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Attorneys for Defendants Seven Forty One Company,
Inc. and Mr. Stax, Inc.

SUPERIOR COURT FOR THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

VANESSA GONZALEZ, individually, and
on behalf of all others similarly situated,

Plaintiff,

vs.

SEVEN FORTY ONE COMPANY, INC.,
MR. STAX, INC., and DOES 1 through
100, inclusive,

Defendants

Case No.: 20STCV30761

CLASS ACTION

*Assigned for All Purposes to Hon. Maren
Nelson, Department 17*

**DECLARATION OF RYAN C. MCKIM
PURSUANT TO DECEMBER 29, 2022
ORDER GRANTING MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT ON
CONDITIONS**

Complaint Filed: August 12, 2020
Trial date: None.

DECLARATION OF RYAN C. MCKIM PURSUANT TO DECEMBER 29, 2022 ORDER GRANTING
MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT ON
CONDITIONS

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I, Ryan C. McKim, declare as follows:

1. I am an attorney duly licensed to practice law in California. I am a senior attorney with the law firm of Clark Hill LLP, attorneys of record for defendants Seven Forty One Company, Inc. and Mr. Stax, Inc. I have personal knowledge of the facts contained herein, and I could and would testify competently thereto if called as a witness.

2. Attached hereto as **Exhibit 1** is a true and correct copy of the fully signed Joint Stipulation and Agreement for Class and Representative Action Settlement and Release. It is the operative version of the Joint Stipulation and Agreement for Class and Representative Action Settlement and Release. It addresses the issues in the December 29, 2022 Order Granting Motion for Preliminary Approval of Class Action Settlement on Conditions.

3. Attached hereto as **Exhibit 2** is a true and correct copy of the redline comparison of Exhibit 1 to this Declaration and the version of the Joint Stipulation and Agreement for Class and Representative Action Settlement and Release that was submitted to the Court on August 31, 2022 as Exhibit A to my supplemental declaration.

4. Attached hereto as **Exhibit 3** is a true and correct copy of the Class Notice and Opt Out Form. It is the operative version of the Class Notice and Opt Out Form.

5. Attached hereto as **Exhibit 4** is a true and correct copy of the redline comparison of Exhibit 3 to this Declaration and the version of the Class Notice and Opt Out Form that was submitted to the Court on August 31, 2022 as Exhibit C to my supplemental declaration.

6. I estimate that Defendants' share of state and federal employment and payroll taxes and withholdings will be \$3,500.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on January 13, 2022, at Los Angeles, California.

Ryan C. McKim
Ryan C. McKim

Exhibit 1

**JOINT STIPULATION AND AGREEMENT FOR CLASS AND REPRESENTATIVE ACTION
SETTLEMENT AND RELEASE**

This Joint Stipulation and Agreement for Class and Representative Action Settlement and Release (“Stipulation”) is made and entered into by Plaintiff Vanessa Gonzalez, individually and as representative of the Settlement Class, as defined below, and Seven Forty One Company, Inc. and Mr. Stax Inc., (collectively “Defendants”) (collectively “the Parties”). This Stipulation is intended to settle and release the following:

1. Plaintiff Vanessa Gonzalez, as an individual, from all of her alleged claims, and all claims she could have alleged against Released Parties, as defined further herein;
2. All Class Members, as defined below, from their claims against Released Parties, as defined further herein; and
3. All PAGA Group Members, as defined below, from the Released PAGA Claims, as defined further herein, against Defendants, as defined further herein.

This Stipulation is subject to the approval of the Court and is made for the sole purpose of attempting to consummate settlement and resolution of the Action, Released PAGA Claims, and Released Claims, as defined below, subject to the following terms and conditions. As detailed below, in the event the Court does not enter an order granting final approval of the Settlement, as defined below, or the conditions precedent are not met for any reason, this Stipulation is void and of no force or effect whatsoever.

I. DEFINITIONS

As used in this Stipulation, the following terms shall have the meanings specified below. To the extent terms or phrases used in this Stipulation are not specifically defined below, they are defined elsewhere in this Stipulation.

1.1 “Action” or “Litigation” means the lawsuit pending in the Superior Court of California for the County of Los Angeles entitled *Vanessa Gonzalez, et al. v. Seven Forty One Company, Inc., et al.*, filed on August 12, 2020, and assigned Case No. 20STCV30761, with the First Amended Complaint filed on October 29, 2020.

1.2 “Administration Expenses” shall include all costs and expenses associated with and paid

1 to the Settlement Administrator.

2 1.3 “Vanessa Gonzalez,” “Plaintiff,” or “Class Representative” means Vanessa Gonzalez, the
3 named plaintiff in the Action, who will represent the Class subject to court approval.

4 1.4 “Class” or “Class Members” means all current and former hourly or non-exempt
5 employees of Defendants who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or
6 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from August 12, 2016 up to and
7 including August 23, 2021, of which there are an estimated 170 total.

8 1.5 “Class Counsel” and “Plaintiff’s Counsel” mean:

9 SCOTT COLE & ASSOCIATES, APC
10 Scott Edward Cole, Esq., SBN 160744
11 Laura Grace Van Note, Esq., SBN 310160
12 555 12th Street, Suite 1725
13 Oakland, California 94607

14 1.6 “Class Notice” means the Notice of Proposed Class Action Settlement and Hearing Date
15 for Court Approval, as set forth in the form of **Exhibit 1** attached hereto, or as otherwise approved by the
16 Court, which is to be mailed to Class Members.

17 1.7 “Class Period” means the time period from August 12, 2016 up to and including August
18 23, 2021.

19 1.8 The “PAGA Group Member(s)” is defined as all allegedly aggrieved non-exempt and/or
20 hourly-paid, current and former employees, who performed work at 880 S. Arroyo Pkwy, Pasadena, CA
21 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time during the PAGA
22 Period.

23 1.9 “PAGA Period” means the time period from June 9, 2019 through January 14, 2021.

24 1.10 “Settlement” shall mean the settlement embodied in this Stipulation, which is subject to
25 Court approval.

26 1.11 “Complaint” shall mean the First Amended Class Action Complaint for Damages and
27 Enforcement Under the Private Attorneys General Act, Cal. Labor Code §§ 2698, *et seq.*, filed on October
28 29, 2020.

1.12 “Counsel for Defendant” or “Defense Counsel” means Beth A. Kahn, Ryan McKim, and
Keith Rossman of Clark Hill LLP.

1.13 “Court” means the Superior Court of the State of California, for the County of Los Angeles.

1.14 “Effective Date” shall be the date when all of the following events have occurred: (a) this Stipulation has been executed by all Parties; (b) the Court has given preliminary approval to the Settlement; (c) notice has been given to the Class Members providing them with an opportunity to Opt Out of the Settlement; (d) the Court has held a Final Approval Hearing and entered the Final Approval order and Judgment; (e) The Gross Settlement Amount is fully funded; and (f) the later of the following events: the expiration of the period for filing any appeal, writ, or other appellate proceeding challenging the Final Approval Order and Judgment has elapsed without any appeal, writ or other appellate proceeding having been filed; or the dismissal of any appeal, writ, or other appellate proceeding opposing the Settlement with no right to pursue further remedies or relief; or any appeal, writ, or the issuance of such other final appellate order upholding the Final Approval Order and Judgment with no right to pursue further remedies or relief. In this regard, it is the intention of the Parties that the Settlement shall not become effective until the Final Approval Order and Judgment is completely final and there is no further recourse by an appellant or objector who seeks to contest the Settlement.

1.15 “Defendants” mean Seven Forty One Company, Inc. and Mr. Stax, Inc.

1.16 “Hearing on Preliminary Approval” or “Preliminary Approval Hearing” mean the hearing held on the motion for preliminary approval of the Settlement.

1.17 “Gross Settlement Amount” or “Maximum Settlement Amount” means the agreed upon non-reversionary settlement amount totaling \$190,000 to be paid by Defendants in full settlement of the Action, Released PAGA Claims, and Released Claims, including the Net Settlement Amount (which is inclusive of the PAGA Payment and Employment and Payroll Taxes), Administration Expenses, Attorneys’ Fees and Expenses, Service Award, and LWDA Payment, as further described in Sections 6.1 and 6.2.

1.18 “Individual Settlement Amount” means a Class Member’s total gross share of the Net Settlement Amount, which shall be allocated and distributed to Class Members based on the number of Workweeks credited to the Class Member, as further described in Section 6.2.

1.19 “Individual Settlement Payment” shall mean the payment to Class Members as determined by the Individual Settlement Amount calculation described in Section 6.2.

1 1.20 “Judgment” or “Final Approval Order and Judgment” mean the order finally certifying the
2 Class for settlement purposes and finally approving this Stipulation and Settlement and entering judgment,
3 which shall constitute approval pursuant to California Rules of Court, Rule 3.769(a) and be a judgment
4 for purposes of California Rules of Court, Rule 3.771(a).

5 1.21 “Last Known Address” means the most recently recorded mailing address for a Class
6 Member that is contained in the employment, payroll, or personnel records maintained by Defendants.

7 1.22 “LWDA” means California’s Labor and Workforce Development Agency, and necessarily
8 includes the Division of Labor Standards and Enforcement (DLSE) within the Department of Industrial
9 Relations (DIR).

10 1.23 “NCOA Check” means within ten (10) calendar days from the date the Preliminary
11 Approval Date, the Settlement Administrator will perform a National Change of Address (“NCOA”)
12 check for Class Members’ most current address based on the information provided by Defendants, prior
13 to mailing the Court-approved Class Notice to the Class Members.

14 1.24 “Net Settlement Amount” means the portion of the Gross Settlement Amount that is
15 available for distribution to Class Members, as further described in Section 6.1.

16 1.25 “Notice of Proposed Class Action Settlement” or “Class Notice” mean a notice to be
17 approved by the Court, substantially in the form attached hereto as **Exhibit 1**, which will constitute notice
18 to the Class pursuant to California Rules of Court, Rule 3.769(f) and, once approved by the Court, shall
19 be deemed compliant with California Rules of Court, Rule 3.766(d).

20 1.26 “Notice Mailing Deadline” means the deadline for the Settlement Administrator to mail
21 the Class Notice to Class Members, which shall be no later than twenty (20) calendar days after the
22 Preliminary Approval Date.

23 1.27 “PAGA Payment” means, subject to the approval of the Court, in the amount of Five
24 Thousand Dollars (\$5,000), from the Maximum Settlement Amount, for civil penalties under the Private
25 Attorneys General Act of 2004, as codified at California Labor Code §§ 2698, *et seq.* (“PAGA”).

26 1.28 “Parties” or “Settling Parties” mean, collectively, Plaintiff and Defendants (individually
27 they are each referred to as “Party” or “Settling Party”).
28

1 1.29 “Employment and Payroll Taxes” shall mean the employee’s and employer’s share of state
2 and federal employment and payroll taxes and withholdings with respect to the wage-portion of Individual
3 Settlement Amounts, which is included in the Gross Settlement Amount that Defendants will pay (subject
4 to the occurrence of the Effective Date).

5 1.30 “Preliminary Approval Date” shall mean the date on which the Court grants preliminary
6 approval of this Stipulation.

7 1.31 “Preliminary Approval Order” or “Order Granting Preliminary Approval of the Settlement
8 and Setting a Final Approval Hearing” shall mean an order to be executed and filed by the Court, which
9 will constitute an order certifying a provisional class for settlement purposes only pursuant to California
10 Rules of Court, Rule 3.769(d) and an order setting a final approval/fairness hearing pursuant to California
11 Rules of Court, Rule 3.769(e).

12 1.32 “Released Claims” means any and all federal and California state law wage-and-hour
13 claims, rights, demands, liabilities, and/or causes of action of every nature and description arising from
14 any and all claims that were alleged or could have been alleged in the Complaint based on the facts
15 contained therein only, arising during the Class Period, including, without limitation, statutory,
16 constitutional, contractual, and/or common law claims for wages, reimbursements, damages, unpaid costs,
17 penalties (including penalties under the California Labor Code’s Private Attorneys General Act of 2004,
18 as amended, California Labor Code §§ 2698, *et seq.*), liquidated damages, punitive damages, interest,
19 attorneys’ fees, litigation costs, restitution, or equitable relief, including without limitation, California
20 Labor Code §§ 200, 201, 202, 203, 204, 218, *et seq.*, 218.5, 226, *et seq.*, 226.7, 510, 512, 558, 1174,
21 1174(d), 1174.5, 1182.12, 1194, *et seq.*, 1197, *et seq.*, 1197.1, 1198, 2698, *et seq.*, 2699, 2699.3, and any
22 federal counterparts, California Business and Professions Code §§ 17200-17208, any IWC Wage Orders,
23 California Code of Civil Procedure § 1021.5, any claims for meal and rest period violations; unpaid
24 minimum wages or overtime wages; untimely pay during and at termination of employment, unreimbursed
25 business expenses, record-keeping violations, and/or inaccurate pay stubs arising under Labor Code
26 section 226; and any unlawful deductions; and causes of action for (i) unlawful failure to pay wages (Labor
27 Code §§ 200-204, 510, 558, 1194; IWC Wage Order); (ii) Failure to provide meal and rest periods (Labor
28 Code §§ 226.7, 512); (iii) Failure to provide itemized wage statements (Labor Code §§ 226, 1174); (iv)

1 Failure to timely pay wages on termination (Labor Code § 203); (v) Unfair business practices under the
2 Unfair Competition Act (Bus. & Prof. Code §§ 17200-17208); and (vi) Private Attorneys General Act of
3 2004 (Labor Code §§ 2698, et seq.). “Released Claims” shall only refer to employment claims (as
4 enumerated above) arising out of labor performed at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or
5 25060 Avenue Stanford, Suite 200, Valencia, CA 91355. No release in this Settlement shall be effective
6 until the Gross Settlement Amount is fully funded.

7 1.33 “Released PAGA Claims” means any and all claims, demands, rights, liabilities, and/or
8 causes of action for penalties under the California Private Attorneys’ General Act that accrued during the
9 PAGA Period and that were asserted in Plaintiff’s LWDA notice letter dated August 12, 2020, a copy of
10 which is attached hereto as **Exhibit 3**, or the Complaint as well as those that could have been alleged in
11 the Complaint based on the facts contained therein, including, without limitation, Labor Code sections
12 200, 201, 202, 203, 204, 218, et seq., 218.5, 226, et seq., 226.7, 510, 512, 558, 1174, 1174(d), 1174.5,
13 1182.12, 1194, et. seq., 1194.2, 1197, et seq., 1197.1, 1198, 2698, et seq., 2699, 2699.3, and 2802.

14 1.34 “Released Parties” shall mean Defendants and all of their respective current and former
15 parents, subsidiaries, predecessors, successors, and their affiliated entities, and each of their respective
16 owners, officers, directors, partners, shareholders, agents, and any other successors, heirs, assigns, or legal
17 representatives, any attorneys, insurers, claims representatives, members, managers, dba’s, and
18 representatives, and any of their, direct or indirect, parent or subsidiary entities.

19 1.35 “Request for Exclusion” means a request in writing to be excluded from the Settlement
20 which contains: the full name, address, telephone number, last four digits of social security number, and
21 signature of the Class Member; the case name and number of the Action; and a statement indicating that
22 he or she wishes to be excluded from the Settlement.

23 1.36 “Response Deadline” means the deadline for a Class Member to submit a Request for
24 Exclusion, Objection, and/or Workweeks Dispute, by mail to the Settlement Administrator, which is no
25 later than forty-five (45) calendar days after the Class Notice is mailed to the Class.

26 1.37 “Service Award” means any additional monetary payment provided to the Class
27 Representative for her efforts and risks on behalf of the Class Members in this Action, not to exceed Seven
28 Thousand Five Hundred Dollars (\$7,500), subject to Court approval.

1 1.38 “Settlement Hearing” or “Final Approval Hearing” or “Settlement Fairness Hearing” mean
2 a hearing set by the Court for the purpose of: (i) determining the fairness, adequacy, and reasonableness
3 of the Stipulation and associated settlement pursuant to class action procedures and requirements; (ii)
4 determining the good faith of the Stipulation and associated settlement; and (iii) entering the Final
5 Approval Order and Judgment. This hearing is intended to be the settlement hearing or final approval
6 hearing required under California Rules of Court, Rule 3.769(a).

7 1.39 “Settlement Administrator” means Simpluris, which the Parties have agreed will be
8 responsible for administration of the Settlement and related matters, subject to approval and appointment
9 by the Court.

10 1.40 “Settlement Class” or “Settlement Class Member(s)” or “Members of the Settlement Class”
11 means any, or collectively all Class Members who do not submit timely and valid Requests for Exclusion
12 to Opt Out of the settlement pursuant to Section 5.6 and, thus, become bound by the Judgment.

13 1.41 “Settlement” shall mean the settlement embodied in this Stipulation, which is subject to
14 Court approval.

15 1.42 “Stipulation” means the Joint Stipulation and Agreement for Class and Representative
16 Action Settlement and Release and all of its attachments and exhibits, which the Settling Parties
17 understand and agree sets forth all material terms and conditions of the Settlement between them, and
18 which is subject to Court approval.

19 1.43 “Updated Address” means a mailing address that was located by way of NCOA Check or
20 Experian Skip Tracing or an updated mailing address provided by the United States Postal Service or a
21 Class Member.

22 **II. FACTUAL & PROCEDURAL BACKGROUND OF ACTION**

23 2.1 Plaintiff’s Claims: On August 12, 2020, Plaintiff Vanessa Gonzalez filed the Action against
24 Defendants, alleging that Defendants have, with respect to Plaintiff and the Class Members, allegedly
25 violated multiple provisions of the California Labor Code and wage and hour laws, by failing to properly
26 pay minimum and overtime wages, provide compliant meal and rest periods and associated premiums,
27 timely pay wages during employment and upon termination of employment and to pay associated waiting-
28 time penalties, provide compliant wage statements, maintain requisite payroll records, and thereby,

engaged in unfair business practices in violation of California Business and Professions Code §§ 17200, *et seq.* Plaintiff alleges that both Defendants employed her and the Class Members. Defendants vehemently deny this allegation and, instead, contend that only Seven Forty One Company, Inc. employed Plaintiff and most of the Class Members and that Mr. Stax, Inc. did not employ either Plaintiff or most of the Class Members.

2.2 Amended Complaint: On October 29, 2020, Plaintiff filed her First Amended Class Action Complaint to add a cause of action for civil penalties under PAGA arising from or relating to alleged violations of Labor Code §§ 200, 201, 202, 203, 204, 218, *et seq.*, 218.5, 226, *et seq.*, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, *et seq.*, 1194.2, 1197, 1197.1, 1198, and 2698, *et seq.*, and additional factual details regarding the claims and theories of the case.

2.3 Discovery, Investigation, & Research: Class Counsel has conducted a thorough investigation into the facts of the Action, including extensive informal discovery and exchange of a volume of documents and information, which included and was not limited to, Seven Forty One Company, Inc.'s production of a sampling of information/data for the putative class members to allow Plaintiff to perform an analysis and valuation of all claims. Prior to mediation the Parties exchanged information and documents to investigate the veracity, strength, and scope of the claims, and to allow analysis and evaluation of the claims and Defendants' defenses thereto. The Class Representative has vigorously prosecuted this case, and Defendants have vigorously contested it including Plaintiff's allegation that Mr. Stax, Inc. was her employer.

2.4 Mediation: On March 5, 2021, the Settling Parties participated in a mediation before experienced employment mediator Eve Wagner. At mediation, the Parties engaged in intensive discussions regarding their evaluations of the Litigation and various aspects of the Litigation, including the risks and delays of further litigation, the risks to the Settling Parties of proceeding with class certification, the law relating to the allegations, the evidence produced and analyzed, and the possibility of appeals, among other things. Following mediation, on April 7, 2021, with the assistance of the mediator's evaluation, the Parties reached a settlement of the Action. Based on the information, data, and documents exchanged, and their own independent investigation and evaluation, Class Counsel is of the opinion that the settlement with Defendants for the consideration and on the terms set forth in this

1 Stipulation is fair, reasonable, and adequate and is in the best interest of the Class Members in light of all
2 known facts and circumstances. Further, the Class Representative has carefully evaluated the terms of the
3 Settlement, and, based upon that review, has determined that it is fair, reasonable, and adequate.

4 2.5 Allegations of the Class Representative and Benefits of Settlement:

5 (a) Based on the exchange of information and documents, the mediation session, and
6 discussions between counsel, Class Representative and Class Counsel have assessed the Parties' positions
7 and evaluated the value of the claims of the Class. The information and documents exchanged by the
8 Parties and settlement discussions are sufficient to reliably assess the merits of the Parties' respective
9 positions and to compromise the issues on a fair and equitable basis.

10 (b) Plaintiff and Class Counsel believe that the claims, causes of action, allegations and
11 contentions asserted in the Action have merit. However, Plaintiff and Class Counsel recognize and
12 acknowledge the expense and delay of continued lengthy proceedings necessary to prosecute the Action
13 against Defendants through trial and through appeals. Class Counsel has taken into account the uncertain
14 outcome of the litigation, the risk of continued litigation in complex actions such as this, as well as the
15 difficulties and delays inherent in such litigation, and the potential difficulty of obtaining certification of
16 the Action as well as trying the claims of the Class Members. Class Counsel is mindful of the potential
17 problems of proof under, and possible defenses to, the claims alleged in the Action. Class Counsel has
18 also taken into account Defendant's potential defenses to Plaintiff's allegations. Class Counsel believes
19 that the Settlement set forth in this Stipulation confers substantial benefits upon Plaintiff and the
20 Settlement Class Members and that an independent review of this Stipulation by the Court in the approval
21 process will confirm this conclusion. Based on their own independent investigation and evaluation, Class
22 Counsel has determined that the Settlement set forth in the Stipulation is in the best interests of Plaintiff
23 and the Class Members.

24 2.6 No Admissions or Concessions Regarding Fault or Liability:

25 (a) Whether or not the Settlement is finally approved, this Stipulation and compliance
26 with this Stipulation shall not be construed as an admission, concession, or indication by either Party with
27 respect to fault or liability whatsoever for the claims asserted in the Action, or as an admission by either
28 party that the Action is either appropriate or inappropriate for class certification or representative

1 adjudication. Parties are agreeing that the Action is appropriate for class certification and representative
2 adjudication only for the purposes of settlement as described within this Stipulation.

3 (b) Pursuant to California Evidence Code §§ 1152, 1154, and any other analogous and
4 applicable rules of evidence, neither the Stipulation, nor any act performed or document executed pursuant
5 to, or in furtherance of, the Stipulation: (a) is or may be deemed to be or may be used as an admission or
6 evidence of, the validity of any Released Claims, or of any wrongdoing or liability of the Released Parties,
7 or any of them; or (b) is or may be deemed to be or may be used as an admission or evidence of any fault
8 or omission of the Released Parties, or any of them, in any civil, criminal or administrative proceeding in
9 any court, administrative agency, or other tribunal. Plaintiff and Class Counsel agree not to argue or
10 present any argument, and hereby waive any argument, that Defendants could not contest (or are estopped
11 from contesting) collective or representative action treatment pursuant to California Labor Code §§ 2698,
12 *et seq.* and/ or class action treatment pursuant to California Code of Civil Procedure § 382 or any
13 corresponding state law or rule, on any grounds if the Court fails to enter Judgment. This Stipulation shall
14 not be deemed an admission by Defendants that collective or representative action pursuant to California
15 Labor Code §§ 2698, *et seq.* and/or class action treatment pursuant to California Code of Civil Procedure
16 § 382, or any corresponding state law or rule in the Action is proper or cannot be contested on any grounds,
17 nor shall the Stipulation be grounds for estoppel against Defendants' right to contest class, representative
18 or collective action treatment for any purpose other than this Stipulation.

