAN LAW FIRM, APC

Dated: _____

By: _____
Bruce Kokozyan, Esq.
Attorney for Plaintiff

Dated: 10/29/21

DEFENDANT STEELWORKS ETC. INC.
By: _____
Their: ROBIN W. SHATTUCK P.F.E.S.

Dated: 10/29/21

Represented by :
CLARK EVERSON LLP
By: _____
Brook Carroll, Esq.
Attorneys for Defendant