

Douglas Han (SBN 232858)
Shunt Tatavos-Gharajeh (SBN 272164)
Phillip Song (SBN 326572)
JUSTICE LAW CORPORATION
751 N. Fair Oaks Avenue, Suite 101
Pasadena, California 91103
Telephone: (818) 230-7502
Facsimile: (818) 230-7259

Attorneys for Plaintiffs DIEGO AYALA and JUAN GONZALEZ

Christopher M. Ahearn, (SBN 239089)
Andrew C. Crane (SBN 285211)
Harrison M. Zator (SBN 324282)
FISHER & PHILLIPS LLP
2050 Main Street, Suite 1000
Irvine, California 92614
Telephone: (949) 851-2424
Facsimile: (949) 851-0152

Attorneys for Defendant J.C. FORD COMPANY

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF KERN**

DIEGO AYALA and JUAN GONZALEZ,
individually, and on behalf of other members of
the general public similarly situated and
aggrieved employees pursuant to the Private
Attorneys General Act ("PAGA");

Plaintiffs,

v.

J. C. FORD COMPANY, a California
corporation; and DOES 1 through 100, inclusive;

Defendants.

CASE NO.: BCV-20-102948

Assigned for All Purposes to:
Hon. David R. Lampe
Department 11

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

Complaint Filed: December 17, 2020

1 **JOINT STIPULATION OF CLASS ACTION SETTLEMENT**

2 This Joint Stipulation of Class Action Settlement and Release (“Agreement” or “Stipulation of
3 Settlement”) is made and entered into by and between Plaintiffs Diego Ayala and Juan Gonzalez
4 (“Plaintiffs” or “Class Representatives”), individually and on behalf of other members of the general
5 public similarly situated, on the one hand, and Defendant J.C. Ford Company (“Defendant”), on the
6 other hand (collectively with Plaintiffs, the “Parties”).

7 Subject to approval of the Court, this Stipulation of Settlement shall be binding on Plaintiffs,
8 Class Counsel, the Class, Defendant, and its respective present and former parent companies,
9 subsidiaries, divisions, related or affiliated companies, shareholders, officers, directors, employees,
10 agents, attorneys, insurers, successors and assigns, and any related individual or entity which could be
11 liable for any of the Released Claims (hereinafter “Released Parties”), and their respective counsel,
12 subject to the terms and conditions hereof and the approval of the Court.

13 **RECITALS**

14 1. On December 17, 2020, Plaintiffs Diego Ayala and Juan Gonzalez filed a class action
15 complaint against Defendant in the Superior Court for the State of California, County of Kern, entitled
16 *Diego Ayala and Juan Gonzalez individually, and on behalf of other members of the general public*
17 *similarly situated v. J.C. Ford Company, a California corporation; and DOES 1 through 100, inclusive,*
18 Case No. BCV-20-10248 (the “Action”). Plaintiffs sought to represent all persons employed by
19 Defendant within the State of California in hourly-paid or non-exempt positions at any time during the
20 period from four years preceding the filing of the Complaint to final judgment. The Action alleged
21 causes of action for: 1) violation of California Labor Code §§ 510 and 1198 (unpaid overtime); 2)
22 violation of California Labor Code §§ 226.7 and 512(a) (unpaid meal period premiums); 3) violation of
23 California Labor Code § 226.7 (unpaid rest period premiums); 4) violation of California Labor Code §§
24 1194, 1197, and 1197.1 (unpaid minimum wages); 5) violation of California Labor Code §§ 201 and
25 202 (final wages not timely paid); 6) violation of California Labor Code § 226(a) (non-compliant wage
26 statements); 7) violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business
27 Expenses); 8) violation of California Labor Code §§ 2698, et seq. (Private Attorneys General Act of
28

2004) and 9) violation of California Business & Professions Code § 17200, *et seq.*

2. On November 25, 2019, Juan Gonzalez provided notice to the LWDA regarding the various violations under the California Labor Code sections providing facts and theories of liability.

3. On February 2, 2020, Juan Gonzales filed a PAGA action regarding the various violations under the California Labor Code sections as alleged in the LWDA letter but later dismissed the action to reach a global settlement in this Action.

4. Defendant denies all material allegations set forth in the Action and in the LWDA Notice and has asserted numerous affirmative defenses in the Action. Notwithstanding, in the interest of avoiding further litigation, Defendant desires to fully and finally settle all actual or potential claims by the Class and aggrieved employees.

5. Plaintiffs' counsel Justice Law Corporation ("Class Counsel") in the Action, diligently investigated the proposed Class' claims against Defendant, including any and all applicable defenses and the applicable law. The investigation included, *inter alia*, the exchange of information pursuant to formal and informal discovery methods and review of numerous corporate policies and practices.

6. On November 4, 2020, the Parties participated in mediation before Steve Serratore, Esq. (the "Mediator"), a respected mediator of wage and hour class actions. After a full day of negotiations, the Mediator proposed the principal terms of a class action settlement. Thereafter, the Parties accepted the Mediator's proposal and stipulated to the material terms of this Stipulation of Settlement now before this Court. The Mediator's supervision of the mediation and negotiations was critical in managing the expectations of the Parties and providing a useful and neutral analysis of the issues and risks to both sides.

7. The settlement discussions during and after mediation were conducted at arm's-length and this Stipulation of Settlement is the result of an informed and detailed analysis of Defendant's potential liability of total exposure in relation to the costs and risks associated with continued litigation.

8. Based on the data produced pursuant to formal and informal discovery, as well as Class Counsel's own independent investigation and evaluation, and the Mediator's efforts, Class Counsel believe that the settlement with Defendant for the consideration and on the terms set forth in this

1 Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the Class in light
2 of all known facts and circumstances.

3 9. This Stipulation of Settlement is made and entered into by and between Plaintiffs
4 individually, and on behalf of all other aggrieved employees and members of the general public similarly
5 situated, and Defendant, and is subject to the terms and conditions hereof, and to the Court's approval.
6 The Parties expressly acknowledge that this Stipulation of Settlement is entered solely for the purpose
7 of compromising significantly disputed claims and that nothing herein is an admission of liability or
8 wrongdoing by Defendant. If for any reason this Stipulation of Settlement is not approved, it will be of
9 no force or effect, and the Parties shall be returned to their original respective positions.

