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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
THE COUNTY OF LOS ANGELES – CENTRAL DISTRICT
SPRING STREET COURTHOUSE**

DAVID HILARIO,

Plaintiff,

v.

MARSRING CORPORATION dba LOS
ANGELES FIBER COMPANY; and DOES
1 through 50, inclusive,

Defendant.

Case No. 19STCV26229

CLASS ACTION

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

Assigned for all purposes to:
Hon. Kenneth R. Freeman, Dept.: SS14

Complaint Filed: July 29, 2019
Trial Date: Not Yet Set

JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

1 IT IS HEREBY STIPULATED, by and among Plaintiff DAVID HILARIO, on behalf of
2 himself and the Settlement Class Members on the one hand, and Defendants MARSPRING
3 CORPORATION dba LOS ANGELES FIBER COMPANY and RELIANCE UPHOLSTERY
4 SUPPLY CO., INC. dba Reliance Carpet Cushion, on the other hand, and subject to the approval
5 of the Court, that the above-captioned action is hereby being compromised and settled pursuant
6 to the terms and conditions set forth in this Joint Stipulation of Class Action Settlement and
7 Release (the "Settlement").

8 **1. DEFINITIONS**

9 Capitalized terms used in this Settlement shall have the meanings set forth below:

10 1.1. "Aggrieved Employee" means all individuals who worked for Defendants in a
11 California location, including, but not limited to, forklift drivers, packers, helpers, warehouse
12 workers, and those in functionally equivalent positions at any time during the period August 10,
13 2019 through and including the Preliminary Approval Date (the "PAGA Period")

14 1.2. "Claims Administrator" means Phoenix Settlement Administrators.

15 1.3. "Claims Administration Costs" means the amount to be paid to the third-party
16 Claims Administrator from the Gross Settlement Amount for the administration of the Settlement.
17 The Claims Administration Costs amount is not to exceed Twenty Thousand Dollars
18 (\$20,000.00). Any portion of the requested Claims Administration Costs that is not awarded to
19 the Claims Administrator shall be part of the Net Settlement Amount.

20 1.4. "Class Claims" means the claims or causes of action arising from the facts alleged
21 or that could have been alleged in the Hilario Action on behalf of Plaintiff and all others similarly
22 situated, including but not limited to, all wage and hour claims for unpaid wages including
23 minimum wage payments, failure to pay wages during employment, failure to pay overtime, meal
24 and rest break violations, wage statement violations, reimbursement, restitution, disgorgement,
25 conversion, unjust enrichment, civil and statutory penalties, interests, liquidated damages,
26 attorneys' fees and costs, claims under California Labor Code Sections 201, 201.1, 201.3, 201.5,
27 201.7, 201.9, 202, 203, 204, 205.5, 206, 210, 212, 218, 218.5, 218.6, 219, 224, 226, 226.3, 226.7,
28 256, 510, 511, 512, 515, 558, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698-2699, 2802,

1 Industrial Welfare Commission Wage Order Nos. 1-17, and claims under California Business &
2 Professions Code sections 17200-17204.

3 1.5. "Class Counsel" means Kevin Mahoney and Berkeh Alemzadeh of the Mahoney
4 Law Group, APC.

5 1.6. "Class Counsel Award" means reasonable attorneys' fees for Class Counsel's
6 litigation and resolution of this Action in a maximum amount of One Hundred Ninety-Two
7 Thousand Five Hundred Dollars (\$192,500.00), which amount is thirty-five percent (35%) of the
8 Gross Settlement Amount. The Court shall determine the amount of the Class Counsel Award,
9 and it shall be paid from the Gross Settlement Amount. Any portion of the requested Class
10 Counsel Award that is not awarded to Class Counsel shall be part of the Net Settlement Amount.

11 1.7. "Class Counsel Costs" means expenses incurred by Class Counsel for Class
12 Counsel's litigation and resolution of this Action, not to exceed Twenty Thousand Dollars
13 (\$20,000.00). The Court shall determine the amount of the Class Counsel Costs, and it shall be
14 paid from the Gross Settlement Amount. Any portion of the requested Class Counsel Costs that
15 is not awarded to Class Counsel shall be part of the Net Settlement Amount.

16 1.8. "Class Information" means information regarding Settlement Class Members that
17 Defendants will in good faith compile from their records and provide to the Claims Administrator.
18 Class Information shall be provided as a Microsoft Excel spreadsheet and shall include: each
19 Settlement Class Member's full name; last known address; last known home telephone number;
20 social security number; start and end dates of employment during the Class Period; and the total
21 number of estimated workweeks each Settlement Class Member worked for Defendants during
22 the Class Period. Because social security numbers are included in the Class Information, the
23 Claims Administrator shall maintain the Class Information in confidence; access shall be limited
24 to those with a need to use the Class Information as part of the administration of the Settlement;
25 and transmission shall be through use of a secure, password-protected file.

26 1.9. "Class" or "Class Members" shall mean and include: all non-exempt employees
27 who are or were employed by Defendant in the State of California during the Class Period.
28

1 1.10. "Class Period" means the period from July 29, 2015, through and including the
2 Preliminary Approval Date.

3 1.11. "Class Representative Enhancement Award" means the amount that the Court
4 authorizes to be paid to Plaintiff, not to exceed Seven Thousand Five Hundred Dollars
5 (\$7,500.00), in addition to Plaintiff's Individual Settlement Payment, in recognition of Plaintiff's
6 efforts and risks in assisting with the prosecution of the Action. The Class Representative
7 Enhancement Award shall be paid from the Gross Settlement Amount. Any portion of the
8 requested Class Representative Enhancement Award that is not awarded to Plaintiff shall be part
9 of the Net Settlement Amount.

10 1.12. "Court" means the Superior Court of the State of California for the County of Los
11 Angeles.

12 1.13. "Defendants" mean Marspring Corporation dba LA Fiber and Reliance Upholstery
13 Supply Co., Inc., and all of their current and former parents, owners, subsidiaries, predecessors
14 and successors, and each of their respective officers, directors, partners, shareholders and agents,
15 and any other successors, assigns, or legal representatives.

16 1.14. "Defense Counsel" means Thomas Ingrassia and Andrew Chung of PETIT KOHN
17 INGRASSIA LUTZ & DOLIN, PC.

18 1.15. "Effective Date" means the date upon which all of the following events have
19 occurred: (1) the date of final affirmation of the Final Approval from any appeal, the expiration
20 of the time for, or the denial of, a petition to review the Final Approval, or if review is granted,
21 the date of final affirmation of the Final Approval following review pursuant to that grant; or (2)
22 the date of final dismissal of any appeal from the Final Approval or the final dismissal of any
23 proceeding to review the Final Approval, provided that the Final Approval is affirmed and/or not
24 reversed in any part; or (3) if no class members intervene but objections are filed, the expiration
25 date of the time for the filing or noticing of any appeal from the Court's Final Approval of the
26 Settlement, as determined under Rule 8.104(a)(3) of the California Rules of Court or (4) if no
27 class members intervene and there are no objections, the date the Court enters the Final Approval
28 Order and Final Judgment.

1 1.16. "Employee Taxes" means the employee's share of any and all applicable federal,
2 state, and local payroll taxes on the portion of Participating Class Members' Individual
3 Settlement Payment that constitutes wages. The Employee Taxes will be paid out of the Net
4 Settlement Amount.

5 1.17. "Employer Taxes" means the employer's share of any and all applicable federal,
6 state, and local payroll taxes on the portion of Participating Class Members' Individual
7 Settlement Payment that constitutes wages. The Employer Taxes will be paid by Defendants
8 Marspring Corporation dba LA Fiber and Reliance Upholstery Supply Co., Inc., and not out of
9 the Gross Settlement Amount or Net Settlement Amount.

10 1.18. "Final Approval Hearing" means the hearing held on the motion for final approval
11 of the Settlement.

12 1.19. "Final Approval Date" means the date on which the Court grants final approval of
13 the Settlement.

14 1.20. "Final Judgment" means the Court's entry of an order of judgment in this Action
15 following the Court's final approval of the Settlement.

16 1.21. "Gross Settlement Amount" means the maximum amount Defendants shall have
17 to pay in connection with this Settlement, by way of a common fund, which shall be inclusive
18 of all Individual Settlement Amounts to Participating Class Members, Class Counsel Award,
19 Class Counsel Costs, Claims Administrator Costs, Class Representative Enhancement Award,
20 Employee Taxes, and PAGA Allocation. Subject to Court approval and the terms of this
21 Settlement, the Gross Settlement Amount Defendants shall be required to pay is Five Hundred
22 Fifty Thousand Dollars (\$550,000.00). No portion of the Gross Settlement Amount will revert
23 to Defendant, and the Settlement does not require Participating Class Members to submit claims
24 as a prerequisite to receiving their Individual Settlement Payment. This settlement sum is based
25 on Defendant's representation that the class size as of September ___, 2020 is one hundred sixty-
26 three (163) individuals. Defendant shall not be required to pay more than the Gross Settlement
27 Amount as long as the class size does not increase by more than ten (10) percent as of the
28 Preliminary Approval Date. Should the class size increase by more than ten percent (10%),

1 Defendants will have the option of either voiding the Settlement or paying an increased Gross
2 Settlement Amount which will increase on a proportional basis. above (i.e., if the actual class
3 size increase by 11%, the Settlement will also increase by 11%). Under no other circumstance
4 shall Defendants be required to pay more than the Gross Settlement Amount except as provided
5 for in this Settlement.

6 1.22. "Hilario Action" shall mean the lawsuit entitled *Hilario v. Marspring Corporation*
7 *dba Los Angeles Fiber Company*, and DOES 1 through 50, pending in the Superior Court of the
8 State of California, County of Los Angeles, and designated as Case No. 19STCV26229.