19 2.7 Defendants' Denial of Wrongdoing or Liability:

20 (a) Defendants have denied and continue to deny each and all of the allegations, claims,
21 and contentions alleged by Plaintiff in the Action. Defendants have expressly denied and continue to deny
22 all charges of wrongdoing or liability against Defendants arising out of any of the conduct, statements,
23 acts or omissions alleged in the Action. Seven Forty One Company, Inc. contends that it complied in good
24 faith with California and federal wage and hour laws and has dealt legally and fairly with Plaintiff and
25 Settlement Class Members. Further Seven Forty One Company, Inc. contends that it appropriately paid
26 its employees at all times, that it always provided employees with the opportunity to take timely and
27 compliant meal and rest breaks, that it was compliant with all applicable wage-and-hour laws, and all
28 other laws, at all times, and that, if this matter were to be further litigated, it would have strong defenses

on the merits and as to class certification. In evaluating its position at mediation, Seven Forty One Company, Inc. agreed to the Gross Settlement Amount with the express understanding that the Gross Settlement Amount included its share of Employment and Payroll Taxes. Additionally, Mr. Stax, Inc. denies that it employed either Plaintiff or most of the Class Members for purposes of the claims alleged in the Action.

(b) Further, Defendants deny that, for any purpose other than settling this Action, these claims are appropriate for class or representative treatment. Nonetheless, Defendants have concluded that further proceedings in the Action would be protracted and expensive and agree to the Action being fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation in order to dispose of burdensome and protracted litigation, to permit the operation of Defendants' respective businesses without further expensive litigation and the distraction and diversion of their personnel with respect to matters at issue in the Action. In entering into this Stipulation, Defendants have also taken into account the uncertainty and risks inherent in any litigation, especially in complex cases such as the Action.

(c) Defendants do not waive, but rather expressly reserve, all rights to challenge all such claims and allegations in the Action upon all procedural and factual grounds, including without limitation the ability to challenge class treatment or representative adjudication on any grounds or to assert any and all defenses or privileges if this Stipulation is deemed void or does not take effect.

III. CONDITIONAL CLASS CERTIFICATION & APPOINTMENT OF CLASS COUNSEL

3.1 The Settlement Class. For the purposes of this Stipulation and the Settlement of the Action only, the Parties stipulate to conditional class certification of the Settlement Class.

3.2 Appointment of Class Counsel. For purposes of this Stipulation and subject to the Court's approval, the Parties hereby stipulate to the appointment of Class Counsel as counsel for the Class solely in order to effectuate the Settlement pursuant to this Stipulation.

IV. CLASS SETTLEMENT CONSIDERATION

4.1 The Class Representative Service Award. The Class Representative may petition the Court to approve a Service Award in an amount up to \$7,500 for her efforts on behalf of the Class in this Action, including assisting in the investigation and consulting with Class Counsel and providing crucial documents and information to Class Counsel. Defendants shall not oppose any request by Class

1 Representative for a Service Award in such an amount. Any Service Award approved by the Court shall
2 be paid to the Class Representative from the Gross Settlement Amount and shall be in addition to any
3 distribution to which she may otherwise be entitled as a Settlement Class Member. The Service Award
4 shall not be considered wages, and the Settlement Administrator shall issue the Class Representative an
5 IRS Form 1099 reflecting such payment. The Class Representative shall be solely responsible for the
6 payment of any and all taxes with respect to the Service Award and shall hold Defendants harmless and
7 indemnify Defendants from any and all liability with regard thereto.

8 4.2 Payment to Settlement Class Members. Each Settlement Class Member shall be eligible to
9 receive payment of the Individual Settlement Amount, which is a share of the Net Settlement Amount
10 based on the pro rata number of Workweeks allocated to a Settlement Class Member as a proportion of
11 all Workweeks allocated to all Settlement Class Members. The Individual Settlement Amount for each
12 Settlement Class Member shall be calculated in accordance with Section 6.2. Each Settlement Class
13 Member, including Plaintiff, shall be responsible for the payment of each of their portion of applicable
14 taxes, if any, and required withholding with respect to his or her Individual Settlement Amount and shall
15 hold Defendants harmless from any and all liability with regard thereto.

16 4.3 No Effect on Employee Benefit Plans. Neither the Settlement nor any amounts paid under
17 the Settlement will modify any previously credited hours, days, or weeks of service under any employee
18 benefit plan, policy or program sponsored by Defendants. Such amounts will not form the basis for
19 additional contributions to, benefits under, or any other monetary entitlement under Defendants'
20 sponsored benefit plans, policies or programs. The payments made under the terms of this Stipulation shall
21 not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other
22 form of compensation for the purposes of any of Defendants' benefit plan, policy or programs. Defendants
23 retain the right to modify the language of Defendants' benefits plans, policies and programs to effect this
24 intent and to make clear that any amounts paid pursuant to this Stipulation are not for "weeks worked,"
25 "weeks paid," "weeks of service," or any similar measuring term as defined by applicable plans, policies
26 and programs for purpose of eligibility, vesting, benefit accrual, or any other purpose, and that additional
27 contributions or benefits are not required by this Stipulation. Defendants do not consider the payments
28 provided for under this Settlement as payments of "compensation" for purposes of determining eligibility

1 for, or benefit accrual within, any benefit plans, policies, or programs, or any other plan sponsored by
2 Defendants.

3 4.4 Attorneys' Fees and Expenses to Class Counsel. As part of the motion for final approval
4 of the Settlement, Class Counsel may submit an application for an award of attorneys' fees in an amount
5 not to exceed 35% of the Gross Settlement Amount (i.e., \$66,500) and reimbursement of litigation costs
6 and expenses of up to Twenty Thousand Dollars (\$20,000) (together, "Attorneys' Fees and Expenses").
7 Defendants agree not to object to any such fee, cost or expense application in those amounts, or lesser
8 amounts. As a condition of this Settlement, Class Counsel has agreed to pursue fees only in the manner
9 reflected by this Section. Any Attorneys' Fees and Expenses awarded by the Court shall be paid from the
10 Gross Settlement Amount in arriving at the Net Settlement Amount and shall not constitute payment to
11 any Settlement Class Members. If Class Counsel voluntarily reduces the request for Attorneys' Fees and
12 Expenses or the Court's award of Attorneys' Fees and Expenses is less than set forth above, the Net
13 Settlement Amount shall be recalculated to reflect the actual Attorneys' Fees and Expenses awarded.

14 The Attorneys' Fees and Expenses approved by the Court shall encompass: (a) all work performed
15 and costs and expenses incurred by, or at the direction of, any attorney purporting to represent the
16 Settlement Class through the date of this Stipulation; (b) all work to be performed and costs to be incurred
17 in connection with approval by the Court of the Settlement; and (c) all work to be performed and costs
18 and expenses, if any, incurred in connection with administering the Class Settlement through entry of
19 Judgment.

20 4.5 Settlement Administrator's Costs and Expenses. All costs and expenses due the Settlement
21 Administrator in connection with its administration of the Class Settlement, including, but not limited to,
22 providing the Class Notice, locating Settlement Class Members, processing Requests for Exclusion and
23 Objections, translating the Class Notice, calculating, administering and distributing Individual Settlement
24 Payments to Settlement Class Members and PAGA Group Members' respective shares of the PAGA
25 Group Payment, and preparing related tax forms, shall be paid from the Gross Settlement Amount and
26 shall not exceed \$9,351.

1 **V. NOTICE TO CLASS MEMBERS AND CLAIMS ADMINISTRATION PROCESS**

2 5.1 The Settlement Administrator. The Settlement Administrator will be responsible for
3 mailing the Class Notice (**Exhibit 1**) to Class Members, providing the necessary translations for the Class
4 Notice (Spanish and Vietnamese), handling inquiries from Class Members concerning the Class Notice,
5 determination of Individual Settlement Amounts, maintaining the settlement funds in an appropriate
6 account, preparing, administering and distributing Individual Settlement Payments to Settlement Class
7 Members and PAGA Group Members' respective shares of the PAGA Group Payment, issuing a final
8 report and performing such other duties as the Parties may direct. On a weekly basis, the Settlement
9 Administrator will provide reports to Class Counsel and Defense Counsel summary information updating
10 them as to the number of valid and timely Requests for Exclusion and complete and timely Objections
11 received. The Settlement Administrator will serve on Class Counsel and Defense Counsel via e-mail date-
12 stamped copies of the original Requests for Exclusion and Objections no later than five (5) calendar days
13 after their receipt. The Settlement Administrator will provide Class Counsel and Defense Counsel with
14 proof of mailing of the Class Notice, without listing individual Class Member names or contact
15 information, which the Settlement Administrator will file with the Court at the time Class Counsel files
16 its motion for final approval of the Settlement. No later than ten (10) calendar days prior to the Final
17 Approval Hearing, the Settlement Administrator will compile and deliver to Class Counsel and Defense
18 Counsel a report with summary information regarding (a) the total amount of final Individual Settlement
19 Amounts of each Settlement Class Member (b) the number of Settlement Class Members to receive such
20 payments, and (c) the final number of timely and valid Opt Outs and timely and valid Objections, without
21 listing Class Member names or contact information. Prior to the calculation and distribution of the
22 Individual Settlement Payments and PAGA Group Members' respective shares of the PAGA Group
23 Payment, the Settlement Administrator shall calculate the total Administration Expenses through the
24 conclusion of their services and such actual amount will be deducted from the Gross Settlement Amount
25 prior to the final calculation of the Individual Settlement Amounts. Under no circumstances will
26 Settlement Administrator disclose Class Member names and/or contact information to Class Counsel or
27 the Court without prior written authorization from Defendants or subject to legal process.

28 5.2 Notice to Class Members.

1 (a) If, by entering the Preliminary Approval Order, the Court provides authorization to
2 send the Class Notices, the Settlement Administrator will undertake the mailing of the Class Notice to all
3 Class Members, no later than twenty (20) calendar days after the Preliminary Approval Date. The Class
4 Notices shall be mailed via first class mail through the United States Postal Service, postage pre-paid. The
5 envelope containing the Class Notice shall bear the following phrase in bold type, 1/4 inch below the
6 return address or 1/4 inch above the addressee's address: RETURN SERVICE REQUESTED. The
7 envelope shall also bear the following phrase in the bottom left-hand corner: IMPORTANT – SEVEN
8 FORTY ONE COMPANY, INC. AND MR. STAX, INC. CLASS ACTION SETTLEMENT
9 INFORMATION. PLEASE OPEN IMMEDIATELY. The mailing enclosing the Class Notice will not
10 contain any other materials. The Class Notice and its envelope or covering shall be marked to denote the
11 return address of the Settlement Administrator.

12 (b) Seven Forty One Company, Inc. shall prepare a list, in an electronically usable
13 format, for the Settlement Administrator containing for each Class Member, to the extent it has such
14 information, the following: the first, last, and middle name; Last Known Address; last known phone
15 numbers; social security numbers; start and end dates of employment; and any other information required
16 to effectuate the Settlement ("Class List"). By approving this Settlement, the Court will be deemed to have
17 authorized Defendants to provide the Settlement Administrator with this information, including the social
18 security numbers of the Class Members. Defendants shall provide this list to the Settlement Administrator
19 within fifteen (15) calendar days of the Preliminary Approval Date. The Class List, and any other data
20 provided by Defendants to the Settlement Administrator shall be treated as confidential and not subject to
21 disclosure by the Settlement Administrator, except as necessary to address disputes regarding Workweeks,
22 to respond to a specific inquiry from a Class Member, and/or as otherwise necessary for the Settlement
23 Administrator to perform their obligations described in this Stipulation. Further, the Settlement
24 Administrator shall use commercially reasonable efforts to secure the data provided by Defendants at all
25 times so as to avoid inadvertent or unauthorized disclosure or use of such data other than as permitted by
26 this Stipulation, and shall destroy the data (and all copies of it) in a complete and secure manner when
27 such data is no longer required for purposes of this Stipulation. At no time during the settlement process
28 will any Class Member's address, telephone number or social security number be filed with the Court.

1 The Settlement Administrator shall ensure that the notices and any other communications to Class
2 Members shall not include the Class Members' social security number, except for the last four digits.

3 (c) Prior to mailing the Class Notice, the Settlement Administrator shall undertake a
4 NCOA check to ascertain the accuracy of the Last Known Address of the Class Members. To the extent
5 this process yields an Updated Address, the Updated Address shall replace the Last Known Address and
6 be treated as the new Last Known Address for purposes of this Stipulation, for Class Notice mailing, and
7 mailing of settlement checks.

8 (d) If a Class Member is known to be deceased, the Class Notice for that deceased
9 Class Member shall be mailed to the Last Known Address (or Updated Address, if applicable) of the legal
10 representative of the deceased Class Member's estate, to the extent known.

11 (e) Unless the Settlement Administrator receives a Class Notice returned from the
12 United States Postal Service for reasons discussed below in this paragraph, that Class Notice shall be
13 deemed mailed and received by the Class Member to whom it was sent five (5) calendar days after mailing.
14 In the event that subsequent to the first mailing of a Class Notice and prior to the Response Deadline, that
15 Class Notice is returned to the Settlement Administrator by the United States Postal Service as
16 undeliverable, without a forwarding address, the Settlement Administrator shall undertake an Experian
17 Skip Tracing with respect to the Class Member to attempt to ascertain the current address of the particular
18 Class Member in question and, if such an address is ascertained, the Settlement Administrator will re-send
19 the Class Notice to the newly-found address within three (3) business days of receipt of the returned Class
20 Notice. In the event that subsequent to the first mailing of a Class Notice and prior to the Response
21 Deadline that Class Notice is returned to the Settlement Administrator by the United States Postal Service
22 with a forwarding address for the recipient, the Settlement Administrator shall re-mail the notice to that
23 address within three (3) business days of receipt of the returned Class Notice, and the forwarding address
24 shall be deemed the Updated Address for that Class Member. In either event, the Class Notice shall be
25 deemed received once it is mailed for the second time. In the event that subsequent to the first mailing of
26 a Class Notice it is returned to the Settlement Administrator by the United States Postal Service as
27 undeliverable, after the Response Deadline, the Settlement Administrator shall be required to take no
28 further action with respect to that Class Notice and it shall be deemed to have been delivered. In the event

1 the Settlement Administrator must re-mail any Class Notice pursuant to the provisions of this Paragraph
2 due to being returned, the Response Deadline shall be extended by ten (10) calendar days from the date
3 of the re-mailing of the Class Notice, for those mailings. The Settlement Administrator shall include a
4 cover letter with any re-mailing informing the Class Member of the re-mailing of the Class Notice and
5 extended Response Deadline. Compliance with the procedures described in this paragraph shall constitute
6 due and sufficient notice to Class Members of the Settlement and of the Final Approval Hearing, and shall
7 satisfy the requirements of due process. Nothing else shall be required of or done by the Parties, Class
8 Counsel, counsel for Defendant, or the Settlement Administrator to provide notice of the Settlement and
9 the Final Approval Hearing.

10 5.3 Declaration of Compliance. No later than fifteen (15) calendar days after the Response
11 Deadline (or any applicable extended Response Deadline), the Settlement Administrator shall provide
12 Class Counsel and Counsel for Defendants with a declaration attesting to completion of the notice process,
13 including any attempts to obtain Updated Addresses for, and the re-sending of, any returned Class Notices,
14 including any and all other required steps (“Declaration of Compliance”), which shall be filed with the
15 Court by Class Counsel.

16 5.4 Responses to the Notice of Proposed Class Action Settlement. Pursuant to California Rules
17 of Court, Rule 3.766(d)(5), Class Members have the option to enter an appearance in this Litigation at
18 their own expense by obtaining their own attorney(s). Class Members who choose this option will be
19 responsible for any attorneys’ fees or costs incurred as a result of this election. The Class Notice will
20 advise Class Members of this option.

21 5.5 Objections to Settlement. Class Members who do not submit timely and valid Requests for
22 Exclusion may object to the Settlement by mailing written objections (“Objection(s)”) to the Settlement
23 Administrator no later than the Response Deadline. The Objection must: contain the Class Member’s full
24 name, dates of employment as an employee of Defendant, and signature; contain the case name and
25 number of the Action; set forth the legal and factual basis for the objection; and identify any counsel
26 representing the Class Member in connection with the Objection. A Class Member who objects to the
27 Settlement will still be considered a Settlement Class Member. The Settlement Administrator shall provide
28 a copy of any Objections that it receives to Class Counsel and counsel for Defendant. Any Class Member

1 who fails to timely mail an Objection may attend the final approval hearing and ask to speak regarding
2 their Objections, regardless of whether they submitted a written Objection.

3 5.6 Opting Out of Settlement. Class Members may elect to opt out of the Settlement and, thus,
4 exclude themselves from the Settlement Class. Class Members who wish to exercise this option must mail
5 to the Settlement Administrator a written Request for Exclusion that is postmarked on or before the
6 Response Deadline. If a timely and valid Request for Exclusion is not received by the Settlement
7 Administrator from a Class Member on or before the Response Deadline, then that Class Member will be
8 deemed to have forever waived his or her right to seek exclusion from the Settlement and Settlement Class
9 and shall be bound by the Settlement and Judgment. The Class Notice will advise Class Members of the
10 option to opt out of the Settlement and will contain instructions on how to do so. Class Members who do
11 validly request exclusion from the Settlement by submitting a valid and timely Request for Exclusion shall
12 not be bound by the terms of the Settlement, shall not be allowed to object to the Settlement, and shall not
13 be entitled to any benefits as a result of the Settlement.

14 In the event that any Class Member timely submits a Request for Exclusion, but it is deficient, as
15 soon as possible but not later than five (5) business days after the Settlement Administrator's receipt of
16 such deficient Request for Exclusion, the Settlement Administrator shall send by first class, postage pre-
17 paid, United States mail a notice to such Class Member informing him or her of the deficiency and that
18 he or she has ten (10) calendar days from the date of the deficiency notice (which shall be the date the
19 deficiency notice is mailed) to cure the deficiency and postmark and mail a corrected Request for
20 Exclusion.

21 The Parties agree that the Response Deadline shall not be extended, and no untimely submissions
22 will be honored, under any circumstances, unless mutually agreed to by the Parties.

23 5.7 Right to Monitor and Review. All counsel have the right to monitor and review
24 administration of the Settlement to verify that the monies allocated to the Class Members are distributed
25 in the correct amount and to the proper Class Members, as well as ensure that the proper mailing and
26 administration is taking place (or took place).

27 **VI. CLASS AND PAGA SETTLEMENT FUNDING AND DISTRIBUTION**

28 6.1 Allocation of the Gross Settlement Amount. The "Gross Settlement Amount" means total

sum of no more and no less than One Hundred Ninety-Thousand Dollars (\$190,000), that Defendants shall pay under the terms of the Settlement (subject to the occurrence of the Effective Date), inclusive of and allocated as follows:

(a) Attorneys' Fees and Expenses, not to exceed \$66,500 in fees and not to exceed \$20,000 in litigation costs and expenses, to Class Counsel;

(b) Administration Expenses to the Settlement Administrator not to exceed \$9,351;

(c) Service Award to the Class Representative, not to exceed \$7,500;

(d) The amount of 75% of the PAGA Payment, in the amount of \$3,750, to the State of California for the benefit of the LWDA ("LWDA Payment");

(e) The amount of 25% of the PAGA Payment, in the amount of \$1,250, to the PAGA Group Members ("PAGA Group Payment"); and

(f) Net Settlement Amount (which is inclusive of Employment and Payroll Taxes).

The "Net Settlement Amount" means the net amount that Defendants will pay (subject to the occurrence of the Effective Date) to all Settlement Class Members and the PAGA Group Members. The Net Settlement Amount is calculated by subtracting actual values based on Section 6.1(a)-(e) from the Gross Settlement Amount.

6.2 Calculation of the Individual Settlement Amounts and PAGA Group Members' Individual Payments.

6.2.1 Individual Settlement Amounts to be paid to Settlement Class Members shall be paid from the Net Settlement Amount. For purposes of calculating the *estimated* Individual Settlement Amounts, the Settlement Administrator shall calculate the estimated Net Settlement Amount based on the estimated values in Section 6.1(a)-(f) prior to sending Class Notice to the Class Members. Prior to final distribution, the Settlement Administrator shall calculate the *final* Net Settlement Amount based on the actual values in Section 6.1(a)-(f).

The portion of the Net Settlement Amount payable to each Settlement Class Member will be calculated as follows:

(a) The Settlement Administrator will determine the total "Workweeks" for each Class Member. Workweeks are to be calculated by determining the number of days between the Class Member's

1 start and end dates of employment during the Class Period (and only for work performed at 880 S. Arroyo
2 Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355) and then
3 dividing by seven (7). If a Class Member was hired prior to August 12, 2016, then his or her “start date”
4 will be August 12, 2016. The dates of employment will be provided to the Settlement Administrator.

5 (b) The Settlement Administrator shall divide the Net Settlement Amount by the total
6 number of Workweeks of all Settlement Class Members, (and only for work performed at 880 S. Arroyo
7 Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355) in order to
8 determine the amount that each Settlement Class Member is entitled to for each Workweek (the “Weekly
9 Amount”).

10 (c) The Settlement Administrator will multiply the Weekly Amount by the total
11 number of Workweeks that each Settlement Class Member is credited with to arrive at his or her Individual
12 Settlement Amount.

13 (d) Each Settlement Class Member will be issued payment of his or her Individual
14 Settlement Amount subject to reduction for Employment and Payroll Taxes, and the net payment is
15 referred to as an “Individual Settlement Payment”.

16 Defendants will provide the Settlement Administrator with any information that is in its possession
17 reasonably necessary to perform the calculation of Workweeks for each Settlement Class Member, such
18 as the hire date and end date of each Class Member, and any other reasonably required information the
19 Settlement Administrator requests to perform the calculations required under this Stipulation.

20 Settlement Class Members will have one hundred and eighty (180) calendar days to negotiate their
21 respective settlement payments under this Agreement. Any checks not negotiated within the one hundred
22 and eighty (180) calendar days will be handled in conformity with Section 6.5.

23 6.3 6.2.2 Each PAGA Group Member shall receive a portion of the PAGA Group Payment
24 on a pro-rata basis by multiplying the PAGA Group Payment by the ratio of (i) the number of pay periods
25 worked by the PAGA Group Member any time during the PAGA Period to (ii) the total number of pay
26 periods worked by all PAGA Group Members during the PAGA Period. No benefit, including but not
27 limited to 401(k), shall increase or accrue as a result of any payment made as a result of this settlement.
28 PAGA Group Members will have one hundred and eighty (180) calendar days to negotiate their respective

1 settlement payments under this Agreement. Any checks not negotiated within the one hundred and eighty
2 (180) calendar days will be handled in conformity with Section 6.5. Defendants will provide the
3 Settlement Administrator with the number of pay periods worked by each PAGA Group Member during
4 the PAG Period. Each PAGA Group Member shall be solely responsible for any and all his or her share
5 of tax obligations associated with his or her respective of a portion of the PAGA Group
6 Payment.Composition of Payments to Settlement Class Members. Each Individual Settlement Amount
7 will be allocated as follows: 20% shall be reported as wages on IRS Form W-2 and its state and local
8 equivalents, and 80% shall be reported as interest and penalties on IRS Form 1099 and its state and local
9 equivalents. The wage portion shall be subject to Employment and Payroll Taxes. The non-wage portion
10 will not be subject to any Employment and Payroll Taxes.