10 DEFINITIONS

11 The following definitions are applicable to this Stipulation of Settlement. Definitions contained
12 elsewhere in this Stipulation of Settlement will also be effective:

13 10. "Action" means the lawsuit in the matter entitled *Diego Ayala, et al. v. J.C. Ford*
14 *Company*, No. BCV-20-10248.

15 11. "Attorneys' Fees and Costs" means attorneys' fees agreed upon by the Parties and
16 approved by the Court for Class Counsel's litigation and resolution of this Action, and all litigation
17 costs and expenses incurred and to be incurred by Class Counsel in the Action, including, but not limited
18 to, costs and expenses associated with mediation, documenting the Settlement, securing the Court's
19 approval of the Settlement, administering the Settlement, obtaining entry of a Judgment terminating this
20 Action, and expenses for any experts. Class Counsel will collectively request attorneys' fees not to
21 exceed Thirty-Five Percent (35%) of the Maximum Settlement Amount, or up to One Hundred Forty-
22 Three Thousand Dollars (\$143,500.00). Class Counsel will also request reimbursement of Class
23 Counsel's litigation costs and expenses, not to exceed Twenty Thousand Dollars (\$20,000.00). For any
24 Attorneys' Fees and Costs approved by the Court, the Claims Administrator may purchase an annuity
25 to utilize US treasuries and bonds or other attorney fee deferral vehicles for Class Counsel. Defendant
26 has agreed not to oppose Class Counsel's request for fees and reimbursement of costs and expenses as
27 set forth above. Any portion of the Attorneys' Fees and Costs not awarded to Class Counsel will be a
28

part of the Net Settlement Amount, for distribution in conformity with Paragraphs 29, 55, and 57.

12. “Claimant(s)” means all Class Members who submit timely and valid Claim Forms, except as otherwise provided in Paragraph 65 herein.

13. “Claim Form” means the document, substantially in the form attached as **Exhibit A**, that Class Members must complete and postmark by the Response Deadline (as defined below) to receive a proportional share of the Net Settlement Amount in the form of an Individual Settlement Payment.

14. “Claims Administrator” means any third-party class action settlement claims administrator agreed to by the Parties and approved by the Court for purposes of administering this settlement. The Parties each represent that they do not have any financial interest in the Claims Administrator or otherwise have a relationship with the Claims Administrator that could create a conflict of interest.

15. “Claims Administration Costs” means the costs payable from the Maximum Settlement Amount to the Claims Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, translating documents into Spanish, mailing reminder post cards, calculating estimated amounts per Class Member, tax reporting, distributing the appropriate settlement amounts, and providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. The Claims Administration Costs are currently estimated to be \$6,399.00 but will not exceed Seven Thousand Five Hundred Dollars (\$7,500.00). Any portion of the Claims Administration Costs that are not awarded to the Claims Administrator will be a part of the Net Settlement Amount, for distribution in conformity with this Agreement.

16. “Class Counsel” means Justice Law Corporation which will seek to be appointed counsel for the Class.

17. “Class List” means a complete list of all Class Members within the Class that Defendant will diligently and in good faith compile from its records or other records and provide only to the Claims Administrator within fourteen (14) calendar days of the Court’s Preliminary Approval of this Stipulation of Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and

will include each Class Member's full name; most recent mailing address and telephone number; Social Security number; dates of employment; and any other relevant information needed to calculate settlement payments.

18. "Class Member(s)" or "Class" collectively refer to:

All persons employed in California by Defendant as current or former hourly-paid or non-exempt employees at any time during the period from January 1, 2017 through the date the Court grants preliminary approval of the Settlement or February 23, 2021, whichever date is earlier.

19. "Class Period" means the period from January 1, 2017 through the date the Court grants preliminary approval of the Settlement or February 23, 2021, whichever date is earlier.

20. "Class Representatives" mean Diego Ayala and Juan Gonzalez who will seek to be appointed as the representatives for the Class.

21. "Class Representative Enhancement Payment" means the amounts to be paid to Plaintiffs in recognition of their effort and work in prosecuting the Action on behalf of Class Members. The Parties agree that Plaintiffs will be paid up to Seven Thousand Five Hundred Dollars (\$7,500) each, subject to Court approval, from the Maximum Settlement Amount for their services on behalf of the Class, including their assistance as Plaintiffs and Class Representatives, subject to the Court granting final approval of this Stipulation of Settlement and subject to the exhaustion of any and all appeals. Any portion of the Class Representative Enhancement Payment not awarded to Plaintiffs will be a part of the Net Settlement Amount, for distribution in conformity with Paragraphs 29, 55, and 57.

22. "Court" means the Superior Court of the State of California for the County of Kern or any other court taking jurisdiction of the Action.

23. "Defendant" means J.C. Ford Company.

24. "Defendant's Counsel" means Fisher & Phillips LLP.

25. "Effective Date" means the date on which the settlement embodied in this Stipulation of Settlement shall become effective, which will be when all of the following events have occurred: (i) this Stipulation of Settlement has been executed by all parties and by counsel for the Class and

1 Defendant; (ii) the Court has given preliminary approval to the Settlement; (iii) the notice has been
2 given to the Class Members, providing them with an opportunity to object to the terms of the Stipulation
3 of Settlement or to opt out of the Stipulation of Settlement; (iv) the Court has held a formal fairness
4 hearing and, having heard no objections to the Settlement, entered a final order and judgment certifying
5 the Class, and approving this Stipulation of Settlement; and (v) only in the event that there are written
6 objections filed prior to the formal fairness hearing which are not later withdrawn or denied, the later of
7 the following events: five (5) business days after the period for filing any appeal, writ or other appellate
8 proceeding opposing the Court's final Order approving the Stipulation of Settlement has elapsed without
9 any appeal, writ or other appellate proceeding having been filed; or, if any appeal, writ or other appellate
10 proceeding opposing the Court's final Order approving the Stipulation of Settlement has been filed, five
11 (5) business days after any appeal, writ or other appellate proceedings opposing the Stipulation of
12 Settlement has been finally and conclusively dismissed with no right to pursue further remedies or relief.

13 26. "Individual Settlement Payment" means each Class Member's share of the Net
14 Settlement Amount that will first be calculated pursuant to Paragraph 41 and distributed to Class
15 Members who timely submit a Valid Claim.