9 1.23. "Individual Settlement Payment" means the amount payable to each Settlement
10 Class Member from the Net Settlement Amount. Checks for Individual Settlement Payments will
11 specifically indicate that they are void if not negotiated within one hundred eight (180) days of
12 their issuance.

13 1.24. "LWDA PAGA Allocation" means three thousand seven hundred fifty dollars
14 (\$3,750.00), representing seventy five percent (75%) of the PAGA Allocation, and is the amount
15 payable from the Gross Settlement Amount to California's Labor Workforce Development
16 Agency.

17 1.25. "Net Settlement Amount" means the Gross Settlement Amount, less (i) the Class
18 Representative Payment approved by the Superior Court; (ii) the Class Counsel Fees Payment
19 approved by the Superior Court; (iii) the Class Counsel Litigation Expenses Payment approved
20 by the Superior Court (iv) the LWDA PAGA Allocation approved by the Superior Court; (v) the
21 Claims Administrator Costs approved by the Superior Court, (vi) Employee Taxes, (vii) any other
22 fees or expenses (other than Class Counsel Fees Payment and Class Counsel Litigation Expenses
23 Payment) incurred by implementing the terms and conditions of this Agreement as approved by
24 the Superior Court.

25 1.26. "Non-Participating Class Member" shall mean a Settlement Class Member who
26 submits a complete, valid and timely request to be excluded from the Settlement with respect to
27 Class Claims only pursuant to the instructions provided in the Class Notice and/or who has signed
28 a release with Defendants to resolve any claims as alleged in the Hilario Action or based on facts

1 as alleged in the Hilario Action.

2 1.27. "Notice of Objection" means a written statement of objection to the Settlement
3 made and signed by a Settlement Class Member and includes the following: (1) the full name of
4 the Settlement Class Member; (2) the dates of employment of the Settlement Class Member; (3)
5 the last four (4) digits of the Settlement Class Member's Social Security number and/or the
6 Employee ID number; (4) the basis for the objection; and, (5) whether the Settlement Class
7 Member intends to appear at the Final Approval Hearing.

8 1.28. "Notice of Settlement" means the Notice of Proposed Class Action Settlement
9 (substantially in the form attached hereto as **Exhibit "A"**).

10 1.29. "Notice Packet" means the Notice of Proposed Class Action Settlement and the
11 Request for Exclusion.

12 1.30. "PAGA Allocation" means five thousand (\$5,000.00), allocated from the Gross
13 Settlement Amount for the compromise of claims for civil penalties brought under the Labor Code
14 Private Attorneys General Act of 2004 ("PAGA").

15 1.31. "PAGA Claim" means any and all claims or causes of action arising from the facts
16 alleged or that could have been alleged in the Hilario Action on behalf of Plaintiff and any
17 allegedly aggrieved employees to recover civil penalties pursuant to PAGA for any alleged
18 violations by Defendants of the California Labor Code, including but not limited to sections 201-
19 203, 204, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2802, and
20 the related applicable IWC Wage Order provision.

21 1.32. "PAGA Period" means August 10, 2019 through and including the Final Approval
22 Date.

23
24 1.33. "Participating Class Members" means all Settlement Class Members who do not
25 submit a valid and timely Request for Exclusion.

26 1.34. "Parties" means Plaintiff and Defendant collectively, and "Party" shall mean any
27 Plaintiff or any Defendant, individually.

28 1.35. "Plaintiff" means David Hilario.

1 1.36. “Plaintiff’s General Released Claims” means, in addition to the releases made by
2 Participating Class Member, Plaintiff, on behalf of himself, his heirs, marital community,
3 successors, assigns, and estates, in exchange for the terms and conditions of this Agreement,
4 including the Class Representative Enhancement Award requested or as otherwise authorized by
5 the Court, shall also, as of the Effective Date, fully and forever release the Released Parties, to
6 the full extent permitted by law, of and from any and all claims arising from their employment
7 with Defendant, known and unknown, asserted and unasserted, concealed or hidden, which
8 Plaintiff had or may have had against the Released Parties, whether sounding in tort, in contract,
9 in law, in equity or otherwise, and including but not limited to all claims for violation of any local,
10 state, or federal statute, rule, or regulation.

11 1.37. “Preliminary Approval Date” means the date the Court enters the Preliminary
12 Approval Order for the Settlement.

13 1.38. “Preliminary Approval Order” means the Proposed Order (filed concurrently with
14 this Settlement) for preliminary approval of the Settlement.

15 1.39. “Released Class Claims” means any and all wage and hour claims arising from the
16 facts alleged or that could have been alleged in the Hilario Action, including all wage and hour
17 claims for unpaid wages including minimum wage payments, failure to pay wages during
18 employment, failure to pay overtime, meal and rest break violations, wage statement violations,
19 reimbursement, restitution, disgorgement, conversion, unjust enrichment, civil and statutory
20 penalties, interests, liquidated damages, attorneys’ fees and costs, claims under California Labor
21 Code Sections 201, 201.1, 201.3, 201.5, 201.7, 201.9, 202, 203, 204, 205.5, 206, 210, 212, 218,
22 218.5, 218.6, 219, 224, 226, 226.3, 226.7, 256, 510, 511, 512, 515, 558, 1194, 1194.2, 1197,
23 1197.1, 1198, 1199, and 2802, Industrial Welfare Commission Wage Order Nos. 1-17, and claims
24 under California Business & Professions Code sections 17200-17204. It is understood and
25 agreed that Released Claims do not include claims for workers compensation, unemployment,
26 or disability benefits of any nature, nor any claims, actions, or causes of action which may be
27 possessed by Settlement Class Members under state or federal discrimination statutes, including,
28 without limitation, the Cal. Fair Employment and Housing Act, the Cal. Government Code §

1 12940, et seq.; the Unruh Civil Rights Act, the Cal. Civil Code § 51, et seq.; the California
2 Constitution; Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000, et seq.; the Americans
3 with Disabilities Act, as amended, 42 U.S.C. § 12101, et seq.; the Employee Retirement Income
4 Security Act of 1974, as amended, 29 U.S.C. § 1001, et seq.; and all of their implementing
5 regulations and interpretive guidelines.

6 1.40. Released PAGA Claims" means the release by Class Member of the Released
7 Parties, who worked during the PAGA period with respect to the causes of action and remedies
8 set forth herein. The Released Claims include all claims stated in this Action as set forth in the
9 notice letter to the LWDA dated August 10, 2020 and the operative First Amended Complaint,
10 including, but not limited to, 201, 202, 203, 204, 206, 210, 221, 226, 226.3, 226.7, 510, 512, 558,
11 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and 2698 et seq. Even if a Class
12 Member opts-out of the Settlement, the Class Member will still be deemed to have released the
13 PAGA Claims and will receive an Individual PAGA Settlement Payment. The PAGA period is
14 August 10, 2019 to the date of final approval of this Agreement.

15 1.41. "Released Parties" means Marspring Corporation dba LA Fiber, and Reliance
16 Upholstery Supply Co., Inc. dba Reliance Carpet Cushion, and all of its current, former, and
17 future parents, owners, subsidiaries, predecessors and successors, including but not limited to
18 Ronald Greitzer, and each of their respective officers, directors, partners, shareholders and
19 agents, attorneys, business managers, insurers, and any other successors, assigns, or legal
20 representatives, and any other individual or entity which could be jointly liable with any of the
21 following.

22 1.42. "Request for Exclusion" means the Request for Exclusion form as pertaining to
23 Class Claims (substantially in the form attached hereto as **Exhibit B**).

24 1.43. "Response Deadline" means the date forty-five (45) days after the Claims
25 Administrator mails Notice Packets to Settlement Class Members, and shall be the last date on
26 which Settlement Class Members may: (a) postmark Requests for Exclusion from the Settlement,
27 or (b) postmark Objections to the Settlement.

28 1.44. "Settlement Class Member(s)" or "Settlement Class" means all non-exempt

1 employees, currently and formerly employed by Defendant, in the State of California during the
2 Class Period.

3 **2. RECITALS**

4 2.1. Class Certification. The Parties stipulate and agree to class certification of the
5 Hilario Action for purposes of this Settlement only. Should the Settlement not become final and
6 effective, class certification shall immediately be set aside (subject to further proceedings on
7 motion of any party to certify or deny certification thereafter). The Parties' willingness to
8 stipulate to class certification as part of the Settlement shall have no bearing on and shall not be
9 admissible in or considered in connection with, the issue of whether a class should be certified in
10 a non-settlement context in the Hilario Action, and shall have no bearing on and shall not be
11 admissible or considered in connection with the issue of whether a class should be certified in any
12 other lawsuit.

13 2.2. Procedural History. On July 29, 2019, Plaintiff David Hilario, a former employee
14 of Defendant Marspring Corporation dba LA Fiber ("Marspring"), filed the Hilario Action in the
15 Superior Court of California for the County of Los Angeles as a proposed class action on behalf
16 of all current and former non-exempt California employees of Defendant Marspring Corporation
17 dba LA Fiber during the period of July 29, 2015, through the date of final judgment. Plaintiff
18 Hilario alleged that Defendant Marspring (1) failed to pay all wages, including overtime wages;
19 (2) failed to provide meal periods; (3) failed to provide rest periods; (4) failed to pay wages upon
20 termination of employment; (5) failed to indemnify for necessary business expenditures or losses
21 in discharge of duties; and (6) engaged in unfair business practices. Plaintiff sought recovery
22 under the California Labor Code, the applicable Industrial Welfare Commission Wage Order, and
23 the California Business & Professions Code. On [date], Plaintiff Hilario filed an amended
24 Complaint to name and Reliance Upholstery Supply Co., Inc. as "Doe 1."