11 Other than the withholding of Employment and Payroll Taxes with respect to the wage portion of
12 Individual Settlement Amounts, the Class Representative and the Settlement Class Members are solely
13 responsible for the reporting and payment of the employee's share of any federal, state, and/or local
14 income or other tax or any other withholdings due with respect to any other funds received as a part of the
15 Settlement, if any. The Class Representative agrees to defend, indemnify and hold Defendants harmless
16 for and against any damage or tax penalty Defendants incur as a result of the failure by the Class
17 Representative to pay all taxes due by her receipt of payments pursuant to this Stipulation. Class Counsel
18 agrees to defend, indemnify and hold Defendants harmless for and against any damage or tax penalty
19 Defendants incur as a result of the failure by Class Counsel to pay all taxes due as a result of Class
20 Counsel's receipt of payments pursuant to this Stipulation. Defendants shall have no responsibility for
21 deciding the validity of the Individual Settlement Amounts or any other payments made pursuant to this
22 Stipulation, shall have no involvement in or responsibility for the determination or payment of the
23 Settlement Class Member's taxes and required withholdings, and shall have no liability for any errors
24 made with respect to such taxes and required withholdings. Although the Settlement Administrator will
25 calculate and pay the standard applicable taxes and required withholdings, if any, on the portion of the
26 Individual Settlement Amounts constituting wages on the behalf of the Settlement Class Member, Plaintiff
27 and Settlement Class Members shall be solely responsible for any and all employee's share of tax
28 obligations associated with their respective Individual Settlement Amounts and Service Award.

1 The Parties agree (and the Settlement Administrator shall warrant) that the Settlement shall be
2 administered as a qualifying, designated settlement fund pursuant to Section 468B of the Internal Revenue
3 Code. The Settlement Administrator shall be responsible for issuing all settlement payments and handling
4 all required state and federal tax withholding and reporting related thereto.

5 6.4 Time for Funding and Distribution of Payments under the Settlement. Within fifteen (15)
6 calendar days after the Effective Date, Seven Forty One Company, Inc. shall provide the Settlement
7 Administrator with the Gross Settlement Amount and the Settlement Administrator shall promptly deposit
8 the Gross Settlement Amount into a qualified settlement account established by the Settlement
9 Administrator. No later than five (5) calendar days after the Settlement Administrator deposits the Gross
10 Settlement Amount into the qualified settlement account, the Settlement Administrator shall distribute the
11 following payments: Individual Settlement Payments to Settlement Class Members, Attorneys' Fees and
12 Expenses to Class Counsel, Service Award to Class Representative, LWDA Payment to the LWDA, and
13 PAGA Group Members' respective shares of the PAGA Group Payment, all in the Court-approved
14 amounts. The Settlement Administrator shall make every effort to pay the applicable taxes and required
15 withholdings, if any, associated with each Settlement Class Member's Individual Settlement Amount and
16 mail the Individual Settlement Payment to each Settlement Class Member and PAGA Group Members'
17 respective shares of the PAGA Group Payment, by first-class U.S. mail, to the last-known address no later
18 than five (5) calendar days after the Settlement Administrator deposits the Gross Settlement Amount into
19 the qualified settlement account. If the Settlement Administrator is not able to do so within the time period
20 set forth above, it shall so inform Class Counsel and Defense Counsel and provide an approximate date
21 by which the applicable taxes and required withholdings shall be paid and the Individual Settlement
22 Payments and PAGA Group Members' respective shares of the PAGA Group Payment will be mailed.
23 Under no circumstances shall the Settlement Administrator distribute checks to Settlement Class Members
24 until all Individual Settlement Payments have been considered, calculated and accounted for, and all of
25 the remaining monetary obligations have been calculated and accounted for. Within two hundred (200)
26 calendar days of the Effective Date, the Settlement Administrator shall file with the Court and provide to
27 Class Counsel a declaration of payment. In the event that any Settlement Class Member is deceased,
28 payment shall be made payable to the estate of that Settlement Class Member and delivered to the executor

1 or administrator of that estate, unless the Settlement Administrator has received an affidavit or declaration
2 pursuant to California Probate Code § 13101, in which case payment shall be made to the affiant(s) or
3 declarant(s).

4 6.5 Non-Cashed Settlement Checks. Individual Settlement Payment checks and checks for
5 PAGA Group Members' respective shares of the PAGA Group Payment shall be valid for a period of one
6 hundred and eighty (180) calendar days after they are mailed, and thereafter, will be cancelled. Funds
7 associated with cancelled checks will be donated to Bet Tzedek, an organization that provides legal aid to
8 low-income individuals and families including related to employment issues.

9 **VII. NULLIFICATION OF THIS STIPULATION**

10 7.1 Non-Approval of the Stipulation. If (a) the Court should for any reason fail to approve this
11 Stipulation in the form agreed to by the Parties, or (b) the Court should for any reason fail to enter
12 Judgment of the Action, or (c) the approval of the Settlement and Judgment is reversed, modified or
13 declared or rendered void, then the Settlement and conditional class certification shall be considered null
14 and void, and neither the Settlement, conditional class certification, nor any of the related negotiations or
15 proceedings, shall be of any force or effect, and all parties to the Settlement shall stand in the same
16 position, without prejudice, as if the Class Settlement had been neither entered into nor filed with the
17 Court. Notwithstanding the foregoing, the Parties may attempt in good faith to cure any perceived defects
18 in the Stipulation to facilitate approval.

19 7.2 Defendants' Right to Void or Rescind Settlement Due to Opt-Outs. If ten percent (10%) or
20 more of the Class Members submit timely and valid Requests for Exclusion, Defendants shall have the
21 option, in their sole discretion, to rescind this Stipulation, whereupon the Settlement and Stipulation shall
22 be null and void for any and all purposes and may not be used or introduced in the Action or any other
23 proceeding. The Parties will be restored to their respective positions in the Action as if this Settlement
24 was never negotiated, drafted, or agreed upon. The Settlement Administrator shall notify Class Counsel
25 and Counsel for Defendants of the total number of timely and valid Requests for Exclusion and the
26 individual settlement value for each such Class Members had they not opted out by no later than fourteen
27 (14) days after the Response Deadline. Should Defendants choose to void the Settlement under this
28 paragraph, it shall be responsible for all Administration Expenses actually incurred up to the time it sought

1 to void the Settlement.

2 7.3 Invalidation. Invalidation of any portion of the Settlement shall invalidate the Settlement
3 in its entirety, unless the Parties through their counsel may subsequently agree in writing that the
4 remaining provisions of the Settlement are to remain in full force and effect.

5 7.4 Notice in Writing. Unless otherwise ordered by the Court, in the event the Stipulation shall
6 be terminated, cancelled, declared void, or fails to become effective in accordance with its terms, within
7 ten (10) business days after written notification of such event, Defense Counsel and Class Counsel shall
8 notify each other of this event in writing.

9 **VIII. MOTION FOR COURT APPROVAL**

10 8.1 Preliminary Approval. Class Counsel shall promptly submit this Stipulation to the Court
11 for preliminary approval and determination by the Court as to its fairness, adequacy, and reasonableness,
12 and entry of a Preliminary Approval Order substantially in the form filed concurrently herewith as
13 **Exhibit 2**, which schedules a hearing on the question of whether the Settlement should be approved as
14 fair, reasonable, and adequate as to the Settlement Class Members, approving as to form and content the
15 proposed Class Notice attached hereto as **Exhibit 1**, and directing the mailing of the Class Notice to Class
16 Members. While Defendants can reserve their right to object to facts or assertions made in the moving
17 papers, Defense Counsel shall file a notice of non-opposition to the granting of the motion for preliminary
18 approval of the Settlement or join in the motion. Defense Counsel shall be given a chance to review the
19 motion for preliminary approval and the motion for final approval prior to filing.

20 Failure of the Court to enter the Preliminary Approval Order in its entirety will be grounds for
21 Parties to terminate the Settlement and the terms of this Stipulation pursuant to Section 7.1; however,
22 pursuant to Section 7.1, the Parties are to take all reasonable steps to cure any deficiencies so as to avoid
23 any termination of the Settlement.

24 8.2 Final Approval. The Final Approval Hearing shall be held before the Court. At the Final
25 Approval Hearing, Plaintiff shall move the Court for the entry of the final order certifying the Settlement
26 Class for settlement purposes only and approving the Settlement as being fair, reasonable and adequate to
27 the Settlement Class Members within the meaning of California Rules of Court, Rule 3.769(c), (d) and (e)
28 and for the entry of a final Judgment of the Action consistent with the terms of the Settlement and

California Rules of Court, Rule 3.769(h). Should the Court require Class Counsel and/or Defense Counsel to submit any pleadings and/or evidence for the Court's determination, the Parties will comply to the extent reasonable.

8.3 Entry of Judgment. Pursuant to California Rules of Court, Rule 3.769(h) and any other applicable rules, if the court approves this Settlement after the Final Approval Hearing, the Court must make and enter Judgment. The Judgment must include a provision for the retention of the Court's jurisdiction over the parties to enforce the terms of the Judgment. This Judgment shall be a judgment for purposes of California Rules of Court, Rule 3.771(a).

IX. RELEASES AND WAIVERS

9.1 Release of Claims by Settlement Class Members, PAGA Group Members, and Plaintiff. Upon the Effective Date, each Settlement Class Member and Plaintiff, each release, discharge, and agree to hold harmless the Released Parties, and each of them, of and from any and all Released Claims.

Upon the Effective Date, each PAGA Group Member and Plaintiff, each release, discharge, and agree to hold harmless the Defendants, and each of them, of and from any and all Released PAGA Claims.

It is the desire of the Parties and the Settlement Class Members to fully, finally, and forever settle, compromise, and discharge the Released Claims.

Plaintiff and each Class Member (except those who submit a timely and valid Request for Exclusion), will be bound to the release of Released Claims as a result of the Settlement and to the terms of the judgment. However, to the extent that a Class Member is also a PAGA Group Member, he or she will be bound by the release of Released PAGA Claims and will receive a portion of the PAGA settlement, notwithstanding his or her Request for Exclusion.

It is the desire of the Parties and the PAGA Group Members to fully, finally, and forever settle, compromise, and discharge the PAGA Claims.

No release in this Settlement shall be effective until the Gross Settlement Amount is fully funded.

9.2 Release of Claims by Plaintiff. Plaintiff, on behalf of herself and her heirs, executors, administrators, representatives and anyone who purports to act on her behalf, shall and does hereby forever release, discharge and agree to hold harmless all Released Parties from any and all charges, complaints, claims, allegations, liabilities, obligations, promises, agreements, controversies, damages, actions, causes

1 of action, suits, rights, demands, costs, losses, debts and expenses (including attorney fees and costs),
2 known or unknown, at law or in equity, which Plaintiff now has, could now have, or has had arising out
3 of any known or unknown fact, condition or incident occurring prior to and including the Effective Date
4 against the Released Parties arising out of or in any way connected with her employment with Seven Forty
5 One Company, Inc. and her alleged employment with Mr. Stax, Inc., including, the Released Claims,
6 claims that were asserted or could have been asserted in the Complaint, and any and all transactions,
7 occurrences, or matters between the Parties occurring at any time.

8 Without limiting the generality of the foregoing, this release shall include, but not be limited to the
9 following: any and all claims under the Americans With Disabilities Act, as amended; Title VII of the
10 Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; 42 U.S.C. § 1981, as amended; the
11 Age Discrimination in Employment Act, as amended; the Fair Labor Standards Act, as amended; the
12 Equal Pay Act; the Employee Retirement Income Security Act, as amended; the Consolidated Omnibus
13 Budget Reconciliation Act; the Rehabilitation Act of 1973; the Family and Medical Leave Act; the Civil
14 Rights Act of 1966; the California Fair Employment and Housing Act; the California Constitution; the
15 California Labor Code; the California Government Code; the California Civil Code; the Industrial Welfare
16 Commission Wage Orders; the California Private Attorneys General Act; the Unruh Civil Rights Act; the
17 Bane Act; the Occupational Safety and Health Act; the Worker Adjustment and Retraining Notification
18 Act, as amended; the California Unfair Competition Law (Cal. Bus. & Prof. Code §§ 17200, *et seq.*); any
19 state, civil, or statutory laws, including any and all human rights laws and laws against discrimination;
20 any and all wage-and-hour claims arising under the laws of the State of California, including, without
21 limitation, statutory, constitutional, contractual, and/or common law claims for wages, damages,
22 restitution, unreimbursed expenses, equitable relief, penalties, liquidated damages, and/or punitive
23 damages; any and all other federal, state and local statutes, ordinances, regulations, rules and other laws,
24 and any and all claims based on constitutional, statutory, common law or regulatory grounds as well as
25 any other claims based on theories of wrongful or constructive discharge, breach of contract or implied
26 contract, fraud, misrepresentation, promissory estoppel or intentional and/or negligent infliction of
27 emotional distress, or damages under any other federal, state or local statutes, ordinances, regulations,
28 rules or laws; any claims that could have been alleged in the Complaint; and any claims for interest,

attorneys' fees, and/or costs. This release is for any and all relief, no matter how denominated, including, but not limited to, back pay, front pay, vacation pay, bonuses, compensatory damages, tortious damages, liquidated damages, punitive damages, damages for pain and suffering, and attorney fees and costs, and Plaintiff hereby forever releases, discharges and agrees to hold harmless the Released Parties from any and all claims for attorney fees and costs arising out of the matters released in this Stipulation.

In exchange for her Service Award, Plaintiff expressly waives the protections of California Civil Code § 1542, and it is her intention in executing this Stipulation that the same shall be effective as a bar to each and every claim, complaint, action, debts, promises, demand, cause of action, obligation, damage, liability, charge, attorneys' fees and costs herein above released. The Plaintiff hereby expressly waives and relinquishes all of her rights and benefits, if any, arising under California Civil Code § 1542, which provides:

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

Plaintiff may, being aware of Section 1542, hereafter discover facts in addition to or different from those which she now knows or believes to be true with respect to the subject matter of all the claims referenced herein, but stipulates and agrees that, upon the Effective Date, Plaintiff shall and hereby does fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, contingent or non-contingent, that were asserted or could have been asserted upon any theory of law or equity without regard to the subsequent discovery of existence of such different or additional facts.

X. DUTIES OF THE PARTIES

10.1 Mutual Full Cooperation. The Parties agree to cooperate fully with one another to accomplish and implement the terms of this Stipulation. Such cooperation shall include, but not be limited to, execution of such other documents and the taking of such other actions as may reasonably be necessary to fulfill the terms of this Settlement. The Parties shall use their best efforts, including all efforts contemplated by this Stipulation and any other efforts that may become necessary by Court order or

otherwise, to effectuate this Stipulation and the terms set forth herein. As soon as practicable after execution of this Stipulation, Class Counsel, with the cooperation of Defendants and Defense Counsel, shall take all necessary and reasonable steps to secure the Court's preliminary approval and final approval of this Stipulation.

10.2 Duty to Support and Defend the Settlement. The Parties agree to abide by all of the terms of the Settlement in good faith and to support the Class Settlement fully and to use their best efforts to defend this Class Settlement from any legal challenge, whether by appeal or collateral attack.

10.3 Duties Prior to Court Approval. Class Counsel shall promptly submit this Stipulation to the Court for Preliminary Approval and determination by the Court as to its fairness, adequacy, and reasonableness. Promptly upon execution of this Stipulation, Class Counsel shall apply to the Court for the entry of a Preliminary Order substantially in the form filed concurrently herewith as Exhibit 2, scheduling a hearing on the question of whether the proposed Settlement should be approved as fair, reasonable, and adequate as to the Class Members, approving as to form and content the proposed Class Notice attached hereto as Exhibit 1, and directing the mailing of the Class Notice to Class Members. While Defendants can reserve their right to object to facts or assertions made in the moving papers, Defense Counsel shall file a notice of non-opposition to the granting of the Motion for Preliminary Approval or join in the motion, and be given a chance to review the motion for preliminary approval and the motion for final approval prior to filing.

XI. MISCELLANEOUS PROVISIONS

11.1 Voiding the Stipulation. Pending Court approval and other than as provided in Section VII (entitled "NULLIFICATION OF THIS STIPULATION") herein, if any of the conditions set forth in this Stipulation are not met and satisfied, this Stipulation shall, at the option of either Plaintiff or Defendants, be ineffective, void, and of no further force and effect, and shall not be used or be admissible in any subsequent proceeding, either in this Court or in any other court or forum. If any of the Parties decide to void the Settlement, then the Settlement and conditional class certification shall be considered void, and neither the Settlement, Stipulation, conditional class certification, nor any of the related negotiations or proceedings, shall be of any force or effect, and the Parties shall stand in the same position, without prejudice, as if this Stipulation had been neither entered into nor filed with the Court. Should either Party

1 choose to void the Settlement under this paragraph, such party shall be responsible for all Administration
2 Expenses actually incurred up to the time such Party sought to void the Settlement. If both Defendants
3 and Plaintiff choose to void the Settlement under this paragraph, each shall be responsible for
4 their/her/his/its proportionate share of the Administration Fees actually incurred.

5 11.2 No Prior Assignments. The Parties represent, covenant, and warrant that they have not
6 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
7 any person or entity any portion of any liability, claim, demand, action, cause of action, or right herein
8 released and discharged except as set forth herein.

9 11.3 Non-Admission. Nothing in this Stipulation shall be construed as or deemed to be an
10 admission by any Party of any liability, culpability, negligence, or wrongdoing toward any other Party, or
11 any other person, and the Parties specifically disclaim any liability, culpability, negligence, or wrongdoing
12 toward each other or any other person. Each of the Parties has entered into this Stipulation with the
13 intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and
14 contingencies. Nothing herein shall constitute any admission by the Released Parties of wrongdoing or
15 liability, or of the truth of any factual allegations in the Action. Nothing herein shall constitute any
16 admission by the Released Parties regarding the merits of the claims in this Action, including but not
17 limited to claims for unpaid wages or other compensation, benefits or penalties under California and/or
18 federal law. Nothing herein shall constitute an admission by the Released Parties that the Action was
19 properly brought as a class or representative action other than for settlement purposes. To the contrary,
20 the Defendants have denied and continue to deny each and every material factual allegation and all claims.
21 To this end, the Settlement of the Action, the negotiation and execution of this Stipulation, and all acts
22 performed or documents executed pursuant to or in furtherance of this Stipulation or the Settlement are
23 not, shall not be deemed to be, and may not be used as, an admission or evidence of any wrongdoing or
24 liability on the part of the Released Parties or of the truth of any of the factual allegations in the Complaint
25 in the Action; and are not, shall not be deemed to be, and may not be used as, an admission or evidence
26 of any fault or omission on the part of the Released Parties in any civil, criminal or administrative
27 proceeding in any court, administrative or governmental agency or other tribunal.

28 11.4 No Publicity.

1 (a) Plaintiff and Defendants, and their respective counsel, recognize, and accept that
2 the Parties to this Stipulation desire that information regarding the terms of this Stipulation, the fact of the
3 Settlement embodied in this Stipulation, the disposition of the Action, the Action, and all matters relating
4 to the litigation of the Action, including discovery proceedings therein, and evidence obtained during the
5 course of the Action, shall be provided to the Class by way of the Court-approved Class Notice and public
6 access to Court records in the Action, and that this information shall not otherwise be discussed with or
7 presented to the media or press.

8 (b) Further, Plaintiff and her counsel agree that they will not issue any press releases,
9 initiate any contact with the press, respond to any press inquiry or have any communication with the press
10 about the Action, and/or the fact, amount or terms of the Settlement. Before the date of the filing of the
11 motion for preliminary approval of the Settlement, Plaintiff and Class Counsel will not initiate any contact
12 with Class Members or anyone else about the Settlement, except that: (a) Class Counsel, if contacted by
13 a Class Member, may respond that a settlement has been reached and that the details will be communicated
14 in a forthcoming Court-approved notice; and (b) the Plaintiff, if contacted by a Class Member, may
15 respond only that the Class Member should contact Class Counsel.

16 11.5 Non-Retaliation. Defendants understand and acknowledge that they have a legal obligation
17 not to retaliate against any Class Member who elects to participate in the Settlement or elects to opt out
18 of the Settlement. Defendants will refer any inquiries regarding this Settlement to the Settlement
19 Administrator or Class Counsel and will not discourage Class Members who are currently working for
20 Defendants, directly or indirectly, from making claims, opting out or objecting to the Class Settlement.

21 11.6 Construction. The Parties hereto agree that the terms and conditions of this Stipulation are
22 the result of lengthy, intensive, arms-length non-collusive negotiations between the Parties and that this
23 Stipulation is not to be construed in favor of or against any Party by reason of the extent to which any
24 Party or its counsel participated in the drafting of this Stipulation. If any of the dates in the Stipulation fall
25 on a weekend, bank or court holiday, the time to act shall be extended to the next business day. Except
26 that should the Response Deadline (or extension(s) thereof specified in the Stipulation relating to a
27 deficiency notice or a re-mailing) fall on a Saturday and regular U.S. Mail service is in operation that day,
28 then no further extension pursuant to this paragraph shall apply to these specific deadlines. The language

of all parts of this Stipulation shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against either Party. No Party shall be deemed the drafter of this Stipulation. The Parties acknowledge that the terms of the Stipulation are contractual and are the product of negotiations between the Parties and their counsel. Each Party and her/his/its counsel cooperated in the drafting and preparation of the Stipulation. In any construction to be made of the Stipulation, the Stipulation shall not be construed against any Party and the canon of contract interpretation set forth in California Civil Code § 1654 shall not be applied.

11.7 Governing Law. The Stipulation and the exhibits hereto shall be considered to have been negotiated, executed, and delivered, and to have been wholly performed, in the State of California, and the rights and obligations of the Parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of California without regard to conflict of law principles in all respects, including execution, interpretation, performance, and enforcement.

11.8 Notices. Except for mailing of the Class Notice to Class Members, any and all notices or other communications required or permitted under this Stipulation shall be in writing and shall be sufficiently given if delivered to the Party or their counsel by U.S. certified mail, postage prepaid, e-mail, facsimile, or overnight delivery addressed to the address of the Party appearing in this Stipulation.

11.9 Captions and Interpretations. Section titles or captions contained herein are inserted as a matter of convenience and for reference only and in no way define, limit, extend, or describe the scope of this Stipulation or any provision thereof.

11.10 Modification. This Stipulation may not be changed, altered, or modified, except in writing signed by the Parties' counsel and approved by the Court. In the event that the Court requires certain changes to this Stipulation, the Parties agree that such amendments can be made through a stipulation signed solely by their counsel, provided that such amendment conforms precisely to the Court's order.

11.11 Integration Clause. The Settlement is based on Defendants' representation that for the period from August 12, 2016 to August 23, 2021, there were 170 Class Members and 10,423 Workweeks. This Stipulation contains the entire agreement between the Parties relating to the Settlement of the Action and the transactions contemplated thereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written, and whether by a party or such party's legal

counsel, are hereby superseded. No rights under this Stipulation may be waived except in writing executed by the Parties.

11.12 Successors and Assigns. This Stipulation shall be binding upon and inure to the benefit of the Parties, PAGA Group Members, and Settlement Class Members and their respective present and former heirs, trustees, executors, administrators, representatives, officers, directors, shareholders, agents, employees, insurers, attorneys, accountants, auditors, advisors, consultants, pension and welfare benefit plans, fiduciaries, parent companies, subsidiaries, affiliates, related companies, joint ventures, predecessors, successors, and assigns.

11.13 Corporate Signatories. Any person executing this Stipulation or any such related document on behalf of a corporate signatory hereby warrants and promises, for the benefit of all Parties hereto, that such person has been duly authorized by such corporation to execute this Stipulation or any such related document.

11.14 Execution in Counterparts. This Stipulation shall become effective upon its execution by all of the undersigned. The Parties may execute this Stipulation in counterparts, and execution of counterparts shall have the same force and effect as if all Parties had signed the same instrument. Parties may also execute the Stipulation by way of electronic signature or other electronic means.

11.15 No Third Party Beneficiaries. The Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto; however, this Stipulation is not designed to and does not create any third party beneficiaries unless otherwise specifically provided herein.

11.16 No Cooperation with Other Claims. The Class Representative shall not cooperate with, help, bring, counsel, aid, or in any manner assist any person or entity in filing or pursuing a claim, complaint, class action, collective action, representative action, action, debt, promise, demand, grievance, cause of action, obligation, damage, liability, or charge against Defendants, except as required by law or regulation.