16 27. "PAGA Payment" means the amount of Twenty Thousand Dollars (\$20,000.00) that the
17 Parties have agreed to allocate for penalties pursuant to the Private Attorneys' General Act, California
18 Labor Code § 2698, *et seq.* ("PAGA"). The Parties have agreed that the PAGA Payment will be paid
19 out of the Maximum Settlement Amount. Pursuant to PAGA, the Labor and Workforce Development
20 Agency ("LWDA") shall be paid 75% or Fifteen Thousand Dollars (\$15,000.00) of the PAGA Payment
21 ("LWDA Payment"), and 25% or Five Thousand Five Hundred Dollars (\$5,000.00) of the PAGA
22 Payment will be part of the Net Settlement Amount, for distribution in conformity with Paragraphs 29,
23 55, and 57.

24 28. "Maximum Settlement Amount" means the maximum settlement amount of up to Four
25 Hundred Ten Thousand Dollars (\$410,000.00) to be paid by Defendant in full satisfaction of all claims
26 arising from the Action, which includes all Individual Settlement Payments to Claimants, the Class
27 Representative Enhancement Payment, Claims Administration Costs to the Claims Administrator, the
28

LWDA Payment, and Attorneys' Fees and Costs to Class Counsel. This Maximum Settlement Amount has been agreed to by Plaintiffs and Defendant based on the aggregation of the agreed-upon settlement value of individual claims. In no event will Defendant be liable for more than the Maximum Settlement Amount, except that employer-side payroll taxes shall be paid separate and apart from the Maximum Settlement Amount.

29. "Net Settlement Amount" means the portion of the Maximum Settlement Amount remaining after deduction of the approved Class Representative Enhancement Payment, Claims Administration Costs, LWDA Payment, and Attorneys' Fees and Costs. The Net Settlement Amount will be distributed to Claimants in accordance with Paragraphs 55 and 57. Plaintiffs and Defendant agree that the amount actually distributed to the Claimants will equal at least Fifty Percent (50%) of the Net Settlement Amount. If the total Individual Settlement Payments to the Claimants would equal less than Fifty Percent (50%) of the Net Settlement Amount, the Claims Administrator will proportionately increase the Individual Settlement Payment for each Claimant to ensure that total Individual Settlement Payments equal Fifty Percent (50%) of the Net Settlement Amount. Except as otherwise provided in Paragraph 55, any unclaimed amounts above Fifty Percent (50%) of the Net Settlement Amount will be the exclusive property of Defendant.

30. "Notice of Objection" or "Objection" means a Class Member's valid and timely written objection to this Stipulation of Settlement. For the Notice of Objection to be valid, it must include: (a) the objector's full name, signature, address, and telephone number, (b) a written statement of all grounds for the objection accompanied by any legal support for such objection, (c) a clear reference to the title of this case and case number, and (d) copies of any papers, briefs, or other documents upon which the objection is based.

31. "Notice Packet" means the Claim Form and the Notice of Class Action Settlement and, substantially in the forms attached as **Exhibits A** and **Exhibit B** respectively.

32. "Parties" means Plaintiffs and Defendant collectively.

33. "Plaintiffs" means Diego Ayala and Juan Gonzalez.

34. "Preliminary Approval" means the Court order granting preliminary approval of this

1 Stipulation of Settlement.

2 35. “Qualified Settlement Fund” or “QSF” means a fund within the meaning of U.S. Treasury
3 Regulations § 1.46B-1, 26 C.F.R. § 1.468B-1 *et seq.*, that is established by the Claims Administrator
4 for the benefit of Claimants, Plaintiffs and Class Counsel.

5 36. “Released Claims” means all claims under state or local law, whether statutory, common
6 law or administrative law, arising out of or related to allegations of: failure to pay all wages due,
7 including minimum wage and overtime hours; failure to provide meal periods or compensation in lieu
8 thereof; failure to provide rest breaks or compensation in lieu thereof; failure to reimburse business
9 expenses; failure to provide compliant wage statements; failure to reimburse business expenses; waiting
10 time penalties for failure to pay all wages due to terminated or quitting employees; alleged violation of
11 Business and Professions Code §§ 17200, *et seq.*; statutory and civil penalties, including PAGA
12 penalties; equitable relief; injunctive relief; punitive damages; liquidated damages; penalties of any
13 nature; interest; restitution; or any other relief; fees and costs; or any other claims that could have been
14 pled arising from the same operative facts.

15 37. “Released Claims Period” means the period from January 1, 2017 through the date the
16 Court grants preliminary approval of the Settlement or February 23, 2021, whichever date is earlier.

17 38. “Released Parties” means, both individually and collectively, the following: Defendant
18 and any of its former and present parents, subsidiaries, affiliates, divisions, predecessors, successors,
19 assigns, joint employers, co-employers, payroll service providers, staffing agencies, Professional
20 Employer Organizations (“PEO’s”), Administrative Service Organizations (“ASO’s”), insurers,
21 related corporations, corporations in common control, and/or privies, and each of their past, present,
22 and future officers, directors, employees, partners, shareholders, agents, trustees, executors,
23 administrators, fiduciaries, attorneys, insurers, successors, assigns, subrogees, and/or legal
24 representatives, and also any individual or entity which could be jointly liable with Defendant with
25 respect to any of the Released Claims, whether previously or hereafter affiliated in any manner.

26 39. “Request for Exclusion” means a timely letter submitted by a Class Member indicating a
27 request to be excluded from the settlement. The Request for Exclusion must: (a) be signed by the Class
28

Member; (b) contain the name, address, telephone number, and the last four digits of the Social Security Number of the Class Member requesting exclusion; (c) clearly state the name of this case, the case number, and that the Class Member does not wish to be included in the settlement; (d) be returned by mail to the Claims Administrator at the specified address and/or facsimile number; and (e) be postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. A Class Member who does not request exclusion from the settlement (“Settlement Class Member”) will be bound by all terms of the settlement, if the settlement is granted final approval by the Court.

40. “Response Deadline” means the deadline by which Class Members must postmark to the Claims Administrator valid Claim Forms, Requests for Exclusion, or file and serve objections to the settlement. The Response Deadline will be sixty (60) calendar days from the initial mailing of the Notice Packet by the Claims Administrator, unless the 60th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline for Claim Forms or Requests for Exclusion will be extended fifteen (15) calendar days for any Class Member who is re-mailed a Notice Packet by the Claims Administrator, unless the 15th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendant. Under no circumstances, however, will the Claims Administrator have the authority to extend the deadline for Class Members to submit a Claim Form, Request for Exclusion, or objection to the settlement.