25 2.3. On August 10, 2020, Plaintiff filed a Notice with the California Labor Workforce
26 and Development Agency ("LWDA") alleging violations of PAGA. The LWDA did not provide
27 notice of any intent to investigate the alleged violations within sixty-five (65) calendar days of
28 the postmark date of the Notice. The Parties stipulated and Plaintiff thereafter filed a First

1 Amended Complaint to include a cause of action for violations of the PAGA, all of which are
2 premised on the facts, claims, causes of action, or legal theories presently asserted in the Lawsuit,
3 as the PAGA representative on behalf of himself and all allegedly aggrieved employees.
4 Defendants agree that, for settlement purposes, they will not challenge the statute of limitations
5 applicable to 1) the notice required to be sent to the California Labor and Workforce Development
6 Agency ("LWDA") pursuant to PAGA; or 2) the PAGA Claim that will be included in the
7 Operative Complaint (as defined below). If the Court rejects Plaintiff as the PAGA
8 representative, Defendant shall cooperate with Plaintiff in locating and securing one or more
9 putative class members ("PAGA Representative(s)") who have sufficient standing to assert the
10 PAGA claim against Defendants and who further consent to joining the Lawsuit as named
11 plaintiff(s) and asserting the PAGA Claim against Defendants. Plaintiff shall promptly thereafter
12 file an amended complaint adding the PAGA Representative(s) as named plaintiff(s) to bring the
13 additional PAGA Claim. The complaint, as amended, to include a PAGA representative
14 acceptable to the Court for purposes of bringing the PAGA Claim on behalf of himself and all
15 allegedly aggrieved employees and to name Defendants shall be hereinafter referred to as the
16 "Operative Complaint."

17 2.4. Settlement Negotiations. On June 3, 2020, the Parties participated in a private
18 mediation session with mediator Steven Rottman, a well-respected, experienced mediator in the
19 field of wage and hour class actions. Prior to the mediation, Class Counsel conducted extensive
20 informal discovery and investigation during the prosecution of the Class Action. The informal
21 discovery and investigation included, among other things: (1) inspection and analysis of employee
22 documents and data, including personnel files, time and payroll records, employment policies and
23 procedures, and other relevant documents; (2) evaluation of legal positions taken by Defendant;
24 (3) evaluation of potential class-wide damages and PAGA penalties; and (4) review and research
25 of applicable law with respect to the claims and potential defenses brought by Defendant. Class
26 Counsel has vigorously prosecuted this Class Action, and Defendants have vigorously defended
27 it. The Parties have engaged in sufficient discovery and investigation to assess the relative merits
28 of the claims and contentions of the Parties. Based on this information and the settlement

1 discussions during the mediation conducted at arm's length and settlement discussions, the Parties
2 came to an agreement on June 15, 2020. The settlement is the result of an informed and detailed
3 evaluation of the potential liability of total exposure in relation to the costs and risks associated
4 with continued litigation of the Hilario Action.

5 2.5. Benefits of Settlement to Settlement Class Members. Plaintiff and Class Counsel
6 recognize the length of continued proceedings necessary to litigate their disputes through
7 certification, trial, and any possible appeal. Plaintiff and Class Counsel have also taken into
8 account the uncertainty and risk of the outcome of further litigation, the difficulties and delays
9 inherent in such litigation, including, but not limited to, the risks related to a contested motion for
10 class certification, and the risks related to liability raised by the issues in this case. Plaintiff and
11 Class Counsel are also aware of the burdens of proof necessary to establish liability for the claims
12 asserted in the Action and the difficulties in establishing damages for the Settlement Class
13 Members. Plaintiff and Class Counsel have also taken into account Defendant's agreement to
14 enter into a settlement that confers substantial relief upon Settlement Class Members. Based on
15 the foregoing, Plaintiff and Class Counsel have determined that this Settlement is a fair, adequate,
16 and reasonable, and is in the best interests of the Settlement Class Members.

17 2.6. Defendants' Denial of Wrongdoing and Liability and Reasons for Settlement.
18 Defendants contends that the Settlement Class Members were properly and timely paid all wages
19 owed, including, but not limited to, all straight time and overtime, were properly reimbursed, and
20 were provided meal and rest periods as required under California law. However, substantial
21 amounts of time, energy and resources of Defendants have been and, unless this Settlement is
22 made, will continue to be devoted to the defense of the claims asserted by Plaintiff and Settlement
23 Class Members. Defendants have also taken into account the risks of further litigation in reaching
24 their decision to enter into this Settlement. Defendants have concluded that further proceedings
25 in the Hilario Action would be protracted and expensive and that it is desirable that the Hilario
26 Action be fully and finally settled in the manner and upon the terms and conditions set forth in
27 this Settlement in order to dispose of burdensome and protracted litigation, to permit the operation
28 of Defendant's business without further expensive litigation and the distraction and diversion of

1 its personnel with respect to matters at issue in the Hilario Action. Defendants have also taken
2 into account the uncertainty and risks inherent in any litigation, especially in complex cases such
3 as this Hilario Action. Defendant has therefore determined that it is desirable and beneficial to
4 them that the Hilario Action be settled in the manner and upon the terms and conditions set forth
5 in this Settlement.

6 2.7. No Admissions. The Parties understand and agree that this Settlement is the result
7 of a good faith compromise of disputed claims and allegations, and the Parties are entering into
8 this Settlement Agreement solely to resolve doubtful and disputed matters. No part of this
9 Settlement Agreement or any conduct or written or oral statements made in connection with this
10 Settlement, whether or not the Settlement Agreement is finally approved and/or consummated,
11 may be offered as or construed to be an admission or concession of any kind by either of any of
12 the Parties. In particular, but without limiting the generality of the foregoing, nothing about this
13 Settlement or Settlement Agreement shall be offered or construed as an admission that
14 Defendants and Released Parties have violated any of their obligations under the California
15 Labor Code, or of liability in general, or any wrongdoing, impropriety, responsibility, or fault
16 whatsoever on the part of Defendants and/or Released Parties. In addition, this Settlement
17 Agreement shall not be offered or be admissible in evidence against any of the Parties or any of
18 the Released Parties, except in any action or proceeding brought by or against Plaintiff, the
19 Class, Class Members, or Defendants to enforce its terms, or by Defendants in defense of any
20 claims brought by Plaintiff, the Class, Class Members. The provision of this paragraph shall
21 become effective when this Settlement is signed and shall be binding on the Parties and their
22 counsel regardless of whether the Settlement Agreement is preliminarily and/or finally approved
23 or terminated for any reason, or rendered null and void.

24 2.8. Settlement Class Members' Claims. Plaintiff claims that the Released Claims
25 have merit and give rise to liability on the part of Defendants. This Settlement is a compromise
26 of disputed claims. Nothing contained in this Settlement and no document referred to herein,
27 nor any action taken to carry out this Settlement, may be construed or used as an admission by
28 or against the Settlement Class Members or Class Counsel as to the merits or lack thereof of the

claims asserted.

3. TERMS OF SETTLEMENT

In recognition and reliance upon the foregoing factual recitals, the Parties agree as follows:

3.1. Binding Settlement. This Settlement shall bind the Parties and all Participating Class Members, subject to the terms and conditions hereof and the Court's approval.

3.2. Release as To Plaintiff and All Settlement Class Members.

3.2.1. Release as All Settlement Class Members. As of the Effective Date, all Settlement Class Members, including Plaintiff, who do not opt out of the Settlement, will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged the Released Parties from the Released Claims. All Settlement Class Members, whether or not they have opted out of the Settlement, will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged the Released Parties from the PAGA Claim.

3.2.2. Release as To Plaintiff. As of the Effective Date, Plaintiff will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged any and all of Plaintiff's General Released Claims against the Released Parties. With respect to the Plaintiff's General Released Claims only, Plaintiff shall be deemed to have, and by operation of the Final Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which section provides:

A general release does not extend to claims which the creditor does not know or

1 *suspect to exist in his or her favor at the time of executing the release, which if*
2 *known by him or her must have materially affected his or her settlement with*
3 *the debtor.*

4 Plaintiff may hereafter discover facts in addition to or different from those Plaintiff now
5 knows or believes to be true with respect to the subject matter of the Plaintiff's General Released
6 Claims, but upon the Effective Date, shall be deemed to have, and by operation of the Final
7 Judgment shall have, fully, finally, and forever settled and released any and all of the Plaintiff's
8 General Released Claims, whether known or unknown, suspected or unsuspected, concealed or
9 hidden, contingent or non-contingent, which now exist, or heretofore have existed, upon any
10 theory of law or equity now existing or coming into existence in the future, including, but not
11 limited to, conduct that is negligent, intentional, with or without malice or a breach of any duty,
12 law or rule, without regard to the subsequent discovery or existence of such different or additional
13 facts. Plaintiff agrees not to sue or otherwise make a claim against any of the Released Parties for
14 Plaintiff's General Released Claims.
15

16 3.3. Pursuant to this Agreement, Defendants and Released Parties and on behalf of
17 their agents, representatives, attorneys, insurers, assigns, and/or anyone acting on their
18 respective behalf, and in consideration of the promises, assurances, and covenants set forth in
19 this Agreement, hereby fully release the Employee and Employee's heirs, agents,
20 representatives, assigns, executors, and/or anyone on Employee's behalf (collectively, the
21 "Employee Released Parties") from all claims or causes of action by reason of any injuries
22 and/or damages or losses, known or unknown, foreseen or unforeseen, patent or latent, which
23 the Company has sustained or which may be sustained as a result of any facts and circumstances
24 arising out of or in any way related to Employee's employment with the Company, and to any
25 other disputes, claims, disagreements, or controversies between the Parties up to and including
26 the date this Agreement is signed.