11.17 Other Claims. No person shall have any claim against the Class Representative, Class Counsel, the Settlement Administrator, or any of the Released Parties based on the payments made or other actions taken substantially in accordance with this Stipulation and the settlement contained herein or further orders of the Court.

11.18 Attorney Fees, Costs and Expenses. Except as otherwise specifically provided for herein, each Party shall bear her or its own attorneys' fees, costs and expenses, taxable or otherwise, incurred by them in or arising out of the Action and shall not seek reimbursement thereof from any other Party to this Stipulation.

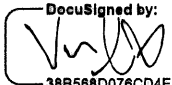
11.19 Action to Enforce Agreement. In any suit or court action to enforce the terms of this Stipulation, the prevailing party shall be entitled to recover her or its attorneys' fees and costs.

11.20 Court Retains Jurisdiction. The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Stipulation, and all parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in the Stipulation.

11.21 Additional Terms. If any of the following terms are not met, this Stipulation shall be void: (1) Defendants are to provide Plaintiff a draft of Plaintiff's Memorandum of Points and Authorities in support of Preliminary Approval of Class and Representative Action Settlement; (2) Defendants are to file Plaintiff's Memorandum of Points and Authorities in support of Preliminary Approval of Class and Representative Action Settlement by August 31, 2021; (3) the Motion for Preliminary Approval of Class and Representative Action Settlement is currently set for December 15, 2021; the Parties will request from the Court an earlier hearing date for Plaintiff's Motion for Preliminary Approval of Class and Representative Action Settlement; and (4) Defendants are to provide Plaintiff a draft Notice of Proposed Class Action Settlement and Hearing Date for Court Approval.

IN WITNESS WHEREOF, the Parties and their counsel have executed this Stipulation on the date below their signatures or the signature of their representatives. The date of the Stipulation shall be the date of the latest signature.

THIS STIPULATION HAS BEEN READ AND AGREED TO INDIVIDUALLY AND ON BEHALF OF THE PROPOSED CLASS:

DocuSigned by:

38B56AD076CD4EB
Plaintiff Vanessa Gonzalez

Dated: 1/12/2023

READ AND AGREED TO ON BEHALF OF SEVEN FORTY ONE COMPANY, INC.:

1 Mark Justice

Dated: 1/12/2023

2 By: Mark Justice

3
4 READ AND AGREED TO ON BEHALF OF MR. STAX, INC.:

5
6 Mark Justice

Dated: 1/12/2023

7 By: Mark Justice

8
9
10
11 Dated: _____

Scott Edward Cole
Laura Grace Van Note
Attorneys for Plaintiff, Vanessa
Gonzalez

12
13
14
15
16 Dated: January 12, 2023

Ryan C. McKim

Beth A. Kahn
Ryan C. McKim
Attorneys for Defendants
SEVEN FORTY ONE COMPANY,
INC. and MR. STAX, INC.

1
2 By: _____

Dated: _____

3
4 READ AND AGREED TO ON BEHALF OF MR. STAX, INC.:
5

6
7 By: _____

Dated: _____

8
9
10 Dated: 1/12/23



Scott Edward Cole
Laura Grace Van Note
Attorneys for Plaintiff, Vanessa
Gonzalez

11
12
13
14
15
16 Dated: _____

Beth A. Kahn
Ryan C. McKim
Attorneys for Defendants
SEVEN FORTY ONE COMPANY,
INC. and MR. STAX, INC.

Exhibit 2

1 **JOINT STIPULATION AND AGREEMENT FOR CLASS AND REPRESENTATIVE ACTION**
2 **SETTLEMENT AND RELEASE**

3 This Joint Stipulation and Agreement for Class and Representative Action Settlement and Release
4 (“Stipulation”) is made and entered into by Plaintiff Vanessa Gonzalez, individually and as representative
5 of the Settlement Class, as defined below, and Seven Forty One Company, Inc. and Mr. Stax Inc.,
6 (collectively “Defendants”) (collectively “the Parties”). This Stipulation is intended to settle and release
7 the following:

- 8 1. Plaintiff Vanessa Gonzalez, as an individual, from all of her alleged claims, and all claims
9 she could have alleged against Released Parties, as defined further herein;
- 10 2. All Class Members, as defined below, from their claims against Released Parties, as
11 defined further herein; and
- 12 3. All PAGA Group Members, as defined below, from the Released PAGA Claims, as defined
13 further herein, against Defendants, as defined further herein.

14 This Stipulation is subject to the approval of the Court and is made for the sole purpose of
15 attempting to consummate settlement and resolution of the Action, Released PAGA Claims, and Released
16 Claims, as defined below, subject to the following terms and conditions. As detailed below, in the event
17 the Court does not enter an order granting final approval of the Settlement, as defined below, or the
18 conditions precedent are not met for any reason, this Stipulation is void and of no force or effect
19 whatsoever.

20 **I. DEFINITIONS**

21 As used in this Stipulation, the following terms shall have the meanings specified below. To the
22 extent terms or phrases used in this Stipulation are not specifically defined below, they are defined
23 elsewhere in this Stipulation.

24 1.1 “Action” or “Litigation” means the lawsuit pending in the Superior Court of California for
25 the County of Los Angeles entitled *Vanessa Gonzalez, et al. v. Seven Forty One Company, Inc., et al.*,
26 filed on August 12, 2020, and assigned Case No. 20STCV30761, with the First Amended Complaint filed
27 on October 29, 2020.

28 1.2 “Administration Expenses” shall include all costs and expenses associated with and paid

1 to the Settlement Administrator.

2 1.3 “Vanessa Gonzalez,” “Plaintiff,” or “Class Representative” means Vanessa Gonzalez, the
3 named plaintiff in the Action, who will represent the Class subject to court approval.

4 1.4 “Class” or “Class Members” means all current and former hourly or non-exempt
5 employees of Defendants who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or
6 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from August 12, 2016 up to and
7 including August 23, 2021, of which there are an estimated 170 total.

8 1.5 “Class Counsel” and “Plaintiff’s Counsel” mean:

9 SCOTT COLE & ASSOCIATES, APC
10 Scott Edward Cole, Esq., SBN 160744
11 Laura Grace Van Note, Esq., SBN 310160
12 555 12th Street, Suite 1725
13 Oakland, California 94607

14 1.6 “Class Notice” means the Notice of Proposed Class Action Settlement and Hearing Date
15 for Court Approval, as set forth in the form of **Exhibit 1** attached hereto, or as otherwise approved by the
16 Court, which is to be mailed to Class Members.

17 1.7 “Class Period” means the time period from August 12, 2016 up to and including August
18 23, 2021.

19 1.8 The “PAGA Group Member(s)” is defined as all allegedly aggrieved non-exempt and/or
20 hourly-paid, current and former employees, who performed work at 880 S. Arroyo Pkwy, Pasadena, CA
21 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time during the PAGA
22 Period.

23 1.9 “PAGA Period” means the time period from June 9, 2019 through January 14, 2021.

24 1.10 “Settlement” shall mean the settlement embodied in this Stipulation, which is subject to
25 Court approval.

26 1.11 “Complaint” shall mean the First Amended Class Action Complaint for Damages and
27 Enforcement Under the Private Attorneys General Act, Cal. Labor Code §§ 2698, *et seq.*, filed on October
28 29, 2020.

1.12 “Counsel for Defendant” or “Defense Counsel” means Beth A. Kahn, Ryan McKim, and
Keith Rossman of Clark Hill LLP.

1 1.13 “Court” means the Superior Court of the State of California, for the County of Los Angeles.

2 1.14 “Effective Date” shall be the date when all of the following events have occurred: (a) this
3 Stipulation has been executed by all Parties; (b) the Court has given preliminary approval to the
4 Settlement; (c) notice has been given to the Class Members providing them with an opportunity to Opt
5 Out of the Settlement; (d) the Court has held a Final Approval Hearing and entered the Final Approval
6 order and Judgment; (e) The Gross Settlement Amount is fully funded; and (f) the later of the following
7 events: the expiration of the period for filing any appeal, writ, or other appellate proceeding challenging
8 the Final Approval Order and Judgment has elapsed without any appeal, writ or other appellate proceeding
9 having been filed; or the dismissal of any appeal, writ, or other appellate proceeding opposing the
10 Settlement with no right to pursue further remedies or relief; or any appeal, writ, or the issuance of such
11 other final appellate order upholding the Final Approval Order and Judgment with no right to pursue
12 further remedies or relief. In this regard, it is the intention of the Parties that the Settlement shall not
13 become effective until the Final Approval Order and Judgment is completely final and there is no further
14 recourse by an appellant or objector who seeks to contest the Settlement.

15 1.15 “Defendants” mean Seven Forty One Company, Inc. and Mr. Stax, Inc.

16 1.16 “Hearing on Preliminary Approval” or “Preliminary Approval Hearing” mean the hearing
17 held on the motion for preliminary approval of the Settlement.

18 1.17 “Gross Settlement Amount” or “Maximum Settlement Amount” means the agreed upon
19 non-reversionary settlement amount totaling \$190,000 to be paid by Defendants in full settlement of the
20 Action, Released PAGA Claims, and Released Claims, including the Net Settlement Amount (which is
21 inclusive of the PAGA Payment and Employment and Payroll Taxes), Administration Expenses,
22 Attorneys’ Fees and Expenses, Service Award, and LWDA Payment, as further described in Sections 6.1
23 and 6.2.

24 1.18 “Individual Settlement Amount” means a Class Member’s total gross share of the Net
25 Settlement Amount, which shall be allocated and distributed to Class Members based on the number of
26 Workweeks credited to the Class Member, as further described in Section 6.2.

27 1.19 “Individual Settlement Payment” shall mean the payment to Class Members as determined
28 by the Individual Settlement Amount calculation described in Section 6.2.

1 1.20 “Judgment” or “Final Approval Order and Judgment” mean the order finally certifying the
2 Class for settlement purposes and finally approving this Stipulation and Settlement and entering judgment,
3 which shall constitute approval pursuant to California Rules of Court, Rule 3.769(a) and be a judgment
4 for purposes of California Rules of Court, Rule 3.771(a).

5 1.21 “Last Known Address” means the most recently recorded mailing address for a Class
6 Member that is contained in the employment, payroll, or personnel records maintained by Defendants.

7 1.22 “LWDA” means California’s Labor and Workforce Development Agency, and necessarily
8 includes the Division of Labor Standards and Enforcement (DLSE) within the Department of Industrial
9 Relations (DIR).

10 1.23 “NCOA Check” means within ten (10) calendar days from the date the Preliminary
11 Approval Date, the Settlement Administrator will perform a National Change of Address (“NCOA”)
12 check for Class Members’ most current address based on the information provided by Defendants, prior
13 to mailing the Court-approved Class Notice to the Class Members.

14 1.24 “Net Settlement Amount” means the portion of the Gross Settlement Amount that is
15 available for distribution to Class Members, as further described in Section 6.1.

16 1.25 “Notice of Proposed Class Action Settlement” or “Class Notice” mean a notice to be
17 approved by the Court, substantially in the form attached hereto as **Exhibit 1**, which will constitute notice
18 to the Class pursuant to California Rules of Court, Rule 3.769(f) and, once approved by the Court, shall
19 be deemed compliant with California Rules of Court, Rule 3.766(d).

20 1.26 “Notice Mailing Deadline” means the deadline for the Settlement Administrator to mail
21 the Class Notice to Class Members, which shall be no later than twenty (20) calendar days after the
22 Preliminary Approval Date.

23 1.27 “PAGA Payment” means, subject to the approval of the Court, in the amount of Five
24 Thousand Dollars (\$5,000), from the Maximum Settlement Amount, for civil penalties under the Private
25 Attorneys General Act of 2004, as codified at California Labor Code §§ 2698, *et seq.* (“PAGA”).

26 1.28 “Parties” or “Settling Parties” mean, collectively, Plaintiff and Defendants (individually
27 they are each referred to as “Party” or “Settling Party”).
28

1 1.29 “Employment and Payroll Taxes” shall mean the employee’s and employer’s share of state
2 and federal employment and payroll taxes and withholdings with respect to the wage-portion of Individual
3 Settlement Amounts, which is included in the Gross Settlement Amount that Defendants will pay (subject
4 to the occurrence of the Effective Date).

5 1.30 “Preliminary Approval Date” shall mean the date on which the Court grants preliminary
6 approval of this Stipulation.

7 1.31 “Preliminary Approval Order” or “Order Granting Preliminary Approval of the Settlement
8 and Setting a Final Approval Hearing” shall mean an order to be executed and filed by the Court, which
9 will constitute an order certifying a provisional class for settlement purposes only pursuant to California
10 Rules of Court, Rule 3.769(d) and an order setting a final approval/fairness hearing pursuant to California
11 Rules of Court, Rule 3.769(e).

12 1.32 “Released Claims” means any and all federal and California state law wage-and-hour
13 claims, rights, demands, liabilities, and/or causes of action of every nature and description arising from
14 any and all claims that were alleged or could have been alleged in the Complaint based on the facts
15 contained therein only, arising during the Class Period, including, without limitation, statutory,
16 constitutional, contractual, and/or common law claims for wages, reimbursements, damages, unpaid costs,
17 penalties (including penalties under the California Labor Code’s Private Attorneys General Act of 2004,
18 as amended, California Labor Code §§ 2698, *et seq.*), liquidated damages, punitive damages, interest,
19 attorneys’ fees, litigation costs, restitution, or equitable relief, including without limitation, California
20 Labor Code §§ 200, 201, 202, 203, 204, 218, *et seq.*, 218.5, 226, *et seq.*, 226.7, 510, 512, 558, 1174,
21 1174(d), 1174.5, 1182.12, 1194, *et seq.*, 1197, *et seq.*, 1197.1, 1198, 2698, *et seq.*, 2699, 2699.3, and any
22 federal counterparts, California Business and Professions Code §§ 17200-17208, any IWC Wage Orders,
23 California Code of Civil Procedure § 1021.5, any claims for meal and rest period violations; unpaid
24 minimum wages or overtime wages; untimely pay during and at termination of employment, unreimbursed
25 business expenses, record-keeping violations, and/or inaccurate pay stubs arising under Labor Code
26 section 226; and any unlawful deductions; and causes of action for (i) unlawful failure to pay wages (Labor
27 Code §§ 200-204, 510, 558, 1194; IWC Wage Order); (ii) Failure to provide meal and rest periods (Labor
28 Code §§ 226.7, 512); (iii) Failure to provide itemized wage statements (Labor Code §§ 226, 1174); (iv)

1 Failure to timely pay wages on termination (Labor Code § 203); (v) Unfair business practices under the
2 Unfair Competition Act (Bus. & Prof. Code §§ 17200-17208); and (vi) Private Attorneys General Act of
3 2004 (Labor Code §§ 2698, et seq.). “Released Claims” shall only refer to employment claims (as
4 enumerated above) arising out of labor performed at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or
5 25060 Avenue Stanford, Suite 200, Valencia, CA 91355. No release in this Settlement shall be effective
6 until the Gross Settlement Amount is fully funded.

7 1.33 “Released PAGA Claims” means any and all claims, demands, rights, liabilities, and/or
8 causes of action for penalties under the California Private Attorneys’ General Act that accrued during the
9 PAGA Period and that were asserted in Plaintiff’s LWDA notice letter dated August 12, 2020, a copy of
10 which is attached hereto as **Exhibit 3**, or the Complaint as well as those that could have been alleged in
11 the Complaint based on the facts contained therein, including, without limitation, Labor Code sections
12 200, 201, 202, 203, 204, 218, et seq., 218.5, 226, et seq., 226.7, 510, 512, 558, 1174, 1174(d), 1174.5,
13 1182.12, 1194, et. seq., 1194.2, 1197, et seq., 1197.1, 1198, 2698, et seq., 2699, 2699.3, and 2802.

14 1.34 “Released Parties” shall mean Defendants and all of their respective current and former
15 parents, subsidiaries, predecessors, successors, and their affiliated entities, and each of their respective
16 owners, officers, directors, partners, shareholders, agents, and any other successors, heirs, assigns, or legal
17 representatives, any attorneys, insurers, claims representatives, members, managers, dba’s, and
18 representatives, and any of their, direct or indirect, parent or subsidiary entities.

19 1.35 “Request for Exclusion” means a request in writing to be excluded from the Settlement
20 which contains: the full name, address, telephone number, last four digits of social security number, and
21 signature of the Class Member; the case name and number of the Action; and a statement indicating that
22 he or she wishes to be excluded from the Settlement.

23 1.36 “Response Deadline” means the deadline for a Class Member to submit a Request for
24 Exclusion, Objection, and/or Workweeks Dispute, by mail to the Settlement Administrator, which is no
25 later than forty-five (45) calendar days after the Class Notice is mailed to the Class.

26 1.37 “Service Award” means any additional monetary payment provided to the Class
27 Representative for her efforts and risks on behalf of the Class Members in this Action, not to exceed Seven
28 Thousand Five Hundred Dollars (\$7,500), subject to Court approval.

1 1.38 “Settlement Hearing” or “Final Approval Hearing” or “Settlement Fairness Hearing” mean
2 a hearing set by the Court for the purpose of: (i) determining the fairness, adequacy, and reasonableness
3 of the Stipulation and associated settlement pursuant to class action procedures and requirements; (ii)
4 determining the good faith of the Stipulation and associated settlement; and (iii) entering the Final
5 Approval Order and Judgment. This hearing is intended to be the settlement hearing or final approval
6 hearing required under California Rules of Court, Rule 3.769(a).

7 1.39 “Settlement Administrator” means Simpluris, which the Parties have agreed will be
8 responsible for administration of the Settlement and related matters, subject to approval and appointment
9 by the Court.

10 1.40 “Settlement Class” or “Settlement Class Member(s)” or “Members of the Settlement Class”
11 means any, or collectively all Class Members who do not submit timely and valid Requests for Exclusion
12 to Opt Out of the settlement pursuant to Section 5.6 and, thus, become bound by the Judgment.

13 1.41 “Settlement” shall mean the settlement embodied in this Stipulation, which is subject to
14 Court approval.

15 1.42 “Stipulation” means the Joint Stipulation and Agreement for Class and Representative
16 Action Settlement and Release and all of its attachments and exhibits, which the Settling Parties
17 understand and agree sets forth all material terms and conditions of the Settlement between them, and
18 which is subject to Court approval.

19 1.43 “Updated Address” means a mailing address that was located by way of NCOA Check or
20 Experian Skip Tracing or an updated mailing address provided by the United States Postal Service or a
21 Class Member.

22 **II. FACTUAL & PROCEDURAL BACKGROUND OF ACTION**

23 2.1 Plaintiff’s Claims: On August 12, 2020, Plaintiff Vanessa Gonzalez filed the Action against
24 Defendants, alleging that Defendants have, with respect to Plaintiff and the Class Members, allegedly
25 violated multiple provisions of the California Labor Code and wage and hour laws, by failing to properly
26 pay minimum and overtime wages, provide compliant meal and rest periods and associated premiums,
27 timely pay wages during employment and upon termination of employment and to pay associated waiting-
28 time penalties, provide compliant wage statements, maintain requisite payroll records, and thereby,

engaged in unfair business practices in violation of California Business and Professions Code §§ 17200, *et seq.* Plaintiff alleges that both Defendants employed her and the Class Members. Defendants vehemently deny this allegation and, instead, contend that only Seven Forty One Company, Inc. employed Plaintiff and most of the Class Members and that Mr. Stax, Inc. did not employ either Plaintiff or most of the Class Members.

2.2 Amended Complaint: On October 29, 2020, Plaintiff filed her First Amended Class Action Complaint to add a cause of action for civil penalties under PAGA arising from or relating to alleged violations of Labor Code §§ 200, 201, 202, 203, 204, 218, *et seq.*, 218.5, 226, *et seq.*, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, *et seq.*, 1194.2, 1197, 1197.1, 1198, and 2698, *et seq.*, and additional factual details regarding the claims and theories of the case.

2.3 Discovery, Investigation, & Research: Class Counsel has conducted a thorough investigation into the facts of the Action, including extensive informal discovery and exchange of a volume of documents and information, which included and was not limited to, Seven Forty One Company, Inc.'s production of a sampling of information/data for the putative class members to allow Plaintiff to perform an analysis and valuation of all claims. Prior to mediation the Parties exchanged information and documents to investigate the veracity, strength, and scope of the claims, and to allow analysis and evaluation of the claims and Defendants' defenses thereto. The Class Representative has vigorously prosecuted this case, and Defendants have vigorously contested it including Plaintiff's allegation that Mr. Stax, Inc. was her employer.

2.4 Mediation: On March 5, 2021, the Settling Parties participated in a mediation before experienced employment mediator Eve Wagner. At mediation, the Parties engaged in intensive discussions regarding their evaluations of the Litigation and various aspects of the Litigation, including the risks and delays of further litigation, the risks to the Settling Parties of proceeding with class certification, the law relating to the allegations, the evidence produced and analyzed, and the possibility of appeals, among other things. Following mediation, on April 7, 2021, with the assistance of the mediator's evaluation, the Parties reached a settlement of the Action. Based on the information, data, and documents exchanged, and their own independent investigation and evaluation, Class Counsel is of the opinion that the settlement with Defendants for the consideration and on the terms set forth in this

1 Stipulation is fair, reasonable, and adequate and is in the best interest of the Class Members in light of all
2 known facts and circumstances. Further, the Class Representative has carefully evaluated the terms of the
3 Settlement, and, based upon that review, has determined that it is fair, reasonable, and adequate.

4 2.5 Allegations of the Class Representative and Benefits of Settlement:

5 (a) Based on the exchange of information and documents, the mediation session, and
6 discussions between counsel, Class Representative and Class Counsel have assessed the Parties' positions
7 and evaluated the value of the claims of the Class. The information and documents exchanged by the
8 Parties and settlement discussions are sufficient to reliably assess the merits of the Parties' respective
9 positions and to compromise the issues on a fair and equitable basis.

10 (b) Plaintiff and Class Counsel believe that the claims, causes of action, allegations and
11 contentions asserted in the Action have merit. However, Plaintiff and Class Counsel recognize and
12 acknowledge the expense and delay of continued lengthy proceedings necessary to prosecute the Action
13 against Defendants through trial and through appeals. Class Counsel has taken into account the uncertain
14 outcome of the litigation, the risk of continued litigation in complex actions such as this, as well as the
15 difficulties and delays inherent in such litigation, and the potential difficulty of obtaining certification of
16 the Action as well as trying the claims of the Class Members. Class Counsel is mindful of the potential
17 problems of proof under, and possible defenses to, the claims alleged in the Action. Class Counsel has
18 also taken into account Defendant's potential defenses to Plaintiff's allegations. Class Counsel believes
19 that the Settlement set forth in this Stipulation confers substantial benefits upon Plaintiff and the
20 Settlement Class Members and that an independent review of this Stipulation by the Court in the approval
21 process will confirm this conclusion. Based on their own independent investigation and evaluation, Class
22 Counsel has determined that the Settlement set forth in the Stipulation is in the best interests of Plaintiff
23 and the Class Members.

24 2.6 No Admissions or Concessions Regarding Fault or Liability:

25 (a) Whether or not the Settlement is finally approved, this Stipulation and compliance
26 with this Stipulation shall not be construed as an admission, concession, or indication by either Party with
27 respect to fault or liability whatsoever for the claims asserted in the Action, or as an admission by either
28 party that the Action is either appropriate or inappropriate for class certification or representative

1 adjudication. Parties are agreeing that the Action is appropriate for class certification and representative
2 adjudication only for the purposes of settlement as described within this Stipulation.