41. “Workweeks” means the number of weeks of employment for each Class Member as an employee during the Class Period. The Claims Administrator will calculate the number of Workweeks by calculating the number of days each Class Member was employed during the Class Period, dividing by seven (7), and rounding up to the nearest whole number. Each Claimant shall be entitled to payment for at least one workweek.

42. “Workweek Value” means the value of each compensable Workweek, as determined by

the formula set forth herein.

CLASS CERTIFICATION

43. Solely for purposes of settling the Action, and not for purposes of class certification should the matter not be settled or for any other reason, the Parties stipulate and agree that the requisites for establishing class certification with respect to the Class have been met and are met. More specifically, the Parties stipulate and agree that:

a. The Class is ascertainable and so numerous as to make it impracticable to join all Class Members;

b. There are common questions of law and fact including, but not limited to, the following:

- i. Whether Defendant properly compensated its employees;
- ii. Whether Defendant failed to provide meal and rest breaks;
- iii. Whether Defendant failed to pay penalties for missed meal and/or rest breaks;
- iv. Whether Defendant failed to provide its employees compliant wage statements;
- v. Whether Defendant failed to timely pay its employees their final wages;
- vi. Whether Defendant reimbursed its employees for business expenses;
- vii. Whether Defendant engaged in unfair business practices affecting the Class;
- viii. Whether Defendant is subject to penalties pursuant to Labor Code § 2699 *et seq.*; and
- ix. Whether the Class Representatives and the Class they purport to represent are entitled to injunctive and/or declaratory relief.

44. Should this Settlement not be approved or be terminated, these stipulations shall be null and void and shall not be admissible for any purpose whatsoever.

45. The Parties stipulate, for purposes of this Agreement only, that the Class Representatives' claims are typical of the claims of the members of the Class. Should this Settlement not be approved or

1 be terminated, this stipulation shall be null and void and shall not be admissible for any purpose
2 whatsoever.

3 46. The Parties stipulate, for purposes of this Agreement only, that the Class Representatives
4 and Class Counsel will fairly and adequately protect the interests of the Class. Should this Settlement
5 not be approved or be terminated, this stipulation shall be null and void and shall not be admissible for
6 any purpose whatsoever.

7 47. The Parties stipulate, for purposes of this Agreement only, that the prosecution of
8 separate actions by individual members of the Class would create the risk of inconsistent or varying
9 adjudications, which would establish incompatible standards of conduct. Should this Settlement not be
10 approved or be terminated, this stipulation shall be null and void and shall not be admissible for any
11 purpose whatsoever.

12 48. The Parties stipulate, for purposes of this Agreement only, that questions of law and fact
13 common to the members of the Class predominate over any questions affecting any individual member
14 in such Class, and a class action is superior to other available means for the fair and efficient adjudication
15 of the controversy. Should this Settlement not be approved or be terminated, this stipulation shall be
16 null and void and shall not be admissible for any purpose whatsoever.

17 **TERMS OF AGREEMENT**

18 NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements set
19 forth herein, the Parties agree, subject to the Court's approval, as follows:

20 49. Funding of the Maximum Settlement Amount. Within three (3) business days after the
21 Effective Date, the Claims Administrator will provide the Parties with an accounting of the amounts to
22 be paid by Defendant pursuant to the terms of the Settlement, as well as an accounting of any additional
23 amounts that it owes separately for employer-side payroll taxes. Defendant will deposit such amounts
24 into a Qualified Settlement Fund account to be established by the Claims Administrator within fourteen
25 (14) days after the Effective Date.

26 50. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application or
27 motion by Class Counsel for Attorneys' Fees and Costs of not more than Thirty-Five Percent (35%) of
28

1 the Maximum Settlement Amount or up to One Hundred Forty-Three Thousand Dollars (\$143,500.00),
2 plus the reimbursement of costs and expenses associated with Class Counsel's litigation and settlement
3 of the Action, not to exceed Twenty Thousand Dollars (\$20,000.00), both of which will be paid from
4 the Maximum Settlement Amount.

5 51. Class Representative Enhancement Payment. In recognition of Plaintiffs' effort and
6 work in prosecuting the Action on behalf of Class Members, Defendant agrees not to oppose or impede
7 any application or motion for a Class Representative Enhancement Payment of up to Seven Thousand
8 Five Hundred Dollars (\$7,500.00) to Ayala and Seven Thousand Five Hundred Dollars (\$7,500.00) to
9 Gonzalez. The Class Representative Enhancement Payment will be paid from the Maximum Settlement
10 Amount. The Claims Administrator will issue an IRS Form 1099 for the Enhancement Payment to
11 Plaintiffs; and they shall be solely and legally responsible for correctly characterizing this compensation
12 for tax purposes and for paying any taxes on the amounts received. Plaintiffs agree to indemnify and
13 hold Defendant harmless from any claim or liability for taxes, penalties, or interest arising as a result of
14 the Class Representative Enhancement Payment.

15 52. General Release by Class Representatives. As a condition of the class action settlement,
16 Plaintiffs agree to be bound by the General Release attached hereto as **Exhibit C**.

17 53. Claims Administration Costs. The Claims Administrator will be paid for the reasonable
18 costs of administration of the Settlement and distribution of payments from the Maximum Settlement
19 Amount, which is currently estimated to be \$6,399.00 but will not exceed Seven Thousand Five Hundred
20 Dollars (\$7,500.00). These costs, which will be paid from the Maximum Settlement Amount, will
21 include, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuing of 1099
22 and W-2 IRS Forms, distributing the Notice Packet, mailing reminder post cards, calculating shares and
23 payment, distributing the Maximum Settlement Amount in accordance with the Settlement and the
24 Court's order, and providing necessary reports and declarations. Any portion of the Claims
25 Administration Costs that are not awarded to the Claims Administrator will be part of the Net Settlement
26 Amount.

27 54. PAGA Payment. Subject to Court approval, the Parties agree that the amount of Twenty
28

Thousand Dollars (\$20,000.00) from the Maximum Settlement Amount will be designated for satisfaction of Plaintiffs' and Class Members' PAGA claims. Pursuant to PAGA, Seventy-Five Percent (75%), or \$15,000.00, of this sum will be paid to the LWDA and Twenty-Five Percent (25%), or \$5,000.00, will be part of the Net Settlement Amount.