27 3.4. Tax Liability. The Parties understand and agree that the Parties are not providing
28 tax or legal advice. Defendants are responsible for any Employer Taxes. These payments shall

1 not be made from the Gross Settlement Amount or the Net Settlement Amount. Participating
2 Class Members will remain responsible for any Employee Taxes, which payments shall be
3 deducted from the Net Settlement Amount. Participating Class Members will assume any
4 employee tax obligations or consequences that may arise from this Settlement and should
5 consult with a tax expert if they have questions. However, Individual Settlement Payments will
6 be allocated as follows: twenty percent (20%) as wages (a W-2 will be issued) and eighty percent
7 (80%) as interest and penalties (a 1099 will be issued). Any required payroll deductions will be
8 based on this apportionment. The Parties agree that, in the event that any taxing body determines
9 that additional employee taxes are due from any Participating Class Member, such Participating
10 Class Member assumes all responsibility for the payment of such taxes.

11 3.5. Circular 230 Disclaimer. The Parties acknowledge and agree that (1) no provision
12 of this Settlement, and no written communication or disclosure between or among the Parties,
13 Class Counsel or Defense Counsel and other advisers, is or was intended to be, nor shall any
14 such communication or disclosure constitute or be construed or be relied upon as, tax advice
15 within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
16 amended); (2) the acknowledging party (a) has relied exclusively upon his, her, or its own,
17 independent legal and tax counsel for advice (including tax advice) in connection with this
18 Settlement, (b) has not entered into this Settlement based upon the recommendation of any other
19 party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any
20 communication or disclosure by any attorney or adviser to any other party to avoid any tax
21 penalty that may be imposed on the acknowledging party; and (3) no attorney or adviser to any
22 other party has imposed any limitation that protects the confidentiality of any such attorney's or
23 adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure
24 by the acknowledging party of the tax treatment or tax structure of any transaction, including
25 any transaction contemplated by this Settlement.

26
27 3.6. Settlement Approval and Implementation Procedures. As part of this Settlement,
28 the Parties agree to the following procedures for obtaining the Court's preliminary approval of

1 the Settlement, certifying the Settlement Class, notifying Settlement Class Members of the
2 Settlement, obtaining the Court's final approval of the Settlement, and processing the Individual
3 Settlement Payments.

4 3.7. Preliminary Approval and Certification. As soon as practicable after execution of
5 this Settlement, but no later than sixty-five days (65) days, the Parties will jointly submit this
6 Settlement to the Court for its preliminary approval. Such submission will include this
7 Settlement, the proposed Notice Packet, the proposed Preliminary Approval Order, and any
8 memoranda and evidence as may be necessary for the Court to determine that this Settlement is
9 fair, adequate, and reasonable. Plaintiff will draft the memoranda and prepare the evidence as
10 may be necessary for Preliminary Approval. The Parties agree to request the Court to enter an
11 order conditionally certifying the Settlement Class after the preliminary approval hearing, in
12 accordance with California Rules of Court, Rule 3.769(c).

13 3.8. Class Information. No more than fifteen (15) calendar days after the entry of the
14 Preliminary Approval Order, Defendant shall provide the Claims Administrator with the Class
15 Information for purposes of mailing Notice Packets to Settlement Class Members, including: 1.
16 Class Member's full name; 2. Class Member's last known address; 3. Class Member's last four
17 digits of social security number; 4. Class Member's employee identification number; and based
18 on Defendants' payroll records, the Class Member's total number of workweeks.-Within fifteen
19 (15) calendar days after Preliminary Approval, Defendants shall provide the Claims
20 Administrator with any information reasonably necessary to perform the calculation of number
21 of workweeks for each Settlement Class Member, and any other reasonably required
22 information the Claims Administrator requests to perform the calculations required under this
23 Settlement.
24

25 3.9. Notice by First Class U.S. Mail. Upon receipt of the Class Information, the Claims
26 Administrator will perform a search on the National Change of Address database to update the
27 Settlement Class Members' addresses. No more than ten (10) calendar days after receiving the
28 Class Information from Defendants, as provided herein, the Claims Administrator shall mail

1 copies of the Notice Packet to all Settlement Class Members by regular First-Class U.S. Mail.
2 The Claims Administrator shall exercise its best judgment to determine the current mailing
3 address for each Settlement Class Member. The address identified by the Claims Administrator
4 as the current mailing address shall be presumed to be the best mailing address for each
5 Settlement Class Member.

6 3.10. Undeliverable Notices. Any Notice Packets returned to the Claims Administrator
7 as undeliverable on or before the Response Deadline shall be re-mailed to the forwarding
8 address affixed thereto. Settlement Class Members to whom Notice Packets are resent after
9 having been returned undeliverable to the Claims Administrator shall have an additional
10 fourteen (14) calendar days from the date of re-mailing or until the Response Deadline has
11 expired, whichever is later, to mail his or her Notice of Objection, .

12 3.11. For each Settlement Class Member whose Notice Packet is returned, there will be
13 one (1) skip trace by the Claims Administrator. If an updated mailing address is identified, the
14 Claims Administrator shall resend the Notice Packet to the Settlement Class Member. One (1)
15 supplemental Notice Packet shall be mailed to each Settlement Class Member whose original
16 Notice Packet is returned as undeliverable to the Claims Administrator. Such re-mailing shall
17 be made within five (5) business days of the Claims Administrator receiving notice that the
18 respective Notice Packet was undeliverable. Any requests by the Claims Administrator for
19 documents or information from Defendants must be responded to within a reasonable amount
20 of time by counsel for Defendants. It is the intent of the Parties that reasonable means be used
21 to locate the Settlement Class Members and apprise them of their rights.

22 3.12. Settlement Class Members to whom Notice Packets are resent after having been
23 returned undeliverable to the Claims Administrator shall have fourteen (14) calendar days
24 thereafter, or until the Response Deadline has expired, whichever is later, to mail the Request
25 for Exclusion or a Notice of Objection. Notice Packets that are resent shall inform the recipient
26 of this adjusted deadline. The date of the postmark on the return envelope shall be the exclusive
27 means used to determine whether a Settlement Class Member has returned his or her Request
28

1 for Exclusion on or before the adjusted deadline. If a Settlement Class Member's Notice Packet
2 is returned to the Claims Administrator more than once as undeliverable, then an additional
3 Notice Packet shall not be re-mailed.

4 3.13. Compliance with the procedures specified in paragraphs 3.8 through 3.12 of this
5 Settlement shall constitute due and sufficient notice to Settlement Class Members of this
6 Settlement and shall satisfy the requirement of due process. Nothing else shall be required of,
7 or done by, the Parties, Class Counsel, and Defense Counsel to provide notice of the proposed
8 Settlement.

9 3.14. Disputes. Settlement Class Members will have the opportunity during the forty-
10 five (45) day response period, should they disagree with Defendants' records regarding their
11 workweeks worked during the Class Period, to provide documentation and/or an explanation to
12 show contrary workweeks worked. If there is a dispute, the Claims Administrator will consult
13 with the Parties to determine whether an adjustment is warranted. The Claims Administrator
14 shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under
15 the terms of this Settlement. The Claims Administrator's determination of the eligibility for and
16 amount of any Individual Settlement Payment shall be binding upon the Settlement Class
17 Member and the Parties. Settlement Class Members to whom Notice Packets are resent after
18 having been returned undeliverable to the Claims Administrator shall have an additional
19 fourteen (14) calendar days from the date of re-mailing or until the Response Deadline has
20 expired, whichever is later, to submit any proof in support of the Class Members dispute to the
21 Claims Administrator.
22

23 3.15. Exclusions (Opt-Outs). The Notice Packet shall state that Settlement Class
24 Members who wish to exclude themselves from the Settlement as to the Class Claims must
25 submit a Request for Exclusion by the Response Deadline. Settlement Class Members may not
26 opt-out of the Settlement as related to the PAGA Claim. The Request for Exclusion: (1) must
27 contain the name, address, and the last four (4) digits of the Social Security number of the
28 Settlement Class Member requesting exclusion, (2) must state the reason for the exclusion, (3)

1 must be signed by the Settlement Class Member; and (4) must be postmarked by the Response
2 Deadline and returned to the Claims Administrator at the specified address. If the Request for
3 Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for
4 exclusion from this Settlement. The date of the postmark on the return-mailing envelope shall
5 be the exclusive means used to determine whether a Request for Exclusion has been timely
6 submitted. Any Settlement Class Member who requests to be excluded from the Settlement will
7 not be entitled to any recovery under the Settlement and will not be bound by the terms of the
8 Settlement, except as to the PAGA Claim and PAGA Allocation. Settlement Class Members
9 who receive a Notice Packet, but fail to submit a valid and timely Request for Exclusion on or
10 before the Response Deadline, shall be bound by all terms of the Settlement and any Final
11 Judgment entered in this Action if the Settlement is approved by the Court. At no time shall
12 any of the Parties or their counsel seek to solicit or otherwise encourage members of the
13 Settlement Class to submit Requests for Exclusion from the Settlement. Class Counsel shall not
14 represent any Settlement Class Member with respect to any such Requests for Exclusion.
15 Settlement Class Members who submit a valid Request for Exclusion may not also submit a
16 Notice of Objection. Class Members who worked during the PAGA period will still receive a
17 check for their Individual PAGA Payment even if they opt-out of the Class Action Settlement
18 and will be deemed to have released all PAGA claims pursuant to §1.41.