3 (b) Pursuant to California Evidence Code §§ 1152, 1154, and any other analogous and
4 applicable rules of evidence, neither the Stipulation, nor any act performed or document executed pursuant
5 to, or in furtherance of, the Stipulation: (a) is or may be deemed to be or may be used as an admission or
6 evidence of, the validity of any Released Claims, or of any wrongdoing or liability of the Released Parties,
7 or any of them; or (b) is or may be deemed to be or may be used as an admission or evidence of any fault
8 or omission of the Released Parties, or any of them, in any civil, criminal or administrative proceeding in
9 any court, administrative agency, or other tribunal. Plaintiff and Class Counsel agree not to argue or
10 present any argument, and hereby waive any argument, that Defendants could not contest (or are estopped
11 from contesting) collective or representative action treatment pursuant to California Labor Code §§ 2698,
12 *et seq.* and/ or class action treatment pursuant to California Code of Civil Procedure § 382 or any
13 corresponding state law or rule, on any grounds if the Court fails to enter Judgment. This Stipulation shall
14 not be deemed an admission by Defendants that collective or representative action pursuant to California
15 Labor Code §§ 2698, *et seq.* and/or class action treatment pursuant to California Code of Civil Procedure
16 § 382, or any corresponding state law or rule in the Action is proper or cannot be contested on any grounds,
17 nor shall the Stipulation be grounds for estoppel against Defendants' right to contest class, representative
18 or collective action treatment for any purpose other than this Stipulation.

19 2.7 Defendants' Denial of Wrongdoing or Liability:

20 (a) Defendants have denied and continue to deny each and all of the allegations, claims,
21 and contentions alleged by Plaintiff in the Action. Defendants have expressly denied and continue to deny
22 all charges of wrongdoing or liability against Defendants arising out of any of the conduct, statements,
23 acts or omissions alleged in the Action. Seven Forty One Company, Inc. contends that it complied in good
24 faith with California and federal wage and hour laws and has dealt legally and fairly with Plaintiff and
25 Settlement Class Members. Further Seven Forty One Company, Inc. contends that it appropriately paid
26 its employees at all times, that it always provided employees with the opportunity to take timely and
27 compliant meal and rest breaks, that it was compliant with all applicable wage-and-hour laws, and all
28 other laws, at all times, and that, if this matter were to be further litigated, it would have strong defenses

1 on the merits and as to class certification. In evaluating its position at mediation, Seven Forty One
2 Company, Inc. agreed to the Gross Settlement Amount with the express understanding that the Gross
3 Settlement Amount included its share of Employment and Payroll Taxes. Additionally, Mr. Stax, Inc.
4 denies that it employed either Plaintiff or most of the Class Members for purposes of the claims alleged
5 in the Action.

6 (b) Further, Defendants deny that, for any purpose other than settling this Action, these
7 claims are appropriate for class or representative treatment. Nonetheless, Defendants have concluded that
8 further proceedings in the Action would be protracted and expensive and agree to the Action being fully
9 and finally settled in the manner and upon the terms and conditions set forth in this Stipulation in order to
10 dispose of burdensome and protracted litigation, to permit the operation of Defendants' respective
11 businesses without further expensive litigation and the distraction and diversion of their personnel with
12 respect to matters at issue in the Action. In entering into this Stipulation, Defendants have also taken into
13 account the uncertainty and risks inherent in any litigation, especially in complex cases such as the Action.

14 (c) Defendants do not waive, but rather expressly reserve, all rights to challenge all
15 such claims and allegations in the Action upon all procedural and factual grounds, including without
16 limitation the ability to challenge class treatment or representative adjudication on any grounds or to assert
17 any and all defenses or privileges if this Stipulation is deemed void or does not take effect.

18 **III. CONDITIONAL CLASS CERTIFICATION & APPOINTMENT OF CLASS COUNSEL**

19 3.1 The Settlement Class. For the purposes of this Stipulation and the Settlement of the Action
20 only, the Parties stipulate to conditional class certification of the Settlement Class.

21 3.2 Appointment of Class Counsel. For purposes of this Stipulation and subject to the Court's
22 approval, the Parties hereby stipulate to the appointment of Class Counsel as counsel for the Class solely
23 in order to effectuate the Settlement pursuant to this Stipulation.

24 **IV. CLASS SETTLEMENT CONSIDERATION**

25 4.1 The Class Representative Service Award. The Class Representative may petition the Court
26 to approve a Service Award in an amount up to \$7,500 for her efforts on behalf of the Class in this Action,
27 including assisting in the investigation and consulting with Class Counsel and providing crucial
28 documents and information to Class Counsel. Defendants shall not oppose any request by Class

1 Representative for a Service Award in such an amount. Any Service Award approved by the Court shall
2 be paid to the Class Representative from the Gross Settlement Amount and shall be in addition to any
3 distribution to which she may otherwise be entitled as a Settlement Class Member. The Service Award
4 shall not be considered wages, and the Settlement Administrator shall issue the Class Representative an
5 IRS Form 1099 reflecting such payment. The Class Representative shall be solely responsible for the
6 payment of any and all taxes with respect to the Service Award and shall hold Defendants harmless and
7 indemnify Defendants from any and all liability with regard thereto.

8 4.2 Payment to Settlement Class Members. Each Settlement Class Member shall be eligible to
9 receive payment of the Individual Settlement Amount, which is a share of the Net Settlement Amount
10 based on the pro rata number of Workweeks allocated to a Settlement Class Member as a proportion of
11 all Workweeks allocated to all Settlement Class Members. The Individual Settlement Amount for each
12 Settlement Class Member shall be calculated in accordance with Section 6.2. Each Settlement Class
13 Member, including Plaintiff, shall be responsible for the payment of each of their portion of applicable
14 taxes, if any, and required withholding with respect to his or her Individual Settlement Amount and shall
15 hold Defendants harmless from any and all liability with regard thereto.

16 4.3 No Effect on Employee Benefit Plans. Neither the Settlement nor any amounts paid under
17 the Settlement will modify any previously credited hours, days, or weeks of service under any employee
18 benefit plan, policy or program sponsored by Defendants. Such amounts will not form the basis for
19 additional contributions to, benefits under, or any other monetary entitlement under Defendants'
20 sponsored benefit plans, policies or programs. The payments made under the terms of this Stipulation shall
21 not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other
22 form of compensation for the purposes of any of Defendants' benefit plan, policy or programs. Defendants
23 retain the right to modify the language of Defendants' benefits plans, policies and programs to effect this
24 intent and to make clear that any amounts paid pursuant to this Stipulation are not for "weeks worked,"
25 "weeks paid," "weeks of service," or any similar measuring term as defined by applicable plans, policies
26 and programs for purpose of eligibility, vesting, benefit accrual, or any other purpose, and that additional
27 contributions or benefits are not required by this Stipulation. Defendants do not consider the payments
28 provided for under this Settlement as payments of "compensation" for purposes of determining eligibility

1 for, or benefit accrual within, any benefit plans, policies, or programs, or any other plan sponsored by
2 Defendants.

3 4.4 Attorneys' Fees and Expenses to Class Counsel. As part of the motion for final approval
4 of the Settlement, Class Counsel may submit an application for an award of attorneys' fees in an amount
5 not to exceed 35% of the Gross Settlement Amount (i.e., \$66,500) and reimbursement of litigation costs
6 and expenses of up to Twenty Thousand Dollars (\$20,000) (together, "Attorneys' Fees and Expenses").
7 Defendants agree not to object to any such fee, cost or expense application in those amounts, or lesser
8 amounts. As a condition of this Settlement, Class Counsel has agreed to pursue fees only in the manner
9 reflected by this Section. Any Attorneys' Fees and Expenses awarded by the Court shall be paid from the
10 Gross Settlement Amount in arriving at the Net Settlement Amount and shall not constitute payment to
11 any Settlement Class Members. If Class Counsel voluntarily reduces the request for Attorneys' Fees and
12 Expenses or the Court's award of Attorneys' Fees and Expenses is less than set forth above, the Net
13 Settlement Amount shall be recalculated to reflect the actual Attorneys' Fees and Expenses awarded.

14 The Attorneys' Fees and Expenses approved by the Court shall encompass: (a) all work performed
15 and costs and expenses incurred by, or at the direction of, any attorney purporting to represent the
16 Settlement Class through the date of this Stipulation; (b) all work to be performed and costs to be incurred
17 in connection with approval by the Court of the Settlement; and (c) all work to be performed and costs
18 and expenses, if any, incurred in connection with administering the Class Settlement through entry of
19 Judgment.

20 4.5 Settlement Administrator's Costs and Expenses. All costs and expenses due the Settlement
21 Administrator in connection with its administration of the Class Settlement, including, but not limited to,
22 providing the Class Notice, locating Settlement Class Members, processing Requests for Exclusion and
23 Objections, translating the Class Notice, calculating, administering and distributing Individual Settlement
24 Payments to Settlement Class Members and PAGA Group Members' respective shares of the PAGA
25 Group Payment, and preparing related tax forms, shall be paid from the Gross Settlement Amount and
26 shall not exceed \$~~6,626,339~~3,351.

1 **V. NOTICE TO CLASS MEMBERS AND CLAIMS ADMINISTRATION PROCESS**

2 5.1 The Settlement Administrator. The Settlement Administrator will be responsible for
3 mailing the Class Notice (**Exhibit 1**) to Class Members, providing the necessary translations for the Class
4 Notice (Spanish and Vietnamese), handling inquiries from Class Members concerning the Class Notice,
5 determination of Individual Settlement Amounts, maintaining the settlement funds in an appropriate
6 account, preparing, administering and distributing Individual Settlement Payments to Settlement Class
7 Members and PAGA Group Members' respective shares of the PAGA Group Payment, issuing a final
8 report and performing such other duties as the Parties may direct. On a weekly basis, the Settlement
9 Administrator will provide reports to Class Counsel and Defense Counsel summary information updating
10 them as to the number of valid and timely Requests for Exclusion and complete and timely Objections
11 received. The Settlement Administrator will serve on Class Counsel and Defense Counsel via e-mail date-
12 stamped copies of the original Requests for Exclusion and Objections no later than five (5) calendar days
13 after their receipt. The Settlement Administrator will provide Class Counsel and Defense Counsel with
14 proof of mailing of the Class Notice, without listing individual Class Member names or contact
15 information, which the Settlement Administrator will file with the Court at the time Class Counsel files
16 its motion for final approval of the Settlement. No later than ten (10) calendar days prior to the Final
17 Approval Hearing, the Settlement Administrator will compile and deliver to Class Counsel and Defense
18 Counsel a report with summary information regarding (a) the total amount of final Individual Settlement
19 Amounts of each Settlement Class Member (b) the number of Settlement Class Members to receive such
20 payments, and (c) the final number of timely and valid Opt Outs and timely and valid Objections, without
21 listing Class Member names or contact information. Prior to the calculation and distribution of the
22 Individual Settlement Payments and PAGA Group Members' respective shares of the PAGA Group
23 Payment, the Settlement Administrator shall calculate the total Administration Expenses through the
24 conclusion of their services and such actual amount will be deducted from the Gross Settlement Amount
25 prior to the final calculation of the Individual Settlement Amounts. Under no circumstances will
26 Settlement Administrator disclose Class Member names and/or contact information to Class Counsel or
27 the Court without prior written authorization from Defendants or subject to legal process.

28 5.2 Notice to Class Members.

1 (a) If, by entering the Preliminary Approval Order, the Court provides authorization to
2 send the Class Notices, the Settlement Administrator will undertake the mailing of the Class Notice to all
3 Class Members, no later than twenty (20) calendar days after the Preliminary Approval Date. The Class
4 Notices shall be mailed via first class mail through the United States Postal Service, postage pre-paid. The
5 envelope containing the Class Notice shall bear the following phrase in bold type, 1/4 inch below the
6 return address or 1/4 inch above the addressee's address: RETURN SERVICE REQUESTED. The
7 envelope shall also bear the following phrase in the bottom left-hand corner: IMPORTANT – SEVEN
8 FORTY ONE COMPANY, INC. AND MR. STAX, INC. CLASS ACTION SETTLEMENT
9 INFORMATION. PLEASE OPEN IMMEDIATELY. The mailing enclosing the Class Notice will not
10 contain any other materials. The Class Notice and its envelope or covering shall be marked to denote the
11 return address of the Settlement Administrator.

12 (b) Seven Forty One Company, Inc. shall prepare a list, in an electronically usable
13 format, for the Settlement Administrator containing for each Class Member, to the extent it has such
14 information, the following: the first, last, and middle name; Last Known Address; last known phone
15 numbers; social security numbers; start and end dates of employment; and any other information required
16 to effectuate the Settlement ("Class List"). By approving this Settlement, the Court will be deemed to have
17 authorized Defendants to provide the Settlement Administrator with this information, including the social
18 security numbers of the Class Members. Defendants shall provide this list to the Settlement Administrator
19 within fifteen (15) calendar days of the Preliminary Approval Date. The Class List, and any other data
20 provided by Defendants to the Settlement Administrator shall be treated as confidential and not subject to
21 disclosure by the Settlement Administrator, except as necessary to address disputes regarding Workweeks,
22 to respond to a specific inquiry from a Class Member, and/or as otherwise necessary for the Settlement
23 Administrator to perform their obligations described in this Stipulation. Further, the Settlement
24 Administrator shall use commercially reasonable efforts to secure the data provided by Defendants at all
25 times so as to avoid inadvertent or unauthorized disclosure or use of such data other than as permitted by
26 this Stipulation, and shall destroy the data (and all copies of it) in a complete and secure manner when
27 such data is no longer required for purposes of this Stipulation. At no time during the settlement process
28 will any Class Member's address, telephone number or social security number be filed with the Court.

1 The Settlement Administrator shall ensure that the notices and any other communications to Class
2 Members shall not include the Class Members' social security number, except for the last four digits.

3 (c) Prior to mailing the Class Notice, the Settlement Administrator shall undertake a
4 NCOA check to ascertain the accuracy of the Last Known Address of the Class Members. To the extent
5 this process yields an Updated Address, the Updated Address shall replace the Last Known Address and
6 be treated as the new Last Known Address for purposes of this Stipulation, for Class Notice mailing, and
7 mailing of settlement checks.

8 (d) If a Class Member is known to be deceased, the Class Notice for that deceased
9 Class Member shall be mailed to the Last Known Address (or Updated Address, if applicable) of the legal
10 representative of the deceased Class Member's estate, to the extent known.

11 (e) Unless the Settlement Administrator receives a Class Notice returned from the
12 United States Postal Service for reasons discussed below in this paragraph, that Class Notice shall be
13 deemed mailed and received by the Class Member to whom it was sent five (5) calendar days after mailing.
14 In the event that subsequent to the first mailing of a Class Notice and prior to the Response Deadline, that
15 Class Notice is returned to the Settlement Administrator by the United States Postal Service as
16 undeliverable, without a forwarding address, the Settlement Administrator shall undertake an Experian
17 Skip Tracing with respect to the Class Member to attempt to ascertain the current address of the particular
18 Class Member in question and, if such an address is ascertained, the Settlement Administrator will re-send
19 the Class Notice to the newly-found address within three (3) business days of receipt of the returned Class
20 Notice. In the event that subsequent to the first mailing of a Class Notice and prior to the Response
21 Deadline that Class Notice is returned to the Settlement Administrator by the United States Postal Service
22 with a forwarding address for the recipient, the Settlement Administrator shall re-mail the notice to that
23 address within three (3) business days of receipt of the returned Class Notice, and the forwarding address
24 shall be deemed the Updated Address for that Class Member. In either event, the Class Notice shall be
25 deemed received once it is mailed for the second time. In the event that subsequent to the first mailing of
26 a Class Notice it is returned to the Settlement Administrator by the United States Postal Service as
27 undeliverable, after the Response Deadline, the Settlement Administrator shall be required to take no
28 further action with respect to that Class Notice and it shall be deemed to have been delivered. In the event

1 the Settlement Administrator must re-mail any Class Notice pursuant to the provisions of this Paragraph
2 due to being returned, the Response Deadline shall be extended by ten (10) calendar days from the date
3 of the re-mailing of the Class Notice, for those mailings. The Settlement Administrator shall include a
4 cover letter with any re-mailing informing the Class Member of the re-mailing of the Class Notice and
5 extended Response Deadline. Compliance with the procedures described in this paragraph shall constitute
6 due and sufficient notice to Class Members of the Settlement and of the Final Approval Hearing, and shall
7 satisfy the requirements of due process. Nothing else shall be required of or done by the Parties, Class
8 Counsel, counsel for Defendant, or the Settlement Administrator to provide notice of the Settlement and
9 the Final Approval Hearing.

10 5.3 Declaration of Compliance. No later than fifteen (15) calendar days after the Response
11 Deadline (or any applicable extended Response Deadline), the Settlement Administrator shall provide
12 Class Counsel and Counsel for Defendants with a declaration attesting to completion of the notice process,
13 including any attempts to obtain Updated Addresses for, and the re-sending of, any returned Class Notices,
14 including any and all other required steps (“Declaration of Compliance”), which shall be filed with the
15 Court by Class Counsel.

16 5.4 Responses to the Notice of Proposed Class Action Settlement. Pursuant to California Rules
17 of Court, Rule 3.766(d)(5), Class Members have the option to enter an appearance in this Litigation at
18 their own expense by obtaining their own attorney(s). Class Members who choose this option will be
19 responsible for any attorneys’ fees or costs incurred as a result of this election. The Class Notice will
20 advise Class Members of this option.

21 5.5 Objections to Settlement. Class Members who do not submit timely and valid Requests for
22 Exclusion may object to the Settlement by mailing written objections (“Objection(s)”) to the Settlement
23 Administrator no later than the Response Deadline. The Objection must: contain the Class Member’s full
24 name, dates of employment as an employee of Defendant, and signature; contain the case name and
25 number of the Action; set forth the legal and factual basis for the objection; and identify any counsel
26 representing the Class Member in connection with the Objection. A Class Member who objects to the
27 Settlement will still be considered a Settlement Class Member. The Settlement Administrator shall provide
28 a copy of any Objections that it receives to Class Counsel and counsel for Defendant. Any Class Member

1 who fails to timely mail an Objection may attend the final approval hearing and ask to speak regarding
2 their Objections, regardless of whether they submitted a written Objection.

3 5.6 Opting Out of Settlement. Class Members may elect to opt out of the Settlement and, thus,
4 exclude themselves from the Settlement Class. Class Members who wish to exercise this option must mail
5 to the Settlement Administrator a written Request for Exclusion that is postmarked on or before the
6 Response Deadline. If a timely and valid Request for Exclusion is not received by the Settlement
7 Administrator from a Class Member on or before the Response Deadline, then that Class Member will be
8 deemed to have forever waived his or her right to seek exclusion from the Settlement and Settlement Class
9 and shall be bound by the Settlement and Judgment. The Class Notice will advise Class Members of the
10 option to opt out of the Settlement and will contain instructions on how to do so. Class Members who do
11 validly request exclusion from the Settlement by submitting a valid and timely Request for Exclusion shall
12 not be bound by the terms of the Settlement, shall not be allowed to object to the Settlement, and shall not
13 be entitled to any benefits as a result of the Settlement.

14 In the event that any Class Member timely submits a Request for Exclusion, but it is deficient, as
15 soon as possible but not later than five (5) business days after the Settlement Administrator's receipt of
16 such deficient Request for Exclusion, the Settlement Administrator shall send by first class, postage pre-
17 paid, United States mail a notice to such Class Member informing him or her of the deficiency and that
18 he or she has ten (10) calendar days from the date of the deficiency notice (which shall be the date the
19 deficiency notice is mailed) to cure the deficiency and postmark and mail a corrected Request for
20 Exclusion.

21 The Parties agree that the Response Deadline shall not be extended, and no untimely submissions
22 will be honored, under any circumstances, unless mutually agreed to by the Parties.

23 5.7 Right to Monitor and Review. All counsel have the right to monitor and review
24 administration of the Settlement to verify that the monies allocated to the Class Members are distributed
25 in the correct amount and to the proper Class Members, as well as ensure that the proper mailing and
26 administration is taking place (or took place).

27 **VI. CLASS AND PAGA SETTLEMENT FUNDING AND DISTRIBUTION**

28 6.1 Allocation of the Gross Settlement Amount. The "Gross Settlement Amount" means total

sum of no more and no less than One Hundred Ninety-Thousand Dollars (\$190,000), that Defendants shall pay under the terms of the Settlement (subject to the occurrence of the Effective Date), inclusive of and allocated as follows:

(a) Attorneys' Fees and Expenses, not to exceed \$66,500 in fees and not to exceed \$20,000 in litigation costs and expenses, to Class Counsel;

(b) Administration Expenses to the Settlement Administrator not to exceed \$9,3516,626.33;

(c) Service Award to the Class Representative, not to exceed \$7,500;

(d) The amount of 75% of the PAGA Payment, in the amount of \$3,750, to the State of California for the benefit of the LWDA ("LWDA Payment");

(e) The amount of 25% of the PAGA Payment, in the amount of \$1,250, to the PAGA Group Members ("PAGA Group Payment"); and

(f) Net Settlement Amount (which is inclusive of Employment and Payroll Taxes).

The "Net Settlement Amount" means the net amount that Defendants will pay (subject to the occurrence of the Effective Date) to all Settlement Class Members and the PAGA Group Members. The Net Settlement Amount is calculated by subtracting actual values based on Section 6.1(a)-(e) from the Gross Settlement Amount.

6.2 Calculation of the Individual Settlement Amounts and PAGA Group Members' Individual Payments.

6.2.1 Individual Settlement Amounts to be paid to Settlement Class Members shall be paid from the Net Settlement Amount. For purposes of calculating the *estimated* Individual Settlement Amounts, the Settlement Administrator shall calculate the estimated Net Settlement Amount based on the estimated values in Section 6.1(a)-(f) prior to sending Class Notice to the Class Members. Prior to final distribution, the Settlement Administrator shall calculate the *final* Net Settlement Amount based on the actual values in Section 6.1(a)-(f).

The portion of the Net Settlement Amount payable to each Settlement Class Member will be calculated as follows:

1 (a) The Settlement Administrator will determine the total “Workweeks” for each Class
2 Member. Workweeks are to be calculated by determining the number of days between the Class Member’s
3 start and end dates of employment during the Class Period (and only for work performed at 880 S. Arroyo
4 Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355) and then
5 dividing by seven (7). If a Class Member was hired prior to August 12, 2016, then his or her “start date”
6 will be August 12, 2016. The dates of employment will be provided to the Settlement Administrator.

7 (b) The Settlement Administrator shall divide the Net Settlement Amount by the total
8 number of Workweeks of all Settlement Class Members, (and only for work performed at 880 S. Arroyo
9 Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355) in order to
10 determine the amount that each Settlement Class Member is entitled to for each Workweek (the “Weekly
11 Amount”).

12 (c) The Settlement Administrator will multiply the Weekly Amount by the total
13 number of Workweeks that each Settlement Class Member is credited with to arrive at his or her Individual
14 Settlement Amount.

15 (d) Each Settlement Class Member will be issued payment of his or her Individual
16 Settlement Amount subject to reduction for Employment and Payroll Taxes, and the net payment is
17 referred to as an “Individual Settlement Payment”.

18 Defendants will provide the Settlement Administrator with any information that is in its possession
19 reasonably necessary to perform the calculation of Workweeks for each Settlement Class Member, such
20 as the hire date and end date of each Class Member, and any other reasonably required information the
21 Settlement Administrator requests to perform the calculations required under this Stipulation.

22 Settlement Class Members will have one hundred and eighty (180) calendar days to negotiate their
23 respective settlement payments under this Agreement. Any checks not negotiated within the one hundred
24 and eighty (180) calendar days will be handled in conformity with Section 6.5.