55. Net Settlement Amount. The Net Settlement Amount will be used to satisfy Individual Settlement Payments to Claimants in accordance with the terms of this Agreement. If the total claimed Individual Settlement Payments would equal less than Fifty Percent (50%) of the Net Settlement Amount, the Claims Administrator will proportionately increase the Individual Settlement Payment for each Claimant so that the amount actually distributed to Claimants will equal at least Fifty Percent (50%) of the Net Settlement Amount.

56. Acknowledgement of Potential Administration Cost Increases. The Parties hereby acknowledge that Claims Administration Costs may increase above the current estimate of \$6,399.00 and that any such additional Claims Administration Costs will be taken out of the Maximum Settlement Amount. Any portion of the estimated or designated Class Administration Costs which are not in fact required to fulfill the total Class Administration Costs will be part of the Net Settlement Amount.

57. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of Workweeks a Class Member worked during the Class Period. Specific calculations of Individual Settlement Payments will be made as follows:

57(a) The Claims Administrator will calculate the total number of Workweeks worked by each individual Class Member ("Individual Workweeks") to determine the total number of Workweeks worked by all Class Members ("Class Workweeks") during the Class Period. The Claims Administrator shall be provided with such information, by Defendant, as is necessary to calculate the Individual Workweeks and Class Workweeks.

57(b) To determine each Class Member's estimated Individual Settlement Payment, the Claims Administrator will use the following formula: Estimated Individual

Settlement Payment = (Net Settlement Amount ÷ Class Workweeks) x Individual Workweeks for each individual Class Member. Class Workweeks is defined in Paragraph 41 and is based on the entire putative class workweeks, not only Claimants workweeks.

57(c) If the total Individual Settlement Payments actually claimed by Claimants equals less than Fifty Percent (50%) of the Net Settlement Amount, the Individual Settlement Payments will proportionately increase for each Claimant submitting a Claim Form such that the total Individual Settlement Payments equal not less than Fifty Percent (50%) of the Net Settlement Amount.

57(d) The Individual Settlement Payment will be reduced by any required deductions for each Claimant as set forth herein, including employee-side tax and withholdings with respect to the wage portion of each Individual Settlement Payment.

58. Individual Settlement Payments Do Not Trigger Additional Benefits. All individual settlement payments to Class Members shall be deemed to be paid to such Class Members solely in the year in which such payments actually are received by the Class Members. It is expressly understood and agreed that the receipt of such individual settlement payments will not entitle any Class Member to additional compensation or benefits under any company bonus, contest or other compensation or benefit plan or agreement in place during the period covered by the Settlement, nor will it entitle any Class Member to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits. It is the intent of this Settlement that the individual settlement payments provided for in this Settlement are the sole payments to be made by Defendant to the Class Members, and that the Class Members are not entitled to any new or additional compensation or benefits as a result of having received the individual settlement payments (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Settlement).

59. Claims Administration Process. The Parties agree to cooperate in the administration of

the settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement.

60. Delivery of the Class List. Within fourteen (14) calendar days of Preliminary Approval, Defendant will provide the Class List(s) to the Claims Administrator.

61. Notice by First-Class U.S. Mail. Within fifteen (15) calendar days of receipt of the Class List(s), the Claims Administrator will perform a search based on the National Change of Address Database (“NCOA”), or any other similar services available, and mail a Notice Packet to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses available.

62. Confirmation of Contact Information in the Class List. Prior to mailing, the Claims Administrator will perform a NCOA check, such as provided by Experian or any other similar services available, for information to update and correct for any known or identifiable address changes. Any Notice Packets returned to the Claims Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Claims Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address is provided, the Claims Administrator will promptly attempt to determine the correct address using a skip-trace and will then perform a single re-mailing within five (5) days after return of the Notice Packet. Those Class Members who receive a re-mailed Notice Packet, whether by skip-trace or by request, will have between the later of (a) an additional fifteen (15) days or (b) the Response Deadline to postmark a Claim Form, Request for Exclusion, or file and serve an objection to the Settlement.

63. Notice Packets. All Class Members will be mailed a Notice Packet. Each Notice Packet will be translated into Spanish and provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement’s principal terms; (c) the Class definition; (d) the total number of Workweeks each respective Class Member worked for Defendant during the Class Period; (e) each Class Member’s estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (f) the dates which comprise the Class Period; (g) instructions on how to submit valid Claim Forms, disputes regarding Workweeks, Requests for Exclusion, or objections; (h) the requirements

1 relating to, and deadlines by which the Class Member must submit, Claim Forms, disputes regarding
2 Workweeks, Requests for Exclusions, and objections to the Settlement; (i) the claims to be released, as
3 set forth herein; and (j) the date for the Final Approval Hearing.

4 64. Disputed Information on Notice Packets. Class Members may dispute the information
5 provided in their Notice Packets, but must do so in writing, via first class mail, and it must be postmarked
6 by the Response Deadline. To the extent Class Members dispute the number of Workweeks to which
7 they have been credited or the amount of their Individual Settlement Payment, Class Members must
8 produce evidence to the Claims Administrator showing that such information is inaccurate. Absent
9 evidence rebutting Defendant's records, Defendant's records will be presumed determinative.
10 However, if a Class Member produces evidence to the contrary, the Parties will evaluate the evidence
11 submitted by the Class Member and will make the final decision as to the number of eligible Workweeks
12 that should be applied and/or the Individual Settlement Payment to which the Class Member may be
13 entitled.

14 65. Claim Form Procedures. To receive Individual Settlement Payments, all Class Members
15 will be required to submit a timely Claim Form by the Response Deadline. All Claim Forms must be
16 signed and returned to the Claims Administrator via first class mail and postmarked by the Response
17 Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to
18 determine whether a Claim Form has been timely submitted. However, it is not the intention of the
19 Parties to exclude Class Members from obtaining payment in the Settlement for technical reasons that
20 do not interfere with the orderly administration of the Settlement. Therefore, the Claims Administrator
21 will compile a list of claims rejected for (1) failure to cure an unsigned Claim Form or (2) late
22 submission of the Claim Form. As to the Class Members on that rejected claims list, any Class Member
23 who requests, in a signed letter, to receive payment in the Settlement will be treated like a Claimant so
24 long as that written request is received by the Effective Date.