20 3.16. Objections. The Notice Packet shall state that Settlement Class Members who
21 wish to object to the Settlement must not submit a Request for Exclusion and must submit a
22 written statement of objection (“Notice of Objection”) by the Response Deadline to the Claims
23 Administrator. The Notice of Objection must be signed by the Settlement Class Member and
24 state: (1) the full name of the Settlement Class Member; (2) the dates of employment of the
25 Settlement Class Member; (3) the last four (4) digits of the Settlement Class Member’s Social
26 Security number and/or the Employee ID number; (4) the basis for the objection; and, (5)
27 whether the Settlement Class Member intends to appear at the Final Approval Hearing. The
28 Notice of Objection must be postmarked by the Response Deadline and returned to the Claims

1 Administrator at the specified address. Within five (5) days of receiving a notice of objection
2 from a Settlement Class Member, the Claims Administrator shall forward the notice of objection
3 to Class Counsel and Defense Counsel. The Parties will thereafter lodge the Settlement Class
4 Member's Notice of Objection with the Court. Settlement Class Members, regardless of whether
5 or not they submit a timely Notice of Objection, will have a right to appear at the Final Approval
6 Hearing, with or without an attorney, in order to have their objections heard by the Court.
7 Settlement Class Members to whom Notice Packets are resent after having been returned
8 undeliverable to the Claims Administrator shall have an additional fourteen (14) calendar days
9 from the date of re-mailing or until the Response Deadline has expired, whichever is later, to
10 submit his or her Objection to the Claims Administrator. At no time shall any of the Parties or
11 their counsel seek to solicit or otherwise encourage Settlement Class Members to file or serve
12 written objections to the Settlement or appeal from the Final Judgment. Class Counsel shall not
13 represent any Settlement Class Members with respect to any such objections.
14

15 3.17. Plaintiff's Participation. By executing this Settlement, Plaintiff hereby stipulates
16 he will not object to or exclude himself from the Settlement in any way.

17 3.18. No Solicitation of Settlement Objections or Exclusions. The Parties and their
18 counsel agree to use their best efforts to carry out the terms of this Settlement. At no time shall
19 any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class
20 Members to submit either written objections to the Settlement or Requests for Exclusion from
21 the Settlement, or to appeal from the Court's Final Judgment.

22 3.19. Funding of the Gross Settlement. This is a non-reversionary Settlement in which
23 Defendants are required to pay the entire Gross Settlement Amount. Defendants shall fund the
24 Gross Settlement Amount of five hundred fifty thousand dollars (\$550,000.00) within ten (10)
25 calendar days of the Effective Date. No portion of the Gross Settlement Amount will revert to
26 Defendant. Defendants are separately and solely responsible for any Employer Taxes owed as
27 a result of the Settlement. No payments from the Gross Settlement Amount shall be made
28 before the Gross Settlement Amount is fully funded. No release in this Settlement shall be

1 effective until the Gross Settlement Amount is fully funded. Both Defendants are jointly and
2 severally liable for the full funding of the Gross Settlement Amount. If Defendant defaults,
3 Plaintiff and all Participating Class Members will be able to pursue all claims, and the Settlement
4 becomes null and void.

5 3.20. No more than five (5) business days after the Gross Settlement Amount of five
6 hundred fifty thousand dollars (\$550,000.00) is fully funded, the Claims Administrator will
7 provide the Parties with an accounting of all anticipated payments from the Gross Settlement
8 Amount.

9 3.21. Individual Settlement Payments. Each Participating Class Member shall be
10 eligible to receive an Individual Settlement Payment, and each Settlement Class Member shall
11 be eligible to receive his or her share of the PAGA Allocation after payment to the LWDA
12 ("PAGA Payment"). The Individual Settlement Payment will be determined by (1) subtracting
13 the amount of the PAGA Allocation remaining after payment to the LWDA from the Net
14 Settlement Amount, (2) calculating the number of workweeks worked by the Participating Class
15 Member during the Class Period, (3) dividing the figure in subparagraph (2) herein by the total
16 workweeks worked by all Participating Class Members during the Class Period, and (4)
17 multiplying the figure from subparagraph (3) with the figure from subparagraph (1) herein. The
18 PAGA Payment will be determined by dividing the PAGA Allocation after payment to the
19 LWDA by the total number of Settlement Class Members. The Individual Settlement Payment
20 and PAGA Payment shall be mailed by regular First-Class U.S. Mail to Participating Class
21 Members' last known mailing address no later than fifteen (15) calendar days after the Effective
22 Date. The Individual Settlement Payments and PAGA Payments will specifically indicate that
23 they are void if not negotiated within one hundred eight (180) days of their issuance. The
24 "wage" portion of each Individual Settlement Payment will be reduced by any Employee Taxes.
25 The Claims Administrator shall issue the appropriate tax documents associated with the
26 Individual Settlement Payments, including an IRS Form W-2 for the amounts allocated as
27 "wages" and an IRS Form 1099 for the amounts allocated as "interest" or "penalties."
28

1 3.22. Individual Settlement Payment Formula. After deducting the Class Counsel
2 Award and Class Counsel Costs, the LWDA PAGA Allocation, Class Representative
3 Enhancement Awards, and Claims Administration Costs, the remaining funds (the “Net
4 Settlement Amount”), will be distributed as follows: The Claims Administrator shall divide the
5 Net Settlement Amount by the total number of workweeks Participating Class Members worked
6 during the Class Period in order to determine the amount each Participating Class Member is
7 entitled to for each workweek he or she was employed by Defendants (the “Weekly Amount”).
8 The Claims Administrator will multiply the Weekly Amount by the estimated total number of
9 workweeks that each Participating Class Member worked during the Class Period. The product
10 of each calculation represents the gross Individual Settlement Payment for the respective
11 Participating Class Member. The Claims Administrator will then deduct Employee Taxes
12 attributable to wages to arrive at the net Individual Settlement Payment for each respective Class
13 Member.
14

15 3.23. Defendants shall have no responsibility for deciding the validity of any Individual
16 Settlement Payment or any other payments made pursuant to this Settlement, shall have no
17 involvement in or responsibility for the determination or payment of Employee Taxes, and shall
18 have no liability for any errors made with respect to such Employee Taxes.

19 3.24. Settlement Class Members are not eligible to receive any compensation other than
20 the Individual Settlement Payment, and they may only receive an Individual Settlement Payment
21 if they do not submit a valid and timely Request for Exclusion to opt out of the Settlement.
22 Plaintiff, however, is also eligible to receive the Class Representative Enhancement Awards.
23 Non-Participating Class Members are only eligible to receive their share of the PAGA Payment.

24 3.25. Any settlement checks that remain uncashed one hundred eighty (180) or more
25 calendar days after issuance shall be voided. The Claims Administrator shall forward all voided
26 settlement checks to the California State Controller’s Office’s Unclaimed Property Division.
27 The Claims Administrator shall also compile a list of the Settlement Class Members for whom
28 their funds were deposited with the California State Controller’s Office’s Unclaimed Property

1 Division. In such event, the Participating Class Member shall nevertheless remain bound by the
2 Settlement, and the Non-Participating Class Member shall nevertheless remain bound by the
3 Settlement as it relates to the PAGA Claim. The Parties agree that good cause exists for the
4 Court to approve this distribution because the unclaimed funds are unclaimed wages of
5 employees that will be held by the State of California for the benefit of these employees, who
6 may request receipt of payment from the California State Controller's Office's Unclaimed
7 Property Division.

8 3.26. Class Representative Enhancement Awards. Defendants agree not to oppose or
9 object to any application or motion by Plaintiff for Class Representative Enhancement Awards,
10 not to exceed Seven Thousand Five Hundred Dollars (\$7,500.00), for Plaintiff David Hilario, as
11 consideration for Plaintiff's time and effort in bringing and prosecuting this matter. The Class
12 Representative Enhancement Award shall be paid to Plaintiff from the Gross Settlement Amount
13 no later than fifteen (15) calendar days after the Effective Date. The Claims Administrator shall
14 issue an IRS Form 1099 — MISC to Plaintiff for his Class Representative Enhancement Award.
15 Plaintiff shall be solely and legally responsible for payment of all applicable taxes on his Class
16 Representative Enhancement Award and shall hold Defendants harmless from any claim or
17 liability for taxes, penalties, or interest arising as a result of the Class Representative
18 Enhancement Award. The Class Representative Enhancement Award shall be in addition to
19 Plaintiff's Individual Settlement Payment as a Participating Class Member. In the event that the
20 Court awards lesser amounts than the Class Representative Enhancement Awards requested,
21 then any portion of the requested amounts not awarded to Plaintiff shall be added to the Net
22 Settlement Amount. Plaintiff shall not have the right to revoke his agreement to the Settlement
23 on the grounds the Court did not approve any or all of his request for a Class Representative
24 Enhancement Award.

25 3.27. Class Counsel Award and Costs. Defendants agree not to oppose or object to any
26 application or motion by Class Counsel for a Class Counsel Award not to exceed One Hundred
27 Ninety-Two Thousand Five Hundred Dollars (\$192,500.00) and Class Counsel Costs not to
28

1 exceed Twenty Thousand Dollars (\$20,000.00) from the Gross Settlement Amount. The Class
2 Counsel Award and Class Counsel Costs shall be paid from the Gross Settlement Amount no
3 later than fifteen (15) calendar days after the Effective Date. Class Counsel shall be solely and
4 legally responsible to pay all applicable taxes on the payments made pursuant to this paragraph.
5 The Claims Administrator shall issue an IRS Form 1099 — MISC to Class Counsel for the
6 payments made pursuant to this paragraph. This Settlement is not contingent upon the Court
7 awarding Class Counsel any particular amount in attorneys' fees and costs. Any amount
8 requested by Class Counsel for the Class Counsel Award and Class Counsel Costs and not
9 granted by the Court shall be part of the Net Settlement Amount.