25 6.3 6.2.2 Each PAGA Group Member shall receive a portion of the PAGA Group Payment
26 on a pro-rata basis by multiplying the PAGA Group Payment by the ratio of (i) the number of pay periods
27 worked by the PAGA Group Member any time during the PAGA Period to (ii) the total number of pay
28 periods worked by all PAGA Group Members during the PAGA Period. No benefit, including but not

1 limited to 401(k), shall increase or accrue as a result of any payment made as a result of this settlement.
2 PAGA Group Members will have one hundred and eighty (180) calendar days to negotiate their respective
3 settlement payments under this Agreement. Any checks not negotiated within the one hundred and eighty
4 (180) calendar days will be handled in conformity with Section 6.5. Defendants will provide the
5 Settlement Administrator with the number of pay periods worked by each PAGA Group Member during
6 the PAG Period. Each PAGA Group Member shall be solely responsible for any and all his or her share
7 of tax obligations associated with his or her respective of a portion of the PAGA Group
8 Payment.Composition of Payments to Settlement Class Members. Each Individual Settlement Amount
9 will be allocated as follows: 20% shall be reported as wages on IRS Form W-2 and its state and local
10 equivalents, and 80% shall be reported as interest and penalties on IRS Form 1099 and its state and local
11 equivalents. The wage portion shall be subject to Employment and Payroll Taxes. The non-wage portion
12 will not be subject to any Employment and Payroll Taxes.

13 Other than the withholding of Employment and Payroll Taxes with respect to the wage portion of
14 Individual Settlement Amounts, the Class Representative and the Settlement Class Members are solely
15 responsible for the reporting and payment of the employee's share of any federal, state, and/or local
16 income or other tax or any other withholdings due with respect to any other funds received as a part of the
17 Settlement, if any. The Class Representative agrees to defend, indemnify and hold Defendants harmless
18 for and against any damage or tax penalty Defendants incur as a result of the failure by the Class
19 Representative to pay all taxes due by her receipt of payments pursuant to this Stipulation. Class Counsel
20 agrees to defend, indemnify and hold Defendants harmless for and against any damage or tax penalty
21 Defendants incur as a result of the failure by Class Counsel to pay all taxes due as a result of Class
22 Counsel's receipt of payments pursuant to this Stipulation. Defendants shall have no responsibility for
23 deciding the validity of the Individual Settlement Amounts or any other payments made pursuant to this
24 Stipulation, shall have no involvement in or responsibility for the determination or payment of the
25 Settlement Class Member's taxes and required withholdings, and shall have no liability for any errors
26 made with respect to such taxes and required withholdings. Although the Settlement Administrator will
27 calculate and pay the standard applicable taxes and required withholdings, if any, on the portion of the
28 Individual Settlement Amounts constituting wages on the behalf of the Settlement Class Member, Plaintiff

1 and Settlement Class Members shall be solely responsible for any and all employee's share of tax
2 obligations associated with their respective Individual Settlement Amounts and Service Award.

3 The Parties agree (and the Settlement Administrator shall warrant) that the Settlement shall be
4 administered as a qualifying, designated settlement fund pursuant to Section 468B of the Internal Revenue
5 Code. The Settlement Administrator shall be responsible for issuing all settlement payments and handling
6 all required state and federal tax withholding and reporting related thereto.

7 6.4 Time for Funding and Distribution of Payments under the Settlement. Within fifteen (15)
8 calendar days after the Effective Date, Seven Forty One Company, Inc. shall provide the Settlement
9 Administrator with the Gross Settlement Amount and the Settlement Administrator shall promptly deposit
10 the Gross Settlement Amount into a qualified settlement account established by the Settlement
11 Administrator. No later than five (5) calendar days after the Settlement Administrator deposits the Gross
12 Settlement Amount into the qualified settlement account, the Settlement Administrator shall distribute the
13 following payments: Individual Settlement Payments to Settlement Class Members, Attorneys' Fees and
14 Expenses to Class Counsel, Service Award to Class Representative, LWDA Payment to the LWDA, and
15 PAGA Group Members' respective shares of the PAGA Group Payment, all in the Court-approved
16 amounts. The Settlement Administrator shall make every effort to pay the applicable taxes and required
17 withholdings, if any, associated with each Settlement Class Member's Individual Settlement Amount and
18 mail the Individual Settlement Payment to each Settlement Class Member and PAGA Group Members'
19 respective shares of the PAGA Group Payment, by first-class U.S. mail, to the last-known address no later
20 than five (5) calendar days after the Settlement Administrator deposits the Gross Settlement Amount into
21 the qualified settlement account. If the Settlement Administrator is not able to do so within the time period
22 set forth above, it shall so inform Class Counsel and Defense Counsel and provide an approximate date
23 by which the applicable taxes and required withholdings shall be paid and the Individual Settlement
24 Payments and PAGA Group Members' respective shares of the PAGA Group Payment will be mailed.
25 Under no circumstances shall the Settlement Administrator distribute checks to Settlement Class Members
26 until all Individual Settlement Payments have been considered, calculated and accounted for, and all of
27 the remaining monetary obligations have been calculated and accounted for. Within two hundred (200)
28 calendar days of the Effective Date, the Settlement Administrator shall file with the Court and provide to

1 Class Counsel a declaration of payment. In the event that any Settlement Class Member is deceased,
2 payment shall be made payable to the estate of that Settlement Class Member and delivered to the executor
3 or administrator of that estate, unless the Settlement Administrator has received an affidavit or declaration
4 pursuant to California Probate Code § 13101, in which case payment shall be made to the affiant(s) or
5 declarant(s).

6 6.5 Non-Cashed Settlement Checks. Individual Settlement Payment checks and checks for
7 PAGA Group Members' respective shares of the PAGA Group Payment shall be valid for a period of one
8 hundred and eighty (180) calendar days after they are mailed, and thereafter, will be cancelled. Funds
9 associated with cancelled checks will be donated to Bet Tzedek, an organization that provides legal aid to
10 low-income individuals and families including related to employment issues.

11 **VII. NULLIFICATION OF THIS STIPULATION**

12 7.1 Non-Approval of the Stipulation. If (a) the Court should for any reason fail to approve this
13 Stipulation in the form agreed to by the Parties, or (b) the Court should for any reason fail to enter
14 Judgment of the Action, or (c) the approval of the Settlement and Judgment is reversed, modified or
15 declared or rendered void, then the Settlement and conditional class certification shall be considered null
16 and void, and neither the Settlement, conditional class certification, nor any of the related negotiations or
17 proceedings, shall be of any force or effect, and all parties to the Settlement shall stand in the same
18 position, without prejudice, as if the Class Settlement had been neither entered into nor filed with the
19 Court. Notwithstanding the foregoing, the Parties may attempt in good faith to cure any perceived defects
20 in the Stipulation to facilitate approval.

21 7.2 Defendants' Right to Void or Rescind Settlement Due to Opt-Outs. If ten percent (10%) or
22 more of the Class Members submit timely and valid Requests for Exclusion, Defendants shall have the
23 option, in their sole discretion, to rescind this Stipulation, whereupon the Settlement and Stipulation shall
24 be null and void for any and all purposes and may not be used or introduced in the Action or any other
25 proceeding. The Parties will be restored to their respective positions in the Action as if this Settlement
26 was never negotiated, drafted, or agreed upon. The Settlement Administrator shall notify Class Counsel
27 and Counsel for Defendants of the total number of timely and valid Requests for Exclusion and the
28 individual settlement value for each such Class Members had they not opted out by no later than fourteen

(14) days after the Response Deadline. Should Defendants choose to void the Settlement under this paragraph, it shall be responsible for all Administration Expenses actually incurred up to the time it sought to void the Settlement.

7.3 Invalidation. Invalidation of any portion of the Settlement shall invalidate the Settlement in its entirety, unless the Parties through their counsel may subsequently agree in writing that the remaining provisions of the Settlement are to remain in full force and effect.

7.4 Notice in Writing. Unless otherwise ordered by the Court, in the event the Stipulation shall be terminated, cancelled, declared void, or fails to become effective in accordance with its terms, within ten (10) business days after written notification of such event, Defense Counsel and Class Counsel shall notify each other of this event in writing.

VIII. MOTION FOR COURT APPROVAL

8.1 Preliminary Approval. Class Counsel shall promptly submit this Stipulation to the Court for preliminary approval and determination by the Court as to its fairness, adequacy, and reasonableness, and entry of a Preliminary Approval Order substantially in the form filed concurrently herewith as **Exhibit 2**, which schedules a hearing on the question of whether the Settlement should be approved as fair, reasonable, and adequate as to the Settlement Class Members, approving as to form and content the proposed Class Notice attached hereto as **Exhibit 1**, and directing the mailing of the Class Notice to Class Members. While Defendants can reserve their right to object to facts or assertions made in the moving papers, Defense Counsel shall file a notice of non-opposition to the granting of the motion for preliminary approval of the Settlement or join in the motion. Defense Counsel shall be given a chance to review the motion for preliminary approval and the motion for final approval prior to filing.

Failure of the Court to enter the Preliminary Approval Order in its entirety will be grounds for Parties to terminate the Settlement and the terms of this Stipulation pursuant to Section 7.1; however, pursuant to Section 7.1, the Parties are to take all reasonable steps to cure any deficiencies so as to avoid any termination of the Settlement.

8.2 Final Approval. The Final Approval Hearing shall be held before the Court. At the Final Approval Hearing, Plaintiff shall move the Court for the entry of the final order certifying the Settlement Class for settlement purposes only and approving the Settlement as being fair, reasonable and adequate to

the Settlement Class Members within the meaning of California Rules of Court, Rule 3.769(c), (d) and (e) and for the entry of a final Judgment of the Action consistent with the terms of the Settlement and California Rules of Court, Rule 3.769(h). Should the Court require Class Counsel and/or Defense Counsel to submit any pleadings and/or evidence for the Court's determination, the Parties will comply to the extent reasonable.

8.3 Entry of Judgment. Pursuant to California Rules of Court, Rule 3.769(h) and any other applicable rules, if the court approves this Settlement after the Final Approval Hearing, the Court must make and enter Judgment. The Judgment must include a provision for the retention of the Court's jurisdiction over the parties to enforce the terms of the Judgment. This Judgment shall be a judgment for purposes of California Rules of Court, Rule 3.771(a).

IX. RELEASES AND WAIVERS

9.1 Release of Claims by Settlement Class Members, PAGA Group Members, and Plaintiff. Upon the Effective Date, each Settlement Class Member and Plaintiff, each release, discharge, and agree to hold harmless the Released Parties, and each of them, of and from any and all Released Claims.

Upon the Effective Date, each PAGA Group Member and Plaintiff, each release, discharge, and agree to hold harmless the Defendants, and each of them, of and from any and all Released PAGA Claims.

It is the desire of the Parties and the Settlement Class Members to fully, finally, and forever settle, compromise, and discharge the Released Claims.

Plaintiff and each Class Member (except those who submit a timely and valid Request for Exclusion), will be bound to the release of Released Claims as a result of the Settlement and to the terms of the judgment. However, to the extent that a Class Member is also a PAGA Group Member, he or she will be bound by the release of Released PAGA Claims and will receive a portion of the PAGA settlement, notwithstanding his or her Request for Exclusion.

It is the desire of the Parties and the PAGA Group Members to fully, finally, and forever settle, compromise, and discharge the PAGA Claims.

No release in this Settlement shall be effective until the Gross Settlement Amount is fully funded.

9.2 Release of Claims by Plaintiff. Plaintiff, on behalf of herself and her heirs, executors, administrators, representatives and anyone who purports to act on her behalf, shall and does hereby forever

1 release, discharge and agree to hold harmless all Released Parties from any and all charges, complaints,
2 claims, allegations, liabilities, obligations, promises, agreements, controversies, damages, actions, causes
3 of action, suits, rights, demands, costs, losses, debts and expenses (including attorney fees and costs),
4 known or unknown, at law or in equity, which Plaintiff now has, could now have, or has had arising out
5 of any known or unknown fact, condition or incident occurring prior to and including the Effective Date
6 against the Released Parties arising out of or in any way connected with her employment with Seven Forty
7 One Company, Inc. and her alleged employment with Mr. Stax, Inc., including, the Released Claims,
8 claims that were asserted or could have been asserted in the Complaint, and any and all transactions,
9 occurrences, or matters between the Parties occurring at any time.

10 Without limiting the generality of the foregoing, this release shall include, but not be limited to the
11 following: any and all claims under the Americans With Disabilities Act, as amended; Title VII of the
12 Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; 42 U.S.C. § 1981, as amended; the
13 Age Discrimination in Employment Act, as amended; the Fair Labor Standards Act, as amended; the
14 Equal Pay Act; the Employee Retirement Income Security Act, as amended; the Consolidated Omnibus
15 Budget Reconciliation Act; the Rehabilitation Act of 1973; the Family and Medical Leave Act; the Civil
16 Rights Act of 1966; the California Fair Employment and Housing Act; the California Constitution; the
17 California Labor Code; the California Government Code; the California Civil Code; the Industrial Welfare
18 Commission Wage Orders; the California Private Attorneys General Act; the Unruh Civil Rights Act; the
19 Bane Act; the Occupational Safety and Health Act; the Worker Adjustment and Retraining Notification
20 Act, as amended; the California Unfair Competition Law (Cal. Bus. & Prof. Code §§ 17200, *et seq.*); any
21 state, civil, or statutory laws, including any and all human rights laws and laws against discrimination;
22 any and all wage-and-hour claims arising under the laws of the State of California, including, without
23 limitation, statutory, constitutional, contractual, and/or common law claims for wages, damages,
24 restitution, unreimbursed expenses, equitable relief, penalties, liquidated damages, and/or punitive
25 damages; any and all other federal, state and local statutes, ordinances, regulations, rules and other laws,
26 and any and all claims based on constitutional, statutory, common law or regulatory grounds as well as
27 any other claims based on theories of wrongful or constructive discharge, breach of contract or implied
28 contract, fraud, misrepresentation, promissory estoppel or intentional and/or negligent infliction of

1 emotional distress, or damages under any other federal, state or local statutes, ordinances, regulations,
2 rules or laws; any claims that could have been alleged in the Complaint; and any claims for interest,
3 attorneys' fees, and/or costs. This release is for any and all relief, no matter how denominated, including,
4 but not limited to, back pay, front pay, vacation pay, bonuses, compensatory damages, tortious damages,
5 liquidated damages, punitive damages, damages for pain and suffering, and attorney fees and costs, and
6 Plaintiff hereby forever releases, discharges and agrees to hold harmless the Released Parties from any
7 and all claims for attorney fees and costs arising out of the matters released in this Stipulation.

8 In exchange for her Service Award, Plaintiff expressly waives the protections of California Civil
9 Code § 1542, and it is her intention in executing this Stipulation that the same shall be effective as a bar
10 to each and every claim, complaint, action, debts, promises, demand, cause of action, obligation, damage,
11 liability, charge, attorneys' fees and costs herein above released. The Plaintiff hereby expressly waives
12 and relinquishes all of her rights and benefits, if any, arising under California Civil Code § 1542, which
13 provides:

14 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT**
15 **THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR**
16 **SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF**
17 **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.

18 Plaintiff may, being aware of Section 1542, hereafter discover facts in addition to or different from those
19 which she now knows or believes to be true with respect to the subject matter of all the claims referenced
20 herein, but stipulates and agrees that, upon the Effective Date, Plaintiff shall and hereby does fully, finally
21 and forever settle and release any and all claims against the Released Parties, known or unknown,
22 suspected or unsuspected, contingent or non-contingent, that were asserted or could have been asserted
23 upon any theory of law or equity without regard to the subsequent discovery of existence of such different
24 or additional facts.

25 **X. DUTIES OF THE PARTIES**

26 10.1 Mutual Full Cooperation. The Parties agree to cooperate fully with one another to
27 accomplish and implement the terms of this Stipulation. Such cooperation shall include, but not be limited
28 to, execution of such other documents and the taking of such other actions as may reasonably be necessary

1 to fulfill the terms of this Settlement. The Parties shall use their best efforts, including all efforts
2 contemplated by this Stipulation and any other efforts that may become necessary by Court order or
3 otherwise, to effectuate this Stipulation and the terms set forth herein. As soon as practicable after
4 execution of this Stipulation, Class Counsel, with the cooperation of Defendants and Defense Counsel,
5 shall take all necessary and reasonable steps to secure the Court's preliminary approval and final approval
6 of this Stipulation.

7 10.2 Duty to Support and Defend the Settlement. The Parties agree to abide by all of the terms
8 of the Settlement in good faith and to support the Class Settlement fully and to use their best efforts to
9 defend this Class Settlement from any legal challenge, whether by appeal or collateral attack.

10 10.3 Duties Prior to Court Approval. Class Counsel shall promptly submit this Stipulation to the
11 Court for Preliminary Approval and determination by the Court as to its fairness, adequacy, and
12 reasonableness. Promptly upon execution of this Stipulation, Class Counsel shall apply to the Court for
13 the entry of a Preliminary Order substantially in the form filed concurrently herewith as **Exhibit 2**,
14 scheduling a hearing on the question of whether the proposed Settlement should be approved as fair,
15 reasonable, and adequate as to the Class Members, approving as to form and content the proposed Class
16 Notice attached hereto as **Exhibit 1**, and directing the mailing of the Class Notice to Class Members.
17 While Defendants can reserve their right to object to facts or assertions made in the moving papers,
18 Defense Counsel shall file a notice of non-opposition to the granting of the Motion for Preliminary
19 Approval or join in the motion, and be given a chance to review the motion for preliminary approval and
20 the motion for final approval prior to filing.

21 **XI. MISCELLANEOUS PROVISIONS**

22 11.1 Voiding the Stipulation. Pending Court approval and other than as provided in Section VII
23 (entitled "NULLIFICATION OF THIS STIPULATION") herein, if any of the conditions set forth in this
24 Stipulation are not met and satisfied, this Stipulation shall, at the option of either Plaintiff or Defendants,
25 be ineffective, void, and of no further force and effect, and shall not be used or be admissible in any
26 subsequent proceeding, either in this Court or in any other court or forum. If any of the Parties decide to
27 void the Settlement, then the Settlement and conditional class certification shall be considered void, and
28 neither the Settlement, Stipulation, conditional class certification, nor any of the related negotiations or

proceedings, shall be of any force or effect, and the Parties shall stand in the same position, without prejudice, as if this Stipulation had been neither entered into nor filed with the Court. Should either Party choose to void the Settlement under this paragraph, such party shall be responsible for all Administration Expenses actually incurred up to the time such Party sought to void the Settlement. If both Defendants and Plaintiff choose to void the Settlement under this paragraph, each shall be responsible for their/her/his/its proportionate share of the Administration Fees actually incurred.

11.2 No Prior Assignments. The Parties represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right herein released and discharged except as set forth herein.

11.3 Non-Admission. Nothing in this Stipulation shall be construed as or deemed to be an admission by any Party of any liability, culpability, negligence, or wrongdoing toward any other Party, or any other person, and the Parties specifically disclaim any liability, culpability, negligence, or wrongdoing toward each other or any other person. Each of the Parties has entered into this Stipulation with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and contingencies. Nothing herein shall constitute any admission by the Released Parties of wrongdoing or liability, or of the truth of any factual allegations in the Action. Nothing herein shall constitute any admission by the Released Parties regarding the merits of the claims in this Action, including but not limited to claims for unpaid wages or other compensation, benefits or penalties under California and/or federal law. Nothing herein shall constitute an admission by the Released Parties that the Action was properly brought as a class or representative action other than for settlement purposes. To the contrary, the Defendants have denied and continue to deny each and every material factual allegation and all claims. To this end, the Settlement of the Action, the negotiation and execution of this Stipulation, and all acts performed or documents executed pursuant to or in furtherance of this Stipulation or the Settlement are not, shall not be deemed to be, and may not be used as, an admission or evidence of any wrongdoing or liability on the part of the Released Parties or of the truth of any of the factual allegations in the Complaint in the Action; and are not, shall not be deemed to be, and may not be used as, an admission or evidence of any fault or omission on the part of the Released Parties in any civil, criminal or administrative

proceeding in any court, administrative or governmental agency or other tribunal.

11.4 No Publicity.

(a) Plaintiff and Defendants, and their respective counsel, recognize, and accept that the Parties to this Stipulation desire that information regarding the terms of this Stipulation, the fact of the Settlement embodied in this Stipulation, the disposition of the Action, the Action, and all matters relating to the litigation of the Action, including discovery proceedings therein, and evidence obtained during the course of the Action, shall be provided to the Class by way of the Court-approved Class Notice and public access to Court records in the Action, and that this information shall not otherwise be discussed with or presented to the media or press.

(b) Further, Plaintiff and her counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communication with the press about the Action, and/or the fact, amount or terms of the Settlement. Before the date of the filing of the motion for preliminary approval of the Settlement, Plaintiff and Class Counsel will not initiate any contact with Class Members or anyone else about the Settlement, except that: (a) Class Counsel, if contacted by a Class Member, may respond that a settlement has been reached and that the details will be communicated in a forthcoming Court-approved notice; and (b) the Plaintiff, if contacted by a Class Member, may respond only that the Class Member should contact Class Counsel.

11.5 Non-Retaliation. Defendants understand and acknowledge that they have a legal obligation not to retaliate against any Class Member who elects to participate in the Settlement or elects to opt out of the Settlement. Defendants will refer any inquiries regarding this Settlement to the Settlement Administrator or Class Counsel and will not discourage Class Members who are currently working for Defendants, directly or indirectly, from making claims, opting out or objecting to the Class Settlement.

11.6 Construction. The Parties hereto agree that the terms and conditions of this Stipulation are the result of lengthy, intensive, arms-length non-collusive negotiations between the Parties and that this Stipulation is not to be construed in favor of or against any Party by reason of the extent to which any Party or its counsel participated in the drafting of this Stipulation. If any of the dates in the Stipulation fall on a weekend, bank or court holiday, the time to act shall be extended to the next business day. Except that should the Response Deadline (or extension(s) thereof specified in the Stipulation relating to a

1 deficiency notice or a re-mailing) fall on a Saturday and regular U.S. Mail service is in operation that day,
2 then no further extension pursuant to this paragraph shall apply to these specific deadlines. The language
3 of all parts of this Stipulation shall in all cases be construed as a whole, according to its fair meaning, and
4 not strictly for or against either Party. No Party shall be deemed the drafter of this Stipulation. The Parties
5 acknowledge that the terms of the Stipulation are contractual and are the product of negotiations between
6 the Parties and their counsel. Each Party and her/his/its counsel cooperated in the drafting and preparation
7 of the Stipulation. In any construction to be made of the Stipulation, the Stipulation shall not be construed
8 against any Party and the canon of contract interpretation set forth in California Civil Code § 1654 shall
9 not be applied.

10 11.7 Governing Law. The Stipulation and the exhibits hereto shall be considered to have been
11 negotiated, executed, and delivered, and to have been wholly performed, in the State of California, and
12 the rights and obligations of the Parties to the Stipulation shall be construed and enforced in accordance
13 with, and governed by, the internal, substantive laws of the State of California without regard to conflict
14 of law principles in all respects, including execution, interpretation, performance, and enforcement.

15 11.8 Notices. Except for mailing of the Class Notice to Class Members, any and all notices or
16 other communications required or permitted under this Stipulation shall be in writing and shall be
17 sufficiently given if delivered to the Party or their counsel by U.S. certified mail, postage prepaid, e-mail,
18 facsimile, or overnight delivery addressed to the address of the Party appearing in this Stipulation.

19 11.9 Captions and Interpretations. Section titles or captions contained herein are inserted as a
20 matter of convenience and for reference only and in no way define, limit, extend, or describe the scope of
21 this Stipulation or any provision thereof.

22 11.10 Modification. This Stipulation may not be changed, altered, or modified, except in writing
23 signed by the Parties' counsel and approved by the Court. In the event that the Court requires certain
24 changes to this Stipulation, the Parties agree that such amendments can be made through a stipulation
25 signed solely by their counsel, provided that such amendment conforms precisely to the Court's order.

26 11.11 Integration Clause. The Settlement is based on Defendants' representation that for the
27 period from August 12, 2016 to ~~January 14~~August 23, 2021, there were 170 Class Members and 10,423
28 Workweeks. This Stipulation contains the entire agreement between the Parties relating to the Settlement

of the Action and the transactions contemplated thereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written, and whether by a party or such party's legal counsel, are hereby superseded. No rights under this Stipulation may be waived except in writing executed by the Parties.