25 66. Defective Submissions. If a Class Member's Claim Form or Request for Exclusion is
26 defective as to the requirements listed herein, that Class Member will be given an opportunity to cure
27 the defect(s). The Claims Administrator will mail the Class Member a cure letter within three (3)
28

business days of receiving the defective submission to advise the Class Member that his or her submission is defective and that the defect must be cured to render the Claim Form or Request for Exclusion valid. The Class Member will have ten (10) calendar days from the date of the cure letter to postmark a revised Claim Form or Request for Exclusion. If a Class Member responds to a Cure Letter by filing a defective claim, then the Claims Administrator will have no further obligation to give notice of a need to cure. If the revised Claim Form is not postmarked or received within that period, it will be deemed untimely.

67. Request for Exclusion Procedures. Any Class Member wishing to opt-out from this Stipulation of Settlement must sign and postmark a written Request for Exclusion to the Claims Administrator within the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. All Requests for Exclusion will be submitted to the Claims Administrator, who will certify jointly to Class Counsel and Defendant's Counsel the Requests for Exclusion that were timely submitted. A Class Member cannot both opt-out from this Stipulation of Settlement and also be a Claimant; only those Class Members that do not submit a Claim Form have the right to opt-out of this Stipulation of Settlement by submitting a Request for Exclusion.

68. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member who does not affirmatively opt-out of this Stipulation of Settlement by submitting a timely and valid Request for Exclusion ("Settlement Class Member") will be bound by all of its terms, including those pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the Settlement.

69. Objection Procedures. To object to this Stipulation of Settlement, a Class Member must file a valid Notice of Objection with the Court and serve copies of the Notice of Objection on the Parties before the Response Deadline. The Notice of Objection must be signed by the Class Member and contain all information required by this Stipulation of Settlement. The postmark date of the filing and service will be deemed the exclusive means for determining that the Notice of Objection is timely. Class Members who fail to object in the specific and technical manner specified above will be deemed to have

1 waived all objections to the Settlement and will be foreclosed from making any objections and seeking
2 any adjudication or review, whether by appeal or otherwise, to this Stipulation of Settlement. At no
3 time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to
4 submit written objections to this Stipulation of Settlement or appeal from the Order and Judgment. Class
5 Counsel will not represent any Class Members with respect to any such objections to this Settlement.

6 70. Reminders. Not earlier than twenty (20) days or later than thirty (30) days after the initial
7 mailing, the Claims Administrator will send a Reminder Postcard to all Class Members who have not
8 returned a Claim Form or a Request for Exclusion. All Reminder Postcards will include the Response
9 Deadline, and the contact information for Class Counsel and the Claims Administrator.

10 71. Certification Reports Regarding Individual Settlement Payment Calculations. The
11 Claims Administrator will provide Defendant's counsel and Class Counsel a weekly report which
12 certifies: (a) the number of Class Members who have submitted valid Claim Forms; (b) the number of
13 Claimants; (c) the number of Class Members who have submitted valid Requests for Exclusion; (d) the
14 then current amount and percentage of the Net Settlement Amount claimed by Claimants; and (e)
15 whether any Class Member has submitted a challenge to any information contained in their Claim Form
16 or Notice Packet. Additionally, the Claims Administrator will provide to counsel for both Parties any
17 updated reports regarding the administration of this Stipulation of Settlement as needed or requested.

18 72. Payment Schedule for All Court-Approved and Individual Settlement Payment Amounts.
19 Within seven (7) business days of the third deposit, the Claims Administrator will calculate and pay all
20 payments due under the Agreement, including (a) Individual Settlement Payments; (b) the LWDA
21 Payment; (c) the Attorneys' Fees and Costs; (d) the Class Representative Enhancement Payment; and
22 (e) all Claims Administration Costs, except that the entire amount payable for Claims Administration
23 Costs may be paid to the Claim Administrator.

24 73. Unclaimed Funds from the Net Settlement Amount. After all Individual Settlement
25 Payments have been made, any remaining or unclaimed funds from the Net Settlement Amount shall
26 remain the property of the Defendant.

27 74. Payroll Taxes. Any and all applicable employer-side payroll taxes shall be paid separate
28

1 and apart from the Maximum Settlement Amount.

2 75. Uncashed Settlement Checks. Any checks issued by the Claims Administrator to
3 Claimants will be negotiable for at least 120 calendar days. Those funds represented by settlement
4 checks returned as undeliverable and those settlement checks remaining un-cashed for more than 120
5 calendar days after issuance will be sent to the California State Controller's Unclaimed Property Fund.

6 76. Certification of Completion. Upon completion of administration of the Settlement, the
7 Claims Administrator will provide a written declaration under oath to certify such completion to the
8 Court and counsel for all Parties.

9 77. Administration Costs if Settlement Fails or is Delayed. If the Settlement is voided or
10 rescinded, for any reason other than set forth in Paragraph 87, any costs incurred by the Claims
11 Administrator will be paid equally by the Parties (half by Defendant and half by Class Counsel), unless
12 otherwise specified in this Agreement.

13 78. Treatment of Individual Settlement Payments. For purposes of this Stipulation of
14 Settlement, all Individual Settlement Payments will be allocated as follows: 20% of each Individual
15 Settlement Payment will be allocated as wages, 80% will be allocated as interest, and penalties. The
16 portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to interest
17 and penalties will be reported on an IRS Form-1099 by the Claims Administrator.

18 79. Administration of Taxes by the Claims Administrator. The Claims Administrator will be
19 responsible for issuing to Plaintiffs, Claimants, and Class Counsel any W-2, 1099, or other tax forms as
20 may be required by law for all amounts paid pursuant to this Agreement. The Claims Administrator will
21 also be responsible for forwarding all payroll taxes and penalties to the appropriate government
22 authorities.

23 80. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect
24 of the payments called for hereunder; and Plaintiffs and Claimants are not relying on any statement,
25 representation, or calculation by Defendant or by the Claims Administrator in this regard. Plaintiffs and
26 Claimants understand and agree that except for Defendant's payment of the employer's portion of any
27 payroll taxes, they will be solely responsible for the payment of any taxes and penalties assessed on the
28

1 payments described herein and will defend, indemnify, and hold Defendant free and harmless from and
2 against any claims resulting from treatment of such payments as non-taxable damages.

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

25 82. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
26 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
27 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause
28

1 of action or right herein released and discharged.

2 83. Release of Claims by Class Members. Upon the Effective Date, Plaintiffs and all Class
3 Members who have not submitted valid and timely Requests for Exclusion, will be deemed to have
4 fully, finally and forever released, settled, compromised, relinquished, and discharged with respect to
5 all of the Released Parties any and all Released Claims for any period during the Released Claims
6 Period.