10 3.28. PAGA Allocation. Subject to Court approval, the Parties shall allocate a total of
11 Five Thousand Dollars (\$5,000.00) from the Gross Settlement Amount for the compromise of
12 claims for civil penalties brought under the PAGA (the "PAGA Allocation"). Per California
13 Labor Code Section 2699(i), three thousand seven hundred fifty dollars (\$3,750.00),
14 representing seventy five percent (75%) of the PAGA Allocation, will be paid to California's
15 Labor Workforce Development Agency from the Gross Settlement Amount by the Claims
16 Administrator no later than fifteen (15) calendar days after the Effective Date. The remaining
17 One Thousand Two Hundred Fifty Dollars (\$1,250.00), representing twenty five percent (25%)
18 of the PAGA Allocation, shall be part of the Net Settlement Amount for distribution to
19 Settlement Class Members in accordance with the distribution formula contained in Paragraph
20 3.20.
21

22 3.29. Defendant's Option to Terminate Settlement. If, after the Response Deadline and
23 before the Final Approval Hearing, five percent (5%) or more of the number of Settlement Class
24 Members submit timely and valid Requests for Exclusion from the Settlement, Defendants shall
25 have, in their sole discretion, the option to terminate this Settlement. Defendants shall exercise
26 their option to terminate, if they wish, prior to the Final Approval Hearing. If Defendants decide
27 to void the Settlement, then the Settlement and conditional class certification shall be considered
28 void, and neither the Settlement, conditional class certification, nor any of the related

1 negotiations or proceedings, shall be of any force or effect, and the Parties shall stand in the
2 same position, without prejudice, as if this Settlement had been neither entered into nor filed
3 with the Court. Should Defendants void the Settlement under this paragraph, they shall be
4 responsible for all Claims Administration Costs.

5 3.30. Claims Administration Costs. The Claims Administrator shall be paid for the costs
6 of administration of the Settlement from the Gross Settlement Amount. Such costs of
7 administration are not to exceed Twenty Thousand Dollars (\$20,000.00), unless the court
8 approves a higher amount. No fewer than twenty (20) days prior to the Final Approval Hearing,
9 the Claims Administrator shall provide the Parties with a statement detailing the costs of
10 administration. The Claims Administrator, on Defendants' behalf, shall have the authority and
11 obligation to make payments, credits and disbursements, including payments and credits in the
12 manner set forth in this Settlement, to Participating Class Members, calculated in accordance
13 with the methodology set out in this Settlement and orders of the Court. The Parties agree to
14 cooperate in the administration of the Settlement and to make all reasonable efforts to control
15 and minimize the costs and expenses incurred in administration of the Settlement. The Parties
16 represent they do not have any financial interest in the Claims Administrator or otherwise have
17 a relationship with the Claims Administrator that could create a conflict of interest. The Claims
18 Administrator shall be responsible for: processing and mailing all court-approved payments to
19 the Plaintiffs, Class Counsel, Settlement Class Members, and the LWDA; printing and mailing
20 the Notice Packets to the Settlement Class Members as called for in this Settlement and ordered
21 by the Court; receiving and reporting Notice of Objections and Requests for Exclusion
22 submitted by Settlement Class Members; providing declaration(s) as necessary in support of
23 preliminary and/or final approval of this Settlement; and other tasks as the Parties mutually agree
24 or the Court orders the Claims Administrator to perform. The Claims Administrator shall keep
25 the Parties timely apprised of the performance of all Claims Administrator responsibilities. Any
26 legally mandated tax reports, tax forms, tax filings, or other tax documents required by
27 administration of this Settlement shall be prepared by the Claims Administrator. Any expenses
28

1 incurred in connection with such preparation shall be Claims Administration Costs. The Claims
2 Administrator shall be paid the Claims Administration Costs from the Gross Settlement Amount
3 no later than fifteen (15) calendar days after the Effective Date.

4 3.31. Final Approval Hearing. At a reasonable time following the Response Deadline,
5 the Court shall hold the Final Approval Hearing, where objections, if any, may be heard, and
6 the Court shall determine amounts properly payable for (i) the Class Counsel Award, (ii) the
7 Class Counsel Costs, (iii) the Class Representative Enhancement Awards, (iv) the LWDA
8 PAGA Allocation; and (v) the Claims Administration Costs.

9 3.32. Entry of Final Judgment. If the Court approves this Settlement at the Final
10 Approval Hearing, the Parties shall request that the Court promptly enter the Final Judgment
11 with the Court retaining jurisdiction over the Parties to enforce the terms of the judgment. If the
12 Court grants final approval to the Settlement, notice of Final Approval shall be posted on the
13 Settlement Administrator's website, at www.phoenixclassaction.com.
14

15 3.33. No Effect on Employee Benefits. Amounts paid to Plaintiff or other Participating
16 Class Members pursuant to this Settlement will not count as earnings or compensation for
17 purposes of any benefits (e.g., pensions or retirement plans) sponsored by Defendants. It is
18 expressly understood and agreed that the receipt of Individual Settlement Amount shall not
19 entitle any Participating Class Member to additional compensation or benefits under any
20 collective bargaining agreement or under any bonus, contest or other compensation or benefit
21 plan or agreement in place during the period covered by the Settlement, nor shall it entitle any
22 Participating Class Member to any increased pension and/or retirement, or other deferred
23 compensation benefits. It is the intent of the Parties that Individual Settlement Amounts
24 provided for in this Stipulation are the sole payments to be made by Defendant to Participating
25 Class Members in connection with this Settlement, with the exception of Plaintiff, and that the
26 Participating Class Members are not entitled to any new or additional compensation or benefits
27 as a result of having received the Individual Settlement Awards. Furthermore, the receipt of
28 Individual Settlement Amounts by Participating Class Members shall not, and does not, by itself

1 establish any general, special, or joint employment relationship between and among the
2 Participating Class Member(s) and Defendant.

3 3.34. Nullification of Settlement. In the event: (i) the Court does not enter the
4 Preliminary Approval Order as specified herein; (ii) the Court does not grant final approval of
5 the Settlement as provided herein; (iii) the Court does not enter a Final Judgment as provided
6 herein; or (iv) the Settlement does not become final for any other reason, this Settlement shall
7 be null and void and any order or judgment entered by the Court in furtherance of this Settlement
8 shall be treated as void from the beginning. In such a case, the Parties and any funds to be
9 awarded under this Settlement shall be returned to their respective statuses as of the date and
10 time immediately prior to the execution of this Settlement, and the Parties shall proceed in all
11 respects as if this Settlement had not been executed, except that any costs and fees already
12 incurred by the Claims Administrator shall be paid jointly by Plaintiff and Defendant, unless
13 Defendant opts to terminate the Settlement pursuant to Paragraph 3.29. In the event an appeal is
14 filed from the Court's Final Judgment, or any other appellate review is sought, administration
15 of the Settlement shall be stayed pending final resolution of the appeal or other appellate review,
16 but any fees incurred by the Claims Administrator prior to it being notified of the filing of an
17 appeal from the Court's Final Judgment, or any other appellate review, shall be paid to the
18 Claims Administrator jointly by Plaintiff and Defendant within thirty (30) days of said
19 notification.
20

21 3.35. Dispute Resolution. Except as otherwise set forth herein, all disputes concerning
22 the interpretation, calculation or payment of settlement claims, or other disputes regarding
23 compliance with this Settlement shall be resolved as follows:

24 3.35.1. If Plaintiff or Class Counsel, on behalf of Plaintiff or any Settlement Class
25 Members, or Defendant, at any time believe that the other Party or Parties
26 have breached or acted contrary to the Settlement, that Party shall notify
27 the other Party or Parties in writing of the alleged violation. Upon
28 receiving notice of the alleged violation or dispute, the responding Party

1 shall have ten (10) days to correct the alleged violation and/or respond to
2 the initiating Party with the reasons why the Party disputes all or part of
3 the allegation.

4 3.35.2. If the response does not address the alleged violation to the initiating
5 Party's satisfaction, the Parties shall negotiate in good faith for up to ten
6 (10) days to resolve their differences.

7 3.35.3. If thereafter, the Parties still cannot resolve the dispute, the Parties shall
8 utilize the services of Steven Rottman, Esq. (Mediator) in a good-faith
9 attempt to mediate and resolve the dispute.

10 3.35.4. If the Parties are unable to resolve their differences after twenty (20) days,
11 either Party may file an appropriate motion for enforcement with the
12 Court. The prevailing party shall be entitled to recover attorney fees and
13 costs as a result of having to enforce this Agreement.

14 3.36. Exhibits and Headings. The terms of this Settlement include the terms set forth in
15 Exhibits A and B, which are attached to this Settlement and incorporated by this reference as
16 though fully set forth in this paragraph. Any Exhibits to this Settlement are an integral part of
17 the Settlement. The descriptive headings of any paragraphs or sections of this Settlement are
18 inserted for convenience of reference only and do not constitute a part of this Settlement.

19 3.37. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the
20 Action and thereafter implement and complete the Settlement.

21 3.38. Amendment or Modification. This Settlement may be amended or modified only
22 by a written instrument signed by all the Parties and counsel for all Parties or their successors-
23 in-interest subject to any necessary Court approval. This Settlement Agreement may not be
24 discharged except by performance in accordance with its terms or by a writing signed by the
25 Parties hereto as approved by the Court. A waiver or amendment of any provision of this
26 Settlement Agreement will not constitute a waiver of any other provision.

27 3.39. Entire Settlement. This Settlement and any attached Exhibits constitute the entire
28

1 agreement among these Parties, and no oral or written representations, warranties or
2 inducements have been made to any Party concerning this Settlement or its exhibits, other than
3 the representations, warranties and covenants contained and memorialized in the Settlement and
4 its exhibits. No other prior or contemporaneous written or oral agreements may be deemed
5 binding on the Parties.

6 3.40. Authorization to Enter into Settlement. Counsel for all Parties warrant and
7 represent they are expressly authorized by the Parties whom they represent to negotiate this
8 Settlement and to take all appropriate actions required or permitted to be taken by such Parties
9 pursuant to this Settlement to effectuate its terms, and to execute any other documents required
10 to effectuate the terms of this Settlement. The Parties and their counsel will cooperate with each
11 other and use their best efforts to affect the implementation of the Settlement. The person
12 signing this Settlement on behalf of Defendant represents and warrants that he or she is
13 authorized to sign this Settlement on behalf of Defendant. Plaintiff David Hilario represents and
14 warrants that he is authorized to sign this Settlement and that he has not assigned any claim, or
15 part of a claim, covered by this Settlement to a third-party.
16

17 3.41. Binding on Successors and Assigns. This Settlement shall be binding upon, and
18 inure to the benefit of, the successors or assigns of the Parties hereto, ~~as previously defined.~~

19 3.42. No Prior Assignments. The Parties and their counsel represent, covenant, and
20 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
21 to assign, transfer, or encumber to any person or entity any portion of any liability, claim,
22 demand, action, cause of action or right herein released and discharged.