11.12 Successors and Assigns. This Stipulation shall be binding upon and inure to the benefit of the Parties, PAGA Group Members, and Settlement Class Members and their respective present and former heirs, trustees, executors, administrators, representatives, officers, directors, shareholders, agents, employees, insurers, attorneys, accountants, auditors, advisors, consultants, pension and welfare benefit plans, fiduciaries, parent companies, subsidiaries, affiliates, related companies, joint ventures, predecessors, successors, and assigns.

11.13 Corporate Signatories. Any person executing this Stipulation or any such related document on behalf of a corporate signatory hereby warrants and promises, for the benefit of all Parties hereto, that such person has been duly authorized by such corporation to execute this Stipulation or any such related document.

11.14 Execution in Counterparts. This Stipulation shall become effective upon its execution by all of the undersigned. The Parties may execute this Stipulation in counterparts, and execution of counterparts shall have the same force and effect as if all Parties had signed the same instrument. Parties may also execute the Stipulation by way of electronic signature or other electronic means.

11.15 No Third Party Beneficiaries. The Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto; however, this Stipulation is not designed to and does not create any third party beneficiaries unless otherwise specifically provided herein.

11.16 No Cooperation with Other Claims. The Class Representative shall not cooperate with, help, bring, counsel, aid, or in any manner assist any person or entity in filing or pursuing a claim, complaint, class action, collective action, representative action, action, debt, promise, demand, grievance, cause of action, obligation, damage, liability, or charge against Defendants, except as required by law or regulation.

11.17 Other Claims. No person shall have any claim against the Class Representative, Class Counsel, the Settlement Administrator, or any of the Released Parties based on the payments made or

1 other actions taken substantially in accordance with this Stipulation and the settlement contained herein
2 or further orders of the Court.

3 11.18 Attorney Fees, Costs and Expenses. Except as otherwise specifically provided for herein,
4 each Party shall bear her or its own attorneys' fees, costs and expenses, taxable or otherwise, incurred by
5 them in or arising out of the Action and shall not seek reimbursement thereof from any other Party to this
6 Stipulation.

7 11.19 Action to Enforce Agreement. In any suit or court action to enforce the terms of this
8 Stipulation, the prevailing party shall be entitled to recover her or its attorneys' fees and costs.

9 11.20 Court Retains Jurisdiction. The Court shall retain jurisdiction with respect to
10 implementation and enforcement of the terms of the Stipulation, and all parties hereto submit to the
11 jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in the
12 Stipulation.

13 11.21 Additional Terms. If any of the following terms are not met, this Stipulation shall be
14 void: (1) Defendants are to provide Plaintiff a draft of Plaintiff's Memorandum of Points and Authorities
15 in support of Preliminary Approval of Class and Representative Action Settlement; (2) Defendants are to
16 file Plaintiff's Memorandum of Points and Authorities in support of Preliminary Approval of Class and
17 Representative Action Settlement by August 31, 2021; (3) the Motion for Preliminary Approval of Class
18 and Representative Action Settlement is currently set for December 15, 2021; the Parties will request from
19 the Court an earlier hearing date for Plaintiff's Motion for Preliminary Approval of Class and
20 Representative Action Settlement; and (4) Defendants are to provide Plaintiff a draft Notice of Proposed
21 Class Action Settlement and Hearing Date for Court Approval.

22 IN WITNESS WHEREOF, the Parties and their counsel have executed this Stipulation on the date
23 below their signatures or the signature of their representatives. The date of the Stipulation shall be the date
24 of the latest signature.

25 THIS STIPULATION HAS BEEN READ AND AGREED TO INDIVIDUALLY AND ON
26 BEHALF OF THE PROPOSED CLASS:

27
28 _____

Dated: _____, 2022

1 Plaintiff Vanessa Gonzalez

2 READ AND AGREED TO ON BEHALF OF SEVEN FORTY ONE COMPANY, INC.:

3
4 By: _____

Dated: _____, 2022

6 READ AND AGREED TO ON BEHALF OF MR. STAX, INC.:

7
8
9 By: _____

Dated: _____, 2022

10
11
12
13
14 Dated: _____

Scott Edward Cole
Laura Grace Van Note
Attorneys for Plaintiff, Vanessa
Gonzalez

15
16
17
18
19
20 Dated: _____

Beth A. Kahn
Ryan C. McKim
Attorneys for Defendants
SEVEN FORTY ONE COMPANY,
INC. and MR. STAX, INC.

Exhibit 3

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT
& HEARING DATE FOR COURT APPROVAL

Vanessa Gonzalez v. Seven Forty One Company, Inc., et al.
Superior Court of California, County of Los Angeles
Case No. 20STCV30761

To: All current and former hourly or non-exempt employees of Seven Forty One Company, Inc. or Mr. Stax, Inc. who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from August 12, 2016 up to and including August 23, 2021.

**THIS NOTICE MAY AFFECT YOUR RIGHTS.
PLEASE READ IT CAREFULLY.**

You are receiving this notice because Seven Forty One Company, Inc.'s or Mr. Stax, Inc.'s (collectively "Defendants") records indicate that you may be entitled to participate in this class action settlement.

The following recitation does not constitute the findings of the Court. Defendants adamantly deny any and all liability. This notice should not be understood to be an expression of the Court's views on the merits of any claim or defense raised by the parties.

I. WHY IT IS IMPORTANT TO READ THIS NOTICE:

The Superior Court of the State of California for the County of Los Angeles (the "Court") has granted preliminary approval to a proposed Settlement (defined below) of a class action lawsuit and representative action regarding wage and hour claims of all current or former hourly or non-exempt employees who worked for Seven Forty One Company, Inc. or Mr. Stax, Inc. at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from August 12, 2016 up to and including August 23, 2021.

Because your rights may be affected by the Settlement (defined below), it is important that you read this notice carefully. Defendants' records show that you were employed by Defendants, or either of them, sometime from August 12, 2016 up to and including August 23, 2021 ("Class Period"). Therefore, you are a "Class Member" in this lawsuit.

The purpose of this notice is to provide you with a brief description of the class action lawsuit and representative action, what investigation of the claims has taken place, to inform you of the terms of the proposed Settlement (defined below) and to discuss your rights and options in connection with the lawsuit and the Settlement (defined below).

II. WHAT YOU NEED TO DO IN RESPONSE TO THIS NOTICE:

You have received this notice because Defendants' records indicate that you are a member of the conditionally certified Class (defined below). You have the following options:

- 1. IF YOU WISH TO PARTICIPATE IN THE CLASS ACTION SETTLEMENT AND REMAIN A MEMBER OF THE SETTLEMENT CLASS AND BE ISSUED A PAYMENT UNDER THE SETTLEMENT, YOU (or in the event of a deceased Class Member, the estate or authorized beneficiary) ARE NOT REQUIRED TO TAKE ANY FURTHER ACTION.** You will be issued payment if the Court grants final approval of the Settlement (defined below) and judgment becomes final, and you will release the Released Parties for the Released Claims (see section VIII below for definitions of "Released Claims" and "Released Parties"). If you wish to receive a payment under the Settlement, you must not "Opt Out" of the Settlement. **To ensure receipt of your payment, you must make sure that your correct mailing address is on file with the Settlement Administrator.**

2. **YOU MAY ELECT TO "OPT OUT" OF THE SETTLEMENT CLASS AND THUS EXCLUDE YOURSELF FROM THE SETTLEMENT.** If you wish to opt out of the Settlement and exclude yourself from the Settlement, you must mail to the Settlement Administrator the enclosed Opt-Out Form or a written request ("Request for Exclusion") postmarked on or before [TBD]. A Request for Exclusion must include: (1) your full name, address, telephone number, last four digits of your social security number, and signature; (2) the case name and number of the action (i.e., *Vanessa Gonzalez v. Seven Forty One Company, Inc., et al.*); and (3) a statement indicating that you wish to be excluded from the Settlement. If a timely and complete Opt-Out Form or Request for Exclusion is not received by the Settlement Administrator at the address listed below, postmarked on or before [TBD], you will be deemed to have forever waived your right to opt out of the Settlement. Class Members who do not properly opt out of the Settlement shall be "Settlement Class Member(s)." Class Members who do properly opt out of the Settlement shall not be bound by the terms of the Settlement, shall not be allowed to object to this Settlement, and shall not be entitled to any benefits as a result of this Settlement, including payment of any Individual Settlement Amount (defined below), except a portion of the PAGA Payment, if applicable, in the estimated amount of [\$]. Current and former hourly or non-exempt employees of Seven Forty One Company, Inc. or Mr. Stax, Inc. who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from June 9, 2019 up to and including January 14, 2021 have no right or ability to opt out of the portion of this Settlement releasing Labor Code Private Attorneys General Act of 2004 ("PAGA") claims. The Settlement Administrator's address is below:

Simpluris
[Address]

3. **PROVIDED YOU DO NOT OPT OUT OF THE SETTLEMENT CLASS, YOU MAY OBJECT TO THE SETTLEMENT.** You may object to the Settlement by mailing a written objection ("Objection") to the Settlement Administrator, on or before [TBD], to the address listed in section II.2 above. The Objection must (1) contain your full name, dates of employment as an employee of Defendants, and signature; (2) the case name and number of the action (*Vanessa Gonzalez v. Seven Forty One Company, Inc., et al.*); (3) the reason(s) for the objection (if any); and (4) identify any counsel representing you in connection with the Objection. You may attend the Settlement Hearing (defined below), including by audio or visual technology, and may ask to speak regarding your objections, regardless of whether you submitted an Objection. More information can be found at www.lacourt.gov. If you take no action, you will remain a member of the Class. A Class Member who does not opt out of participation in the Settlement will be bound by the judgment and be issued payment under the Settlement (defined below). If you remain a member of the Class, you will be represented by the following attorneys who have been designated by the Court as Class Counsel:

COLE & VAN NOTE
Scott Edward Cole, Esq., SBN 160744
Laura Grace Van Note, Esq., SBN 310160
555 12th Street, Suite 1725
Oakland, California 94607

INFORMATION REGARDING FINAL APPROVAL HEARING. The Final Approval Hearing determines whether the Settlement should be finally approved as fair, reasonable, and adequate and whether the Service Award (defined below) to Plaintiff Vanessa Gonzalez, Administration Expenses (defined below) to the Settlement Administrator, and attorneys' fees and costs to Class Counsel should be awarded. That hearing will be held on [TBD] at [TBD] before the Hon. Maren Nelson, in Department 17 of the Los Angeles Superior Court located at the Spring Street Courthouse, 312 North Spring Street, Los Angeles, CA 90012 ("Settlement Hearing"). Face masks are strongly recommended inside all Los Angeles County courthouses.

If the Court enters judgment based on the Settlement (defined below), the judgment will be posted on the Settlement Administrator's website. The Settlement Administrator's website address is [Website Address].

III. WHAT THE CASE IS ABOUT:

On behalf of herself and on behalf of other employees, Vanessa Gonzalez ("Class Representative" or "Plaintiff") claims that Defendants have, with respect to Plaintiff and the Class Members, allegedly violated provisions of the California Labor Code and wage and hour laws, by failing to properly pay minimum and overtime wages, provide compliant meal and rest periods and associated premiums, timely pay wages during employment and upon termination of employment and to pay associated waiting-time penalties, provide compliant wage statements, maintain requisite payroll records, and thereby, engaged in unfair business practices in violation of California Business and Professions Code §§ 17200, *et seq.* Plaintiff also seeks civil penalties under PAGA arising from or relating to Labor Code sections 200, 201, 202, 203, 204, 218, *et seq.*, 218.5, 226, *et seq.*, 226.7, 510, 512, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, *et seq.*, 1194.2, 1197, *et seq.*, 1197.1, 1198, 2698, *et seq.*, 2699, 2699.3, and 2802. On behalf of herself and other employees of Defendants, Plaintiff seeks, *inter alia*, damages, unpaid wages, penalties, attorneys' fees, and interest for alleged wage and hour violations including, but not limited to, failure to pay wages, failure to pay overtime, minimum wages, off-the-clock work, failure to provide meal and rest breaks, and failure to pay premium pay, including alleged meal and rest break violations arising from or related to Defendants' written meal or rest break policies and alleged meal break violations arising from Defendants' alleged practices, failure to furnish accurate, itemized wage statements, unlawful recovery of wages, failure to timely pay wages upon discharge or quit, and record-keeping violations. Plaintiff alleges that both Defendants employed her and the Class Members.

Defendants vehemently deny Class Representative's allegations and, instead, contend that only Seven Forty One Company, Inc. employed Plaintiff and most of the Class Members and that Mr. Stax, Inc. did not employ Plaintiff or most of the Class Members. Defendants adamantly deny each, every, and all of the allegations of the lawsuit, and maintain that they complied with all California wage and hour laws, such that the Class Representative cannot properly recover any damages including but not limited to civil penalties under California law. Although Defendants deny these allegations, Defendants have chosen to resolve the matter based upon the terms and conditions set forth in the Joint Stipulation and Agreement for Class and Representative Action Settlement and Release ("Settlement Agreement" or "Settlement"). The Court will determine whether or not to grant final approval of the Settlement.

The Settlement provides for the certification, for settlement purposes only, of all current and former hourly or non-exempt employees of Seven Forty One Company, Inc. or Mr. Stax, Inc. who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from August 12, 2016 up to and including August 23, 2021.

IV. THE SETTLEMENT OF THE CLAIMS:

On March 5, 2021, the parties participated in a full-day mediation in Los Angeles before a employment law mediator, Eve Wagner. The parties were able to resolve the matter subsequent to the mediation and agreed to the Settlement Agreement.

The Class Representative and Class Counsel believe the Settlement is in the best interest of the Class (defined below).

Through the Settlement, neither Defendants nor any of their employees have admitted any liability or wrongdoing and, in fact Defendants expressly deny any wrongdoing. The Court did not decide in favor of Plaintiff or Defendants. The Settlement Agreement has been preliminarily approved by the Court. A full copy of the Settlement Agreement, embodied in the document entitled **JOINT STIPULATION AND AGREEMENT FOR CLASS AND REPRESENTATIVE ACTION SETTLEMENT AND RELEASE** as preliminarily approved by the Court, as well as other public documents filed in this case, can be inspected in the Office of the Court Clerk located at 312 North Spring Street, Los Angeles, CA 90012. Face masks are strongly recommended inside all Los Angeles County courthouses.

V. THE TERMS OF THE CONDITIONAL CLASS ACTION SETTLEMENT:

On behalf of the Class Members, the Class Representative has reached a Settlement with Defendants and on [TBD] the Court conditionally certified a class, for settlement purposes only, comprised of the following persons (collectively, the

"Class"):

All current and former hourly or non-exempt employees of Defendants who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from August 12, 2016 up to and including August 23, 2021.

Without admitting liability, Defendants have agreed to pay \$190,000 (the "Gross Settlement Amount") for a release of Defendants and all Released Parties (defined below) from the Released Claims (defined below) (see below for more information). This is a non-reversionary settlement. Settlement Class Members will be bound by the Settlement and will release Defendants and all Released Parties (defined below) from the Released Claims (defined below) (see below for more information).

This Settlement is conditioned upon the Superior Court of the State of California for the County of Los Angeles, entering an order at or following the Settlement Hearing finally approving the Settlement as fair, reasonable, adequate, and in the best interests of the Class.

The following payments will be sought, subject to final approval by the Court, from the Gross Settlement Amount:

- (1) Payment in the amount of up to \$7,500 to the Class Representative ("Service Award") in addition to the sum that she will receive as a Settlement Class Member, to compensate her for acting on behalf of the Class, including the time she expended to fulfill the role of Class Representative (e.g., assisting with the investigation of the claims, etc.);
- (2) Payment to the Settlement Administrator for the fees and costs of administering this Settlement ("Administration Expenses"), in the estimated maximum amount of \$9,351;
- (3) Payment in an amount of \$5,000 for penalties pursuant to the California Labor Code Private Attorney General Act of 2004 ("PAGA"), of which 75% of the amount (\$3,750) will be distributed to the California Labor Workforce and Development Agency ("LWDA") and the remaining 25% of the amount (\$1,250) of the penalties will be distributed to current and former hourly or non-exempt employees of Seven Forty One Company, Inc. or Mr. Stax, Inc. who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from June 9, 2019 up to and including January 14, 2021;
- (4) Payment in an amount of up to \$66,500.00 to Class Counsel as attorneys' fees, to compensate them for their services in litigating this case for approximately 2 years on a contingency basis; and
- (5) Payment in an amount of up to \$20,000 to Class Counsel, to reimburse Class Counsel for actual litigation costs and expenses expended in this matter by Class Counsel.

The "Net Settlement Amount" is the Gross Settlement Amount less the above-mentioned requested payments and less approximately \$3,500 for Defendants' share of state and federal employment and payroll taxes and withholdings, which are subject to final approval by the Court. The Net Settlement Amount will be automatically distributed to Settlement Class Members, and these gross individual shares are known as the "Individual Settlement Amount." The Individual Settlement Amount for each Settlement Class Member shall be determined on a *pro rata* basis based on his or her number of Workweeks (defined below) as compared to the total Workweeks of all Settlement Class Members. Workweeks are calculated by determining the number of days between the Settlement Class Member's start and end dates of employment from August 12, 2016 up to and including August 23, 2021 (and only for work performed at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355) and then dividing by seven (7). If a Settlement Class Member was hired prior to August 12, 2016, then his or her "start date" will be August 12, 2016.

V. WHAT IS YOUR EXPECTED SHARE:

As discussed above, the Net Settlement Amount will be automatically distributed to Class Members who do not opt out of this Settlement, based on their respective number of Workweeks.

Defendants' records reflect that you worked [insert number of workweeks] workweeks during the Class Period, and based on this number of Workweeks, your gross Individual Settlement Amount is estimated to be [insert estimated amount].

If you wish to dispute the number of Workweeks attributed to you, you may do so by submitting a written dispute (“Workweeks Dispute”) to the Settlement Administrator at the address listed in section II.2 (above), postmarked on or before [TBD]. A Workweeks Dispute must state: (a) your full name, address, telephone number, last four digits of your social security number, and signature; (b) the case name and number of the action (*Vanessa Gonzalez v. Seven Forty One Company, Inc., et al.*); (c) contain a statement indicating your intent to dispute or challenge the number of Workweeks credited to you and clearly identify the number of Workweeks you contend should be credited to you; and (d) include any records or documentation to support the Workweeks Dispute.

The amount stated herein as your estimated Individual Settlement Amount may change depending on the number of Class Members who do not opt-out and the Court's order with respect to the requests for attorneys' fees, litigation costs and expenses, award to class representative, administration expenses, and PAGA payment. Further, your gross Individual Settlement Amount will be allocated as 20% wages (reported on an IRS Form W-2), and 80% interest and penalties (reported on an IRS Form 1099). The wage portion is subject to employee's and employer's share of state and federal employment and payroll taxes and withholdings prior to distribution.

VII. WHEN CAN I EXPECT TO RECEIVE MY SHARE OF THE SETTLEMENT:

The Settlement Administrator will distribute the settlement funds after funding has occurred and after the Court enters the final approval order and judgment.

No later than 5 calendar days after the Settlement Administrator deposits the Gross Settlement Amount into a qualified settlement account, the Settlement Administrator shall distribute the payments as follows: the Individual Settlement Payments to Settlement Class Members, Service Award to Class Representative, LWDA Payment to the LWDA, and Attorneys' Fees and Expenses to Class Counsel, all in the Court-approved amounts.

VIII. RELEASE OF CLAIMS OF SETTLEMENT CLASS MEMBERS:

If the Court grants final approval of the Settlement and the Gross Settlement Amount is fully funded, Class Members who do not Opt Out of the Settlement, will release, discharge, and agree to hold harmless the Released Parties (defined below), and each of them, of and from any and all Released Claims (defined below).

“Released Parties” shall mean Defendants and all of their respective current and former parents, subsidiaries, predecessors, successors, and their affiliated entities, and each of their respective owners, officers, directors, employees, partners, shareholders, agents, and any other successors, heirs, assigns, or legal representatives, any attorneys, insurers, claims representatives, members, managers, dba's, and representatives, and any of their, direct or indirect, parent or subsidiary entities.

“Released Claims ” means any and all federal and California state law wage-and-hour claims, rights, demands, liabilities, and/or causes of action of every nature and description arising from any and all claims that were alleged or could have been alleged in the first amended complaint based on the facts contained therein only, arising during the Class Period, including, without limitation, statutory, constitutional, contractual, and/or common law claims for wages, reimbursements, damages, unpaid costs, penalties (including penalties under the California Labor Code's Private Attorneys General Act of 2004, as amended, California Labor Code §§ 2698, et seq.), liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief, including without limitation, California Labor Code §§ 200, 201, 202, 203, 204, 218, et seq., 218.5, 226, et seq., 226.7, 510, 512, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, et. seq., 1197, et seq., 1197.1, 1198, 2698, et seq., 2699, 2699.3, and any federal counterparts, California Business and Professions Code §§ 17200-17208, any IWC Wage Orders, California Code of Civil Procedure § 1021.5, any claims for meal and rest period violations; unpaid minimum wages or overtime wages; untimely pay during and at termination of employment, unreimbursed business expenses, record-keeping violations, and/or inaccurate pay stubs arising under Labor Code section 226; and any unlawful deductions; and causes of action for (i) unlawful failure to pay wages (Labor Code §§ 200-204, 510, 558, 1194; IWC Wage Order); (ii) Failure to provide meal and rest periods (Labor Code §§ 226.7, 512); (iii) Failure to provide itemized wage statements (Labor Code §§ 226, 1174); (iv) Failure to timely pay wages on termination (Labor Code § 203); (v) Unfair business practices under the Unfair Competition Act (Bus. & Prof. Code §§ 17200-17208); and (vi) Private Attorneys General Act of 2004 (Labor Code §§ 2698, et seq.). “Released Claims” shall only refer to employment claims (as

enumerated above) arising out of labor performed at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355. No release shall be effective until the Gross Settlement Amount is fully funded.

In connection with the above Released Claims, and in consideration of Defendants' payments of the Gross Settlement Amount, each and every Class Member who does not Opt Out, including Plaintiff, will be deemed also to have acknowledged and agreed that California Labor Code section 206.5 is not applicable to Defendants and the Class Members because there is a good faith dispute as to whether any wages are due at all to any Class Member. California Labor Code section 206.5 provides in pertinent part as follows:

AN EMPLOYER SHALL NOT REQUIRE THE EXECUTION OF A RELEASE OF A CLAIM OR RIGHT ON ACCOUNT OF WAGES DUE, OR TO BECOME DUE, OR MADE AS AN ADVANCE ON WAGES TO BE EARNED, UNLESS PAYMENT OF THOSE WAGES HAS BEEN MADE.

IX. RELEASE OF CLAIMS OF PAGA GROUP MEMBERS:

If the Court grants final approval of the Settlement and the Gross Settlement Amount is fully funded, each PAGA Group Member (defined below) and Plaintiff, each release, discharge, and agree to hold harmless the Defendants, and each of them, of and from any and all Released PAGA Claims (defined below).

"PAGA Group Member(s)" means all non-exempt and/or hourly-paid, current and former employees, who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from June 9, 2019 through January 14, 2021.

"Released PAGA Claims" means any and all claims, demands, rights, liabilities, and/or causes of action for penalties under the California Private Attorneys' General Act that accrued during the PAGA Period and that were asserted in Plaintiff's LWDA notice letter dated August 12, 2020 or the first amended complaint as well as those that could have been alleged in the first amended complaint based on the facts contained therein, including, without limitation, Labor Code sections 200, 201, 202, 203, 204, 218, et seq., 218.5, 226, et seq., 226.7, 510, 512, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, et seq., 1194.2, 1197, et seq., 1197.1, 1198, 2698, et seq., 2699, 2699.3, and 2802.