7 84. Duties of the Parties Prior to Court Approval. The Parties shall promptly submit this
8 Stipulation of Settlement to the Court in support of Plaintiffs' Motion for Preliminary Approval and
9 determination by the Court as to its fairness, adequacy, and reasonableness. Promptly upon execution
10 of this Stipulation of Settlement, the Parties shall apply to the Court for the entry of an order scheduling
11 a fairness hearing on the question of whether the proposed settlement, including payment of attorneys'
12 fees and costs, and Plaintiffs' Class Representative Enhancement Payment, should be finally approved
13 as a fair, reasonable and adequate settlement. As part of Plaintiffs' Motion for Preliminary Approval,
14 Plaintiffs shall also apply to the Court for the entry of an order as follows:

- 15 a. Certifying the Class for the purpose of settlement;
- 16 b. Approving, as to form and content, the proposed Notice of Class Action Settlement;
- 17 c. Approving as to form and content the proposed Claim Form;
- 18 d. Approving the manner and method for Class Members to request exclusion from
19 the Settlement as contained herein and within the Notice of Class Action
20 Settlement;
- 21 e. Directing the mailing of the Notice of Class Action Settlement, Claim Form, and
22 Reminder Postcards to the Class Members, in accordance with the Settlement
23 Agreement;
- 24 f. Preliminarily approving the Settlement subject only to the objections of Class
25 Members and final review by the Court; and
- 26 g. Enjoining Plaintiffs and any Class Member from filing or prosecuting any claims,
27 suits or administrative proceedings (including filing claims with the California
28

1 Division of Labor Standards Enforcement and the LWDA) regarding the Released
2 Claims unless and until such Class Members have filed valid Requests for
3 Exclusion with the Claims Administrator.

4 85. Duties of the Parties Following Final Court Approval. Following final approval by the
5 Court of the Settlement provided for in this Stipulation of Settlement, Class Counsel will submit a
6 proposed final order of approval and judgment as follows:

- 7 a. Approving the Settlement, adjudging the terms thereof to be fair, reasonable and
8 adequate, and directing consummation of its terms and provisions;
- 9 b. Approving Class Counsel's application for an award of attorneys' fees and costs;
- 10 c. Approving the Class Representative Enhancement Payment to Plaintiffs;
- 11 d. Setting a date when the parties shall report to the Court the total amount that was
12 actually paid to the Class Members; and
- 13 e. Entering judgment in this Action consistent with this Agreement.

14 86. Defendant's Option to Terminate the Settlement. If ten percent (10%) or more of the
15 Class Members opt out of the Settlement, Defendant may, at its election, rescind the Settlement and all
16 actions taken in furtherance of it will thereby be null and void Defendant must exercise this right of
17 rescission, in writing, to Class Counsel within fourteen (14) business days after the Claims
18 Administrator notifies the Parties of the total number of opt-outs received by the Response Deadline. If
19 the option to rescind is exercised, then Defendant shall be solely responsible for all costs of the Claims
20 Administrator accrued to that point. Defendant's Notice of Rescission shall serve as instruction to the
21 Class Administrator to return all funds deposited, including any accrued interest, less the administration
22 costs incurred as of the date of rescission.

23 87. Nullification of Stipulation of Settlement. In the event that: (a) the Court does not finally
24 approve the Settlement as provided herein; or (b) the Settlement does not become final for any other
25 reason, then this Stipulation of Settlement, and any documents generated to bring it into effect, will be
26 null and void. Any order or judgment entered by the Court in furtherance of this Stipulation of
27 Settlement will likewise be treated as void from the beginning.

1 88. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the Court to
2 request the Preliminary Approval of this Stipulation of Settlement, and the entry of a Preliminary
3 Approval Order for: (a) conditional certification of the Class for settlement purposes only, (b)
4 Preliminary Approval of the proposed Stipulation of Settlement, and (c) setting a date for a Final
5 Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the Notice
6 Packet to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval
7 hearing, Plaintiffs will submit this Stipulation of Settlement, which sets forth the terms of this
8 Settlement, and will include the proposed Notice Packet; *i.e.*, the proposed Notice of Class Action
9 Settlement document, and the proposed Claim Form, attached as **Exhibits A** and **Exhibit B** respectively.
10 Class Counsel will be responsible for drafting all documents necessary to obtain preliminary approval.
11 Defendant agrees not to oppose the Motion for Preliminary Approval.

12 89. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
13 deadlines to postmark Claim Forms, Requests for Exclusion, or objections to this Stipulation of
14 Settlement, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will be
15 conducted to determine the Final Approval of this Stipulation of Settlement along with the amounts
16 properly payable for (a) Individual Settlement Payments; (b) the LWDA Payment; (c) the Attorneys'
17 Fees and Costs; (d) the Class Representative Enhancement Payment; and (e) all Claims Administration
18 Costs. The Final Approval/Settlement Fairness Hearing will not be held earlier than thirty (30) days
19 after the Response Deadline. Class Counsel will be responsible for drafting all documents necessary to
20 obtain final approval. Class Counsel will also be responsible for drafting the attorneys' fees and costs
21 application to be heard at the final approval hearing.

22 90. Either Party's Option to Terminate the Settlement. Subject to the obligation(s) of mutual
23 full cooperation, either Party may terminate this Settlement if the Court declines to enter the Preliminary
24 Approval Order, the Final Approval Order or final judgment in substantially the form submitted by the
25 Parties, or this Stipulation of Settlement as agreed does not become final because of appellate court
26 action. The terminating Party shall give to the other Party (through its counsel) written notice of its
27 decision to terminate no later than ten (10) business days after receiving notice that one of the
28

1 enumerated events has occurred. Termination shall have the following effects:

- 2 a. The Stipulation of Settlement shall be terminated and shall have no force or effect,
3 and no Party shall be bound by any of its terms;
- 4 b. In the event the Settlement is terminated, Defendant shall have no obligation to
5 make any payments to any party, class member or attorney, except that the
6 Terminating Party shall pay the Claims Administrator for services rendered up to
7 the date the Claims Administrator is notified that the settlement has been
8 terminated;
- 9 c. The Preliminary Approval Order, Final Approval Order and Judgment, including
10 any order of class certification, shall be vacated;
- 11 d. The Stipulation of Settlement and all negotiations, privileged statements and
12 proceedings relating thereto shall be without prejudice to the rights of any of the
13 Parties, all of whom shall be restored to their respective positions in the Action
14 prior to this Stipulation of Settlement; and
- 15 e. Neither this Stipulation of Settlement, nor any ancillary documents, actions,
16 statements or filings in furtherance of this Stipulation of Settlement (including all
17 matters associated with the mediation) shall be admissible or offered into evidence
18 in the Action or any other action for any purpose whatsoever.