23 3.43. California Law Governs. All terms of this Settlement and the exhibits hereto shall
24 be governed by and interpreted according to the laws of the State of California.

25 3.44. This Settlement is Fair, Adequate and Reasonable. The Parties believe this
26 Settlement is a fair, adequate, and reasonable settlement of the Action and have arrived at this
27 Settlement after extensive arms-length negotiations, taking into account all relevant factors,
28 present and potential.

1 3.45. Jurisdiction of the Court. In accordance with California Rule of Court 3.769(h)
2 and Code of Civil Procedure Section 664.6, the Parties agree that the Court shall retain
3 jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of
4 this Settlement and all orders and judgments entered in connection therewith, and the Parties
5 and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting,
6 implementing, and enforcing this Settlement and all orders and judgments entered in connection
7 therewith.

8 3.46. Invalidity of Any Provision. Before declaring any provision of this Settlement
9 invalid, the Court shall first attempt to construe the provision to be valid to the fullest extent
10 possible, consistent with applicable precedents.

11 3.47. Waiver of Certain Appeals. The Parties agree to waive appeals as to their
12 respective conduct prior to the entry of Final Judgment and to stipulate to class certification for
13 purposes of this Settlement only. The Parties reserve the right to appeal any errors in the Final
14 Judgment.

15 3.48. Cooperation. The Parties agree to cooperate fully with one another to accomplish
16 and implement the terms of this Settlement. Such cooperation shall include, but not be limited
17 to, execution of such other documents and the taking of such other action as may be reasonably
18 necessary to fulfill the terms of this Settlement. The Parties to this Settlement shall use their
19 best efforts, including all efforts contemplated by this Settlement and any other efforts that may
20 become necessary by Court order, or otherwise, to effectuate this Settlement and its terms.

21 3.49. Publicity. Plaintiff and Class Counsel agree that they will not issue any press
22 releases, initiate any contact with the press, respond to any press inquiry, or have any
23 communication with the press about the Action and/or the fact, amount, or terms of the
24 Settlement. However, for marketing purposes, Class Counsel may refer to the settlement amount
25 and the nature of the case without identifying any of the Parties directly or indirectly. Before the
26 date of the filing of the motion for preliminary approval of the Settlement, Plaintiff and Class
27 Counsel will not initiate any contact with Settlement Class Members about the Settlement,
28

1 except that: (a) Class Counsel, if contacted by a Settlement Class Member, may respond that a
2 settlement has been reached and that the details will be communicated in a forthcoming Court-
3 approved notice; and (b) Plaintiff, if contacted by a Settlement Class Member, may respond only
4 that the Settlement Class Member should contact Class Counsel. Neither Plaintiff nor Class
5 Counsel shall hold a press conference or otherwise seek to affirmatively contact the media about
6 the Settlement. If contacted by the media regarding the Settlement, Class Counsel shall state, "It
7 is a fair settlement, and we are happy with the results." Additionally, no Party or their counsel
8 shall disparage the Settlement.

9 3.50. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms
10 and conditions of this Settlement. Accordingly, this Settlement will not be construed more
11 strictly against one party than another merely by virtue of the fact that it may have been prepared
12 by counsel for one of the Parties, it being recognized that, because of the arm's-length
13 negotiations between the Parties, all Parties have contributed to the preparation of this
14 Settlement.

15 3.51. Representation by Counsel. The Parties acknowledge that they have been
16 represented by counsel throughout all negotiations that preceded the execution of this
17 Settlement, and that this Settlement has been executed with the consent and advice of counsel,
18 and reviewed in full. Further, Plaintiff and Class Counsel warrant and represent that there are
19 no liens on the Settlement Agreement.

20 3.52. All Terms Subject to Final Court Approval. All amounts and procedures described
21 in this Stipulation are subject to final Court approval.

22 3.53. Notices. Unless otherwise specifically provided, all notices, demands or other
23 communications in connection with this Settlement shall be: (1) in writing; (2) deemed given
24 on the third business day after mailing; and (3) sent via United States registered or certified mail,
25 return receipt requested, addressed as follows:
26
27
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To Plaintiffs:

Kevin Mahoney, Esq.
kmahoney@mahoney-law.net
Berkeh Alemzadeh, Esq.
balem@mahoney-law.net
MAHONEY LAW GROUP
249 East Ocean Boulevard, Suite 814
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Telephone: (562) 590-5550
Facsimile: (562) 590-8400

To Defendants:

Thomas Ingrassia Esq.
tingrassia@pettitkohn.com
Andrew I. Chung, Esq.
achung@pettitkohn.com
PETTIT KOHN INGRASSIA LUTZ &
DOLIN PC
5901 W. Century Blvd., Suite 1100
Los Angeles, CA 90045
Telephone: (310) 649-5772
Facsimile: (310) 649-5777

3.54. Execution by Settlement Class Members. It is agreed that it is impossible or impractical to have each Settlement Class Member execute this Settlement. The Notice of Settlement will advise all Settlement Class Members of the binding nature of the release and such shall have the same force and effect as if each Settlement Class Member executed this Settlement.

3.55. Execution by Plaintiff and Defendants. Plaintiff and Defendants, by signing this Settlement, are bound by the terms herein.

3.56. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

3.57. Counterparts. This Settlement shall become effective upon its execution by all of the undersigned. Plaintiff, Class Counsel, Defendants, and Defense Counsel may execute this Settlement in counterparts by facsimile, electronic signature, or email which shall have the same force and effect as if each had signed the same instrument. Copies of the executed Settlement shall be effective for all purposes as though the signatures contained therein were original signatures.

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2 Dated: 1/24, 2022
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On behalf of MARSPRING CORPORATION
dba LA FIBER

5
6 By: 

7
8 Dated: 1/24, 2022
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On behalf of RELIANCE UPHOLSTERY
SUPPLY CO., INC. dba RELIANCE CARPET
CUSHION

11
12 By: 

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15
16 Dated: _____, 2022
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By: David Hilario

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Dated: _____, 2022

On behalf of MARSPRING CORPORATION
dba LA FIBER

By: _____

Dated: _____, 2022

On behalf of RELIANCE UPHOLSTERY
SUPPLY CO., INC. dba RELIANCE CARPET
CUSHION

By: _____

Dated: Jan 27, 2022, 2022

David Hilario
David Hilario (Jan 27, 2022 12:25 PST)

By: David Hilario

NOTICE OF SETTLEMENT OF CLASS ACTION

TO UNDERSTAND YOUR RIGHTS, READ THIS NOTICE CAREFULLY.

PLEASE READ THIS NOTICE CAREFULLY. This Notice relates to the proposed Settlement of the Action. If you are a Class Member, it contains important information affecting your rights to participate in the Settlement as further described below. This Notice advises you of the terms of the Settlement and your rights and options under it.

ATTENTION: If you were employed by Marspring Corporation and Reliance Upholstery Supply Co., Inc. dba LA Fiber (“Defendant”) in California as a non-exempt, hourly employee at any time during the period from July 29, 2015 through _____ (“Class Period”), you are a “Class Member” and may be eligible to receive money from a proposed Settlement in the above-captioned class action lawsuit (the “Action”). You may also be eligible to receive an Individual PAGA Settlement Payment if you worked during the period of August 10, 2019 through and including the date of Preliminary Approval (PAGA Period).

To be eligible for your share of the Settlement, you **are not** required to make a claim. However, **if you have moved or plan to move, you must update** the Settlement Administrator, Phoenix Settlement Administrators P.O. Box 7208, Orange, CA, 92863, with any change of address. You can also update the Administrator by sending your updated information by fax at 949-209-2503.

What is this proposed Settlement about?

Plaintiff David Hilario filed a lawsuit on July 29, 2019 against Defendant. The Action alleges that Defendant failed to properly pay all wages, including minimum wages, regular wages, and overtime and double time wages, failed to provide meal periods, failed to provide rest periods, failed to provide compliant wage, failed to pay wages in a timely manner to terminated employees, failed to reimburse for necessary business expenses and in these ways engaged in unfair competition (Business & Professions Code § 17200). On or about [insert date], Plaintiff filed a First Amended Complaint to include claims for civil penalties under the Labor Code Private Attorneys General Act of 2004 (Lab. Code, § 2698 et seq., “PAGA”) (“Claims”) for violating the California labor code. The Action was brought as putative class action and sought damages, penalties, injunctive relief, and restitution, as well as interest, attorneys’ fees, and costs.

The Action has been vigorously litigated since it was filed. Substantial discovery has been taken. Additionally, the Parties participated in a mediation conducted by a professional mediator. During the course of negotiations at mediation, the Parties reached an agreement to settle the Action.

Under the proposed Settlement, Defendant agrees to make payments to Class Members who do not opt out of the Settlement (“Settlement Class Members”). These payments will be based on the number of Work Weeks each Settlement Class Member was employed by Defendant during the Class Period, as more fully described below.

Defendant also agrees to pay the settlement administration costs, an enhancement payment to Plaintiffs, a payment to the California Labor & Workforce Development Agency (“LWDA”), and attorneys’ fees and costs to Plaintiff’s counsel (“Class Counsel”) up to an amount described below, subject to court approval. Defendant’s maximum total obligation under the proposed Settlement is Five Hundred Fifty Thousand Dollars (\$550,000.00) exclusive of Defendant’s share of employer taxes.