X. HOW TO OBTAIN ADDITIONAL INFORMATION:

This Notice is only a summary of the class action lawsuit and the associated Settlement. For more information, you may inspect the Court files and the Settlement Agreement at the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. Face masks are strongly recommended inside all Los Angeles County courthouses.

You may also contact Class Counsel, Settlement Administrator, and/or Defendants' Counsel for more information:

Class Counsel: Scott Edward Cole Laura Grace Van Note COLE & VAN NOTE 555 12th Street, Suite 1725 Oakland, California 94607 Telephone: (510) 891-9800 Facsimile: (510) 891-7030 sec@colevannote.com lvn@colevannote.com	Defendants' Counsel: Beth Kahn Ryan McKim Keith Rossman CLARK HILL LLP 555 South Flower Street, 24th Floor Los Angeles, CA 90071 Telephone: (213) 891-9100 Facsimile: (213) 488-1178 bkahn@clarkhill.com rmckim@clarkhill.com krossman@clarkhill.com
Settlement Administrator: Simpluris [Address] [Telephone] [Facsimile]	

[Email]

PLEASE DO NOT CALL OR WRITE TO THE COURT ABOUT THIS NOTICE.

Opt-Out Form

Vanessa Gonzalez v. Seven Forty One Company, Inc., et al.

Case No. 20STCV30761

If you wish to opt out of the Settlement and exclude yourself from the Settlement, complete this Opt-Out Form and mail it to Simpluris, located at [Address] so that it is postmarked no later than [TBD]. For additional information about the Settlement, please review the accompanying Notice of Proposed Class Action Settlement & Hearing Date for Court Approval.

Full name: _____

Address: _____

Telephone: _____

Last four digits of social security number: _____

Signature: _____

Exhibit 4

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT
& HEARING DATE FOR COURT APPROVAL

Vanessa Gonzalez v. Seven Forty One Company, Inc., et al.
Superior Court of California, County of Los Angeles
Case No. 20STCV30761

To: All current and former hourly or non-exempt employees of Seven Forty One Company, Inc. or Mr. Stax, Inc. who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from August 12, 2016 up to and including August 23, 2021.

**THIS NOTICE MAY AFFECT YOUR RIGHTS.
PLEASE READ IT CAREFULLY.**

You are receiving this notice because Seven Forty One Company, Inc.'s or Mr. Stax, Inc.'s (collectively "Defendants") records indicate that you may be entitled to participate in this class action settlement.

The following recitation does not constitute the findings of the Court. Defendants adamantly deny any and all liability. This notice should not be understood to be an expression of the Court's views on the merits of any claim or defense raised by the parties.

I. WHY IT IS IMPORTANT TO READ THIS NOTICE:

The Superior Court of the State of California for the County of Los Angeles (the "Court") has granted preliminary approval to a proposed Settlement (defined below) of a class action lawsuit and representative action regarding wage and hour claims of all current or former hourly or non-exempt employees who worked for Seven Forty One Company, Inc. or Mr. Stax, Inc. at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from August 12, 2016 up to and including August 23, 2021.

Because your rights may be affected by the Settlement (defined below), it is important that you read this notice carefully. Defendants' records show that you were employed by Defendants, or either of them, sometime from August 12, 2016 up to and including August 23, 2021 ("Class Period"). Therefore, you are a "Class Member" in this lawsuit.

The purpose of this notice is to provide you with a brief description of the class action lawsuit and representative action, what investigation of the claims has taken place, to inform you of the terms of the proposed Settlement (defined below) and to discuss your rights and options in connection with the lawsuit and the Settlement (defined below).

II. WHAT YOU NEED TO DO IN RESPONSE TO THIS NOTICE:

You have received this notice because Defendants' records indicate that you are a member of the conditionally certified Class (defined below). You have the following options:

1. **IF YOU WISH TO PARTICIPATE IN THE CLASS ACTION SETTLEMENT AND REMAIN A MEMBER OF THE SETTLEMENT CLASS AND BE ISSUED A PAYMENT UNDER THE SETTLEMENT, YOU (or in the event of a deceased Class Member, the estate or authorized beneficiary) ARE NOT REQUIRED TO TAKE ANY FURTHER ACTION.** You will be issued payment if the Court grants final approval of the Settlement (defined below) and judgment becomes final, and you will release the Released Parties for the Released Claims (see section VIII below for definitions of "Released Claims" and "Released Parties"). If you wish to receive a payment under the Settlement, you must not "Opt Out" of the Settlement. **To ensure receipt of your payment, you must make sure that your correct mailing address is on file with the Settlement Administrator.**

2. **YOU MAY ELECT TO "OPT OUT" OF THE SETTLEMENT CLASS AND THUS EXCLUDE YOURSELF FROM THE SETTLEMENT.** If you wish to opt out of the Settlement and exclude yourself from the Settlement, you must mail to the Settlement Administrator the enclosed Opt-Out Form or a written request ("Request for Exclusion") postmarked on or before [TBD]. A Request for Exclusion must include: (1) your full name, address, telephone number, last four digits of your social security number, and signature; (2) the case name and number of the action (i.e., *Vanessa Gonzalez v. Seven Forty One Company, Inc., et al.*); and (3) a statement indicating that you wish to be excluded from the Settlement. If a timely and complete Opt-Out Form or Request for Exclusion is not received by the Settlement Administrator at the address listed below, postmarked on or before [TBD], you will be deemed to have forever waived your right to opt out of the Settlement. Class Members who do not properly opt out of the Settlement shall be "Settlement Class Member(s)." Class Members who do properly opt out of the Settlement shall not be bound by the terms of the Settlement, shall not be allowed to object to this Settlement, and shall not be entitled to any benefits as a result of this Settlement, including payment of any Individual Settlement Amount (defined below), except a portion of the PAGA Payment, if applicable, in the estimated amount of \$[]. Current and former hourly or non-exempt employees of Seven Forty One Company, Inc. or Mr. Stax, Inc. who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from June 9, 2019 up to and including ~~August 23~~ January 14, 2021 have no right or ability to opt out of the portion of this Settlement releasing Labor Code Private Attorneys General Act of 2004 ("PAGA") claims. The Settlement Administrator's address is below:

Simpluris
[Address]

3. **PROVIDED YOU DO NOT OPT OUT OF THE SETTLEMENT CLASS, YOU MAY OBJECT TO THE SETTLEMENT.** You may object to the Settlement by mailing a written objection ("Objection") to the Settlement Administrator, on or before [TBD], to the address listed in section II.2 above. The Objection must (1) contain your full name, dates of employment as an employee of Defendants, and signature; (2) the case name and number of the action (*Vanessa Gonzalez v. Seven Forty One Company, Inc., et al.*); (3) the reason(s) for the objection (if any); and (4) identify any counsel representing you in connection with the Objection. You may attend the Settlement Hearing (defined below), including by audio or visual technology, and may ask to speak regarding your objections, regardless of whether you submitted an Objection. More information can be found at www.lacourt.gov. If you take no action, you will remain a member of the Class. A Class Member who does not opt out of participation in the Settlement will be bound by the judgment and be issued payment under the Settlement (defined below). If you remain a member of the Class, you will be represented by the following attorneys who have been designated by the Court as Class Counsel:

COLE & VAN NOTE
Scott Edward Cole, Esq., SBN 160744
Laura Grace Van Note, Esq., SBN 310160
555 12th Street, Suite 1725
Oakland, California 94607

INFORMATION REGARDING FINAL APPROVAL HEARING. The Final Approval Hearing determines whether the Settlement should be finally approved as fair, reasonable, and adequate and whether the Service Award (defined below) to Plaintiff Vanessa Gonzalez, Administration Expenses (defined below) to the Settlement Administrator, and attorneys' fees and costs to Class Counsel should be awarded. That hearing will be held on [TBD] at [TBD] before the Hon. Maren Nelson, in Department 17 of the Los Angeles Superior Court located at the Spring Street Courthouse, 312 North Spring Street, Los Angeles, CA 90012 ("Settlement Hearing"). Face masks are strongly recommended inside all Los Angeles County courthouses.

If the Court enters judgment based on the Settlement (defined below), the judgment will be posted on the Settlement Administrator's website. The Settlement Administrator's website address is [Website Address].

You are not required to attend the Settlement Hearing, although you are welcome to attend the hearing.

III. WHAT THE CASE IS ABOUT:

On behalf of herself and on behalf of other employees, Vanessa Gonzalez ("Class Representative" or "Plaintiff") claims that Defendants have, with respect to Plaintiff and the Class Members, allegedly violated provisions of the California Labor Code and wage and hour laws, by failing to properly pay minimum and overtime wages, provide compliant meal and rest periods and associated premiums, timely pay wages during employment and upon termination of employment and to pay associated waiting-time penalties, provide compliant wage statements, maintain requisite payroll records, and thereby, engaged in unfair business practices in violation of California Business and Professions Code §§ 17200, *et seq.* Plaintiff also seeks civil penalties under PAGA arising from or relating to Labor Code sections 200, 201, 202, 203, 204, 218, *et seq.*, 218.5, 226, *et seq.*, 226.7, 510, 512, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, *et seq.*, 1194.2, 1197, *et seq.*, 1197.1, 1198, 2698, *et seq.*, 2699, 2699.3, and 2802. On behalf of herself and other employees of Defendants, Plaintiff seeks, *inter alia*, damages, unpaid wages, penalties, attorneys' fees, and interest for alleged wage and hour violations including, but not limited to, failure to pay wages, failure to pay overtime, minimum wages, off-the-clock work, failure to provide meal and rest breaks, and failure to pay premium pay, including alleged meal and rest break violations arising from or related to Defendants' written meal or rest break policies and alleged meal break violations arising from Defendants' alleged practices, failure to furnish accurate, itemized wage statements, unlawful recovery of wages, failure to timely pay wages upon discharge or quit, and record-keeping violations. Plaintiff alleges that both Defendants employed her and the Class Members.

Defendants vehemently deny Class Representative's allegations and, instead, contend that only Seven Forty One Company, Inc. employed Plaintiff and most of the Class Members and that Mr. Stax, Inc. did not employ Plaintiff or most of the Class Members. Defendants adamantly deny each, every, and all of the allegations of the lawsuit, and maintain that they complied with all California wage and hour laws, such that the Class Representative cannot properly recover any damages including but not limited to civil penalties under California law. Although Defendants deny these allegations, Defendants have chosen to resolve the matter based upon the terms and conditions set forth in the Joint Stipulation and Agreement for Class and Representative Action Settlement and Release ("Settlement Agreement" or "Settlement"). The Court will determine whether or not to grant final approval of the Settlement.

The Settlement provides for the certification, for settlement purposes only, of all current and former hourly or non-exempt employees of Seven Forty One Company, Inc. or Mr. Stax, Inc. who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from August 12, 2016 up to and including August 23, 2021.

IV. THE SETTLEMENT OF THE CLAIMS:

On March 5, 2021, the parties participated in a full-day mediation in Los Angeles before a employment law mediator, Eve Wagner. The parties were able to resolve the matter subsequent to the mediation and agreed to the Settlement Agreement.

The Class Representative and Class Counsel believe the Settlement is in the best interest of the Class (defined below).

Through the Settlement, neither Defendants nor any of their employees have admitted any liability or wrongdoing and, in fact Defendants expressly deny any wrongdoing. The Court did not decide in favor of Plaintiff or Defendants. The Settlement Agreement has been preliminarily approved by the Court. A full copy of the Settlement Agreement, embodied in the document entitled **JOINT STIPULATION AND AGREEMENT FOR CLASS AND REPRESENTATIVE ACTION SETTLEMENT AND RELEASE** as preliminarily approved by the Court, as well as other public documents filed in this case, can be inspected in the Office of the Court Clerk located at 312 North Spring Street, Los Angeles, CA 90012. [Face masks are strongly recommended inside all Los Angeles County courthouses.](#)

V. THE TERMS OF THE CONDITIONAL CLASS ACTION SETTLEMENT:

On behalf of the Class Members, the Class Representative has reached a Settlement with Defendants and on **[TBD]** the Court conditionally certified a class, for settlement purposes only, comprised of the following persons (collectively, the

"Class"):

All current and former hourly or non-exempt employees of Defendants who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from August 12, 2016 up to and including August 23, 2021.

Without admitting liability, Defendants have agreed to pay \$190,000 (the "Gross Settlement Amount") for a release of Defendants and all Released Parties (defined below) from the Released Claims (defined below) (see below for more information). This is a non-reversionary settlement. Settlement Class Members will be bound by the Settlement and will release Defendants and all Released Parties (defined below) from the Released Claims (defined below) (see below for more information).

This Settlement is conditioned upon the Superior Court of the State of California for the County of Los Angeles, entering an order at or following the Settlement Hearing finally approving the Settlement as fair, reasonable, adequate, and in the best interests of the Class.

The following payments will be sought, subject to final approval by the Court, from the Gross Settlement Amount:

- (1) Payment in the amount of up to \$7,500 to the Class Representative ("Service Award") in addition to the sum that she will receive as a Settlement Class Member, to compensate her for acting on behalf of the Class, including the time she expended to fulfill the role of Class Representative (e.g., assisting with the investigation of the claims, etc.);
- (2) Payment to the Settlement Administrator for the fees and costs of administering this Settlement ("Administration Expenses"), in the estimated maximum amount of \$9,351;
- (3) Payment in an amount of \$5,000 for penalties pursuant to the California Labor Code Private Attorney General Act of 2004 ("PAGA"), of which 75% of the amount (\$3,750) will be distributed to the California Labor Workforce and Development Agency ("LWDA") and the remaining 25% of the amount (\$1,250) of the penalties will ~~to be~~ distributed to current and former hourly or non-exempt employees of Seven Forty One Company, Inc. or Mr. Stax, Inc. who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from June 9, 2019 up to and including ~~August 23~~ January 14, 2021;
- (4) Payment in an amount of up to \$66,500.00 to Class Counsel as attorneys' fees, to compensate them for their services in litigating this case for approximately 2 years on a contingency basis; and
- (5) Payment in an amount of up to \$20,000 to Class Counsel, to reimburse Class Counsel for actual litigation costs and expenses expended in this matter by Class Counsel.

The "Net Settlement Amount" is the Gross Settlement Amount less the above-mentioned requested payments and less approximately \$3,500 for Defendants' share of state and federal employment and payroll taxes and withholdings, which are subject to final approval by the Court. The Net Settlement Amount will be automatically distributed to Settlement Class Members, and these gross individual shares are known as the "Individual Settlement Amount." The Individual Settlement Amount for each Settlement Class Member shall be determined on a *pro rata* basis based on his or her number of Workweeks (defined below) as compared to the total Workweeks of all Settlement Class Members. Workweeks are calculated by determining the number of days between the Settlement Class Member's start and end dates of employment from August 12, 2016 up to and including August 23, 2021 (and only for work performed at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355) and then dividing by seven (7). If a Settlement Class Member was hired prior to August 12, 2016, then his or her "start date" will be August 12, 2016.

V. WHAT IS YOUR EXPECTED SHARE:

As discussed above, the Net Settlement Amount will be automatically distributed to Class Members who do not opt out of this Settlement, based on their respective number of Workweeks.

Defendants' records reflect that you worked [insert number of workweeks] workweeks during the Class Period, and based on this number of Workweeks, your gross Individual Settlement Amount is estimated to be [insert estimated amount].

If you wish to dispute the number of Workweeks attributed to you, you may do so by submitting a written dispute (“Workweeks Dispute”) to the Settlement Administrator at the address listed in section II.2 (above), postmarked on or before [TBD]. A Workweeks Dispute must state: (a) your full name, address, telephone number, last four digits of your social security number, and signature; (b) the case name and number of the action (*Vanessa Gonzalez v. Seven Forty One Company, Inc., et al.*); (c) contain a statement indicating your intent to dispute or challenge the number of Workweeks credited to you and clearly identify the number of Workweeks you contend should be credited to you; and (d) include any records or documentation to support the Workweeks Dispute.

The amount stated herein as your estimated Individual Settlement Amount may change depending on the number of Class Members who do not opt-out and the Court's order with respect to the requests for attorneys' fees, litigation costs and expenses, award to class representative, administration expenses, and PAGA payment. Further, your gross Individual Settlement Amount will be allocated as 20% wages (reported on an IRS Form W-2), and 80% interest and penalties (reported on an IRS Form 1099). The wage portion is subject to employee's and employer's share of state and federal employment and payroll taxes and withholdings prior to distribution.

VII. WHEN CAN I EXPECT TO RECEIVE MY SHARE OF THE SETTLEMENT:

The Settlement Administrator will distribute the settlement funds after funding has occurred and after the Court enters the final approval order and judgment.

No later than 5 calendar days after the Settlement Administrator deposits the Gross Settlement Amount into a qualified settlement account, the Settlement Administrator shall distribute the payments as follows: the Individual Settlement Payments to Settlement Class Members, Service Award to Class Representative, LWDA Payment to the LWDA, and Attorneys' Fees and Expenses to Class Counsel, all in the Court-approved amounts.

VIII. RELEASE OF CLAIMS OF SETTLEMENT CLASS MEMBERS:

If the Court grants final approval of the Settlement and the Gross Settlement Amount is fully funded, Class Members who do not Opt Out of the Settlement, will release, discharge, and agree to hold harmless the Released Parties (defined below), and each of them, of and from any and all Released Claims (defined below).

“Released Parties” shall mean Defendants and all of their respective current and former parents, subsidiaries, predecessors, successors, and their affiliated entities, and each of their respective owners, officers, directors, employees, partners, shareholders, agents, and any other successors, heirs, assigns, or legal representatives, any attorneys, insurers, claims representatives, members, managers, dba's, and representatives, and any of their, direct or indirect, parent or subsidiary entities.

“Released Claims ” means any and all federal and California state law wage-and-hour claims, rights, demands, liabilities, and/or causes of action of every nature and description arising from any and all claims that were alleged or could have been alleged in the first amended complaint based on the facts contained therein only, arising during the Class Period, including, without limitation, statutory, constitutional, contractual, and/or common law claims for wages, reimbursements, damages, unpaid costs, penalties (including penalties under the California Labor Code's Private Attorneys General Act of 2004, as amended, California Labor Code §§ 2698, et seq.), liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief, including without limitation, California Labor Code §§ 200, 201, 202, 203, 204, 218, et seq., 218.5, 226, et seq., 226.7, 510, 512, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, et seq., 1197, et seq., 1197.1, 1198, 2698, et seq., 2699, 2699.3, and any federal counterparts, California Business and Professions Code §§ 17200-17208, any IWC Wage Orders, California Code of Civil Procedure § 1021.5, any claims for meal and rest period violations; unpaid minimum wages or overtime wages; untimely pay during and at termination of employment, unreimbursed business expenses, record-keeping violations, and/or inaccurate pay stubs arising under Labor Code section 226; and any unlawful deductions; and causes of action for (i) unlawful failure to pay wages (Labor Code §§ 200-204, 510, 558, 1194; IWC Wage Order); (ii) Failure to provide meal and rest periods (Labor Code §§ 226.7, 512); (iii) Failure to provide itemized wage statements (Labor Code §§ 226, 1174); (iv) Failure to timely pay wages on termination (Labor Code § 203); (v) Unfair business practices under the Unfair Competition Act (Bus. & Prof. Code §§ 17200-17208); and (vi) Private Attorneys General Act of 2004 (Labor Code §§ 2698, et seq.). “Released Claims” shall only refer to employment claims (as

enumerated above) arising out of labor performed at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355. No release shall be effective until the Gross Settlement Amount is fully funded.

In connection with the above Released Claims, and in consideration of Defendants’ payments of the Gross Settlement Amount, each and every Class Member who does not Opt Out, including Plaintiff, will be deemed also to have acknowledged and agreed that California Labor Code section 206.5 is not applicable to Defendants and the Class Members because there is a good faith dispute as to whether any wages are due at all to any Class Member. California Labor Code section ~~section~~206.5 provides in pertinent part as follows:

AN EMPLOYER SHALL NOT REQUIRE THE EXECUTION OF A RELEASE OF A CLAIM OR RIGHT ON ACCOUNT OF WAGES DUE, OR TO BECOME DUE, OR MADE AS AN ADVANCE ON WAGES TO BE EARNED, UNLESS PAYMENT OF THOSE WAGES HAS BEEN MADE.

IX. RELEASE OF CLAIMS OF PAGA GROUP MEMBERS:

If the Court grants final approval of the Settlement and the Gross Settlement Amount is fully funded , each PAGA Group Member (defined below) and Plaintiff, each release, discharge, and agree to hold harmless the Defendants, and each of them, of and from any and all Released PAGA Claims (defined below).

“PAGA Group Member(s)” means all non-exempt and/or hourly-paid, current and former employees, who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from June 9, 2019 through January 14, 2021.

“Released PAGA Claims” means any and all claims, demands, rights, liabilities, and/or causes of action for penalties under the California Private Attorneys’ General Act that accrued during the PAGA Period and that were asserted in Plaintiff’s LWDA notice letter dated August 12, 2020 or the first amended complaint as well as those that could have been alleged in the first amended complaint based on the facts contained therein, including, without limitation, Labor Code sections 200, 201, 202, 203, 204, 218, et seq., 218.5, 226, et seq., 226.7, 510, 512, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, et seq., 1194.2, 1197, et seq., 1197.1, 1198, 2698, et seq., 2699, 2699.3, and 2802.

X. HOW TO OBTAIN ADDITIONAL INFORMATION:

This Notice is only a summary of the class action lawsuit and the associated Settlement. For more information, you may inspect the Court files and the Settlement Agreement at the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. [Face masks are strongly recommended inside all Los Angeles County courthouses.](#)

You may also contact Class Counsel, Settlement Administrator, and/or Defendants’ Counsel for more information:

Class Counsel: Scott Edward Cole Laura Grace Van Note COLE & VAN NOTE 555 12th Street, Suite 1725 Oakland, California 94607 Telephone: (510) 891-9800 Facsimile: (510) 891-7030 sec@colevannote.com lvn@colevannote.com	Defendants’ Counsel: Beth Kahn Ryan McKim Keith Rossman CLARK HILL LLP 555 South Flower Street, 24th Floor Los Angeles, CA 90071 Telephone: (213) 891-9100 Facsimile: (213) 488-1178 bkahn@clarkhill.com rmckim@clarkhill.com krossman@clarkhill.com
Settlement Administrator: Simpluris [Address] [Telephone] [Facsimile]	

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PLEASE DO NOT CALL OR WRITE TO THE COURT ABOUT THIS NOTICE.

Opt-Out Form

Vanessa Gonzalez v. Seven Forty One Company, Inc., et al.

Case No. 20STCV30761

If you wish to opt out of the Settlement and exclude yourself from the Settlement, complete this Opt-Out Form and mail it to Simpluris, located at [Address] so that it is postmarked no later than [TBD]. For additional information about the Settlement, please review the accompanying Notice of Proposed Class Action Settlement & Hearing Date for Court Approval.

Full name: _____

Address: _____

Telephone: _____

Last for digits of social security number: _____

Signature: _____

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PROOF SERVICE

Gonzalez v. Seven Forty One Company, Inc., et al.

Los Angeles Superior Court, Case No. 20STCV30761

I am employed in Los Angeles County, State of California. I am over the age of 18 and not a party to this action. My business address is 555 South Flower Street, 24th Floor, Los Angeles, California 90071.

On January 13, 2023, I served the foregoing document, described as "DECLARATION OF RYAN C. MCKIM PURSUANT TO DECEMBER 29, 2022 ORDER GRANTING MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT ON CONDITIONS" on the interested parties in said action by electronic service.

■ BY ELECTRONIC SERVICE VIA CASE ANYWHERE - I caused the above-entitled document to be served through Case Anywhere addressed to all parties appearing on the Case Anywhere electronic service list for the above-entitled case. The file transmission was reported as completed and a copy of the Case Anywhere Service Receipt page(s) will be maintained with the original document in our office.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on January 13, 2023, at Los Angeles, California.



Ryan C. McKim