The proposed Settlement is not an admission of liability by Defendant. Throughout the pendency of the Action, Defendant has denied any liability or wrongdoing, or that any compensable injury arose out of any of the matters alleged in the Action. Defendant contends that it has complied with all California regarding the claims alleged in this matter.

Class Counsel believes that the proposed Settlement is in the best interests of the Class Members. Further proceedings would be very expensive and take a long time. Moreover, no one can predict the precise outcome of the disputed issues in this case. Therefore, Class Counsel believes that the proposed Settlement is fair, reasonable, and adequate for the Class Members.

The Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, reasonable, and adequate. Any final determination of those issues will be made at the Final Approval Hearing.

Summary of the proposed Settlement

Defendant has agreed to pay is Five Hundred Fifty Thousand Dollars (\$550,000.00) ("Gross Settlement Amount") to resolve all claims that were alleged in the Action or any subsequent amendment thereto or that could have been alleged based on the facts alleged in the Action and for Class Members' release of claims described below. If finally approved by the Court, the proposed Settlement will distribute money as follows:

Settlement Awards to Class Members: Settlement Class Members (Class Members who do not timely exclude themselves from the Settlement) will be paid their pro-rata share of the Net Settlement Sum, calculated as follows: The Settlement Administrator will calculate the number of total Work Weeks each Settlement Class Member was employed by Defendant during the Class Period. Work Weeks will be calculated according to Defendant's records and will be calculated based on the Gross Settlement Amount of Five Hundred Fifty Thousand Dollars (\$550,000.00.)

"Net Settlement Amount" ("NSA") means the Settlement Amount minus the payment of (a) any award of attorneys' fees and Litigation costs, (b) Settlement Administration Costs, (c) Plaintiff's Enhancement Payment, and (d) the portion of the PAGA Payment allocable to the LWDA, all of which are described below. The NSA is approximately Three Hundred Six Thousand Two Hundred Fifty Dollars (\$306,250.00)

Settlement Awards shall be subject to applicable withholding taxes. Defendant's share of payroll taxes arising from the Settlement Awards will not be deducted from the Gross Settlement Fund.

Based on Defendant's records, your total "Work Weeks" during the Class Period are [REDACTED]. Based on the same, your individual Class Settlement Payment will be \$ [REDACTED]. If you wish to participate in the Settlement **but you do not agree** with the number of Work Weeks shown on the form, **you must** ask the Settlement Administrator to resolve the matter by returning the Class Member Information Sheet with a statement of the number of Workweeks that you contend were worked and include any documentation you have to support your contention.

Based on Defendant's records, your total "Work Weeks" during the PAGA Period are [REDACTED]. Based on the same, your individual PAGA Settlement Payment will be \$ [REDACTED]. If you **do not agree** with the number of Work Weeks shown on the form, **you must** ask the Settlement Administrator to resolve the matter by returning the Class Member Information Sheet with a statement of the number of Workweeks that you contend were worked and include any documentation you have to support your contention. Even if you opt out of the Class Settlement, but worked during the PAGA period, you will receive an individual PAGA Settlement Payment and will be deemed to have released all PAGA claims.

Fee and Expense Award to Class Counsel: Upon approval by the Court, Defendant agrees it will pay as part of the Gross Settlement Amount, attorneys' fees and out-of-pocket costs/expenses to Mahoney Law Group, APC. The proposed Settlement permits Class Counsel to request up to thirty five percent (35%) of the Gross Settlement Amount or One Hundred Ninety-Two Thousand Five Hundred Dollars (\$192,500.00) as its fees for prosecuting this case. Further, the Settlement permits Class Counsel to recover costs of up to Twenty Thousand Dollars (\$20,000.00) for reimbursement of their out-of-pocket costs/expenses incurred in the Action. You are not personally responsible for any of Class Counsel's attorneys' fees or costs/expenses.

LWDA Payment/Allocation: The proposed Settlement provides for a payment of Five Thousand Dollars (\$5,000.00) for resolution of the PAGA claims alleged in the Action. Of that amount, seventy five percent (75%) or Three Thousand Seven Hundred Fifty Dollars (\$3,750.00), representing seventy five percent (75%) of the PAGA Allocation, will be paid to California's Labor Workforce Development Agency. The remaining One Thousand Two Hundred Fifty Dollars (\$1,250.00), representing twenty five percent (25%) of the PAGA Allocation, shall be part of the Net Settlement Amount to be distributed to Participating Class Members.

Other Payments: The proposed Settlement provides for Seven Thousand Five Hundred Dollars (\$7,500.00) as an Enhancement to Plaintiff David Hilario. The proposed Settlement further provides for payment estimated, but not to exceed, Twenty Thousand Dollars (\$20,000.00) to the Settlement Administrator for its services in mailing the Class Notice and processing Settlement Awards.

What are my rights and options?

1. **You can exclude yourself from the Settlement:** If you do not want a Settlement Award and do not want to be bound by any of the proposed Settlement's terms, you must submit a timely written Request for Exclusion Form. You should submit the Request for Exclusion form that you received along with this Notice. Your Request for Exclusion must be mailed to the Settlement Administrator and must be postmarked by [INSERT DATE]. You can also fax your Exclusion to the Administrator at 949-209-2503. **You should not request exclusion if you wish to receive money from the Settlement.** Even if you exclude yourself from the Settlement, you will still receive a portion of the PAGA allocation if you worked during the PAGA Period.

2. **You can object to the Settlement:** You can object to the Settlement before the Court's final approval of the Settlement. To object, you must submit a written objection to the Settlement Administrator by [INSERT DATE]. You may also include a statement in your written objection that you would like to attend the hearing and be heard at the Final Approval Hearing currently set for [INSERT TIME] on [INSERT DATE], in Department 2 of the Superior Court of the State of California for the County of Los Angeles located at 312 N. Spring St., Los Angeles, California 90012. You may also appear remotely by contacting CourtConnect at <https://my.lacourt.org/laccwelcome>. You are not required to appear, either personally or through counsel, at the Final Approval Hearing in order for your objection to be considered.

Your objection and, if applicable, statement of intention to appear at the Final Approval Hearing must be submitted to the Settlement Administrator and must be postmarked no later than [INSERT DATE]. You may object to the Settlement only if you do NOT submit a Request for Exclusion.

3. **You can do nothing:** You will **automatically** receive a settlement payment in exchange for which, whether or not you cash or deposit the payment, you will be bound by all terms of the Settlement as to your state law claims and any Final Judgment entered in this Lawsuit if the Settlement receives final approval by the Court, and you will give up your rights to be part of any other lawsuit against Defendant involving the same or similar legal claims as the ones in this case. You will be mailed a settlement check at the address where this Notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator).

What claims am I releasing by participating in the Settlement?

In exchange for the consideration given by Defendant in the proposed Settlement, all Class Members who do not timely opt out of the Settlement (the Settlement Class Members) will expressly release, waive and discharge, and will be deemed to have released, waived and discharged, all Released Claims against all Released Parties.

“Released Class Claims” means upon the Effective Date, Named Plaintiff, David Hilario, and all members of the Settlement Class, except those that make a valid and timely request to be excluded from the Class, any and all claims, including all wage and hour claims for unpaid wages including minimum wage payments, failure to pay wages during employment, failure to pay overtime, meal and rest break violations, wage statement violations, reimbursement, restitution, disgorgement, conversion, unjust enrichment, civil and statutory penalties, interests, liquidated damages, attorneys’ fees and costs, claims under California Labor Code Sections 201, 201.1, 201.3, 201.5, 201.7, 201.9, 202, 203, 204, 205.5, 206, 210, 212, 218, 218.5, 218.6, 219, 224, 226, 226.3, 226.7, 256, 510, 511, 512, 515, 558, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802, Industrial Welfare Commission Wage Order Nos. 1-17, and claims under California Business & Professions Code sections 17200-17204.

Released PAGA Claims" means the release by Class Member of the Released Parties, who worked during the PAGA period with respect to the causes of action and remedies set forth herein. The Released Claims include all claims stated in this Action as set forth in the notice letter to the LWDA dated August 10, 2020 and the operative First Amended Complaint, including, but not limited to, 201, 202, 203, 204, 206, 210, 221, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and 2698 et seq. Even if a Class Member opts-out of the Settlement, the Class Member will still be deemed to have released the PAGA Claims and will receive an Individual PAGA Settlement Payment. The PAGA period is August 10, 2019 to the date of preliminary approval of this Agreement.

When is the next Court hearing?

A Final Approval Hearing will be held before the Honorable Kenneth R. Freeman of the Superior Court of the State of California for the County of Los Angeles, Department SS14, located at 312 N. Spring St., Los Angeles, California 90012, on [INSERT DATE] at [INSERT TIME] to determine whether the Settlement is fair, reasonable, and adequate. Judge Weiner will be asked to approve the plan for distributing the Settlement Awards, Class Counsel’s Fee and Expense Award, the Enhancement Payments for Plaintiff, the LWDA Payment, and payment to the Settlement Administrator for its services. A motion for final approval of these items should be on file with the Court no later than [INSET DATE] and will be available for review after that date. This hearing may be continued without further notice to Class Members. It is not necessary for you to appear at this hearing.

What if I need more information?

Capitalized terms in this Notice have the same meaning they are given in the Stipulation of Resolution (“Agreement”), filed with the Court on [INSERT DATE] as an attachment to the Declaration of Kevin Mahoney and Berkeh Alemzadeh in Support of Plaintiff’s Motion for Preliminary Approval of Class Action Settlement. For the precise terms and conditions of the Settlement, you should consult the detailed Agreement and the Preliminary Approval Order, which is also on file with the Court. If you have any questions, you can contact the Settlement Administrator at 1-800-523-5773. You can also contact Class Counsel at 562-590-5550.

**PLEASE DO NOT CONTACT THE SUPERIOR COURT FOR INFORMATION
ABOUT THIS SETTLEMENT**