19 91. Exhibits Incorporated by Reference. The terms of this Agreement include the terms set
20 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein.
21 Any Exhibits to this Agreement are an integral part of this Stipulation of Settlement.

22 92. Confidentiality. The Parties and their counsel agree that they will not issue any press
23 releases, initiate any contact with the press, respond to any press inquiry, or have any communication
24 with the press about the Action and about the fact, amount, or terms of the Settlement prior to the
25 Settlement being preliminarily approved by the Court. In addition, the Parties and their counsel agree
26 that they will not engage in any advertising or distribute any marketing materials relating to the Action
27 and to the Settlement of this case prior to the Settlement being preliminarily approved by the Court,
28

1 including but not limited to any postings on any websites maintained by Class Counsel. Any
2 communication about the Settlement to Class Members prior to the Settlement being preliminarily
3 approved by the Court will be limited to a statement that a settlement has been reached and the details
4 will be communicated in a forthcoming Court-approved notice. Nothing set forth herein, however, shall
5 prohibit the Parties from providing this Agreement to the Court in connection with the Parties' efforts
6 to seek the Court's approval of this Settlement. Neither Plaintiffs nor Class Counsel shall hold a press
7 conference or otherwise seek to affirmatively contact the media about the Action or the Settlement. If
8 contacted by the media regarding the Action or the Settlement, Class Counsel will direct any media
9 inquiries to the public records of the Action on file with the Court. Additionally, neither Plaintiffs nor
10 Class Counsel will disparage the Settlement.

11 93. Entire Agreement. This Stipulation of Settlement and any attached Exhibits constitute
12 the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral
13 agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil
14 Code § 1625 and California Code of Civil Procedure § 1856(a), which provide that a written agreement
15 is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence,
16 and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or
17 contradict the terms of this Agreement.

18 94. Amendment or Modification. This Stipulation of Settlement may be amended or
19 modified only by a written instrument signed by the named Parties and counsel for all Parties or their
20 successors-in-interest.

21 95. Authorization to Enter Into Stipulation of Settlement. Counsel for all Parties warrant and
22 represent they are expressly authorized by the Parties whom they represent to negotiate this Stipulation
23 of Settlement and to take all appropriate action required or permitted to be taken by such Parties pursuant
24 to this Stipulation of Settlement to effectuate its terms and to execute any other documents required to
25 effectuate the terms of this Stipulation of Settlement. The Parties and their counsel will cooperate with
26 each other and use their best efforts to effect the implementation of the Settlement. If the Parties are
27 unable to reach agreement on the form or content of any document needed to implement the Settlement,
28

1 or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement,
2 the Parties may seek the assistance of the Court to resolve such disagreement.

3 96. Signatories. It is agreed that because the members of the Class are so numerous, it is
4 impossible or impractical to have each member of the Class execute this Stipulation of Settlement. The
5 Notice of Class Action Settlement, attached hereto as **Exhibit B**, will advise all Class Members of the
6 binding nature of the release, and the release shall have the same force and effect as if this Stipulation
7 of Settlement were executed by each Settlement Class Member.

8 97. Binding on Successors and Assigns. This Stipulation of Settlement will be binding upon,
9 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

10 98. California Law Governs. All terms of this Stipulation of Settlement and Exhibits hereto
11 will be governed by and interpreted according to the laws of the State of California.

12 99. Execution and Counterparts. This Stipulation of Settlement is subject only to the
13 execution of all Parties. However, the Agreement may be executed in one or more counterparts. All
14 executed counterparts and each of them, including facsimile and scanned copies of the signature page,
15 will be deemed to be one and the same instrument.

16 100. Acknowledgement that the Settlement is Fair, Reasonable, and Adequate. The Parties
17 believe this Stipulation of Settlement is a fair, adequate, and reasonable settlement of the Action and
18 have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation,
19 taking into account all relevant factors, present and potential. The Parties further acknowledge that they
20 are each represented by competent counsel and that they have had an opportunity to consult with their
21 counsel regarding the fairness and reasonableness of this Agreement. In addition, the Mediator may
22 execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court
23 may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement
24 is objectively fair and reasonable.

25 101. Invalidity of Any Provision. Before declaring any provision of this Stipulation of
26 Settlement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
27 possible consistent with applicable precedents so as to define all provisions of this Stipulation of
28

1 Settlement valid and enforceable.

2 102. Plaintiffs' Waiver of Right to Be Excluded and Object. Plaintiffs agree to sign this
3 Stipulation of Settlement and, by signing this Stipulation of Settlement, are hereby bound by the terms
4 herein. For good and valuable consideration, Plaintiffs further agree that they will not request to be
5 excluded from this Stipulation of Settlement. Any such request for exclusion by Plaintiffs will be void
6 and of no force or effect.

7 103. Non-Admission of Liability. The Parties enter into this Agreement to resolve the dispute
8 that has arisen between them and to avoid the burden, expense and risk of continued litigation. By
9 entering into this Agreement, Defendant does not admit, and specifically denies, it has violated any
10 federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute
11 or any other applicable laws, regulations or legal requirements; breached any contract; violated or
12 breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful
13 conduct with respect to its employees. Neither this Agreement, nor any of its terms or provisions, nor
14 any of the negotiations connected with it, shall be construed as an admission or concession by Defendant
15 of any such violations or failures to comply with any applicable law. Except as necessary in a
16 proceeding to enforce the terms of this Agreement, this Agreement and its terms and provisions shall
17 not be offered or received as evidence in any action or proceeding to establish any liability or admission
18 on the part of Defendant or to establish the existence of any condition constituting a violation of, or a
19 non-compliance with, federal, state, local or other applicable law.

20 104. Captions. The captions and section numbers in this Agreement are inserted for the
21 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
22 provisions of this Agreement.

23 105. Waiver. No waiver of any condition or covenant contained in this Agreement or failure
24 to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a
25 further waiver by such party of the same or any other condition, covenant, right or remedy.

26 106. Enforcement Actions. In the event that one or more of the Parties institutes any legal
27 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement
28

1 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be
2 entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including
3 expert witness fees incurred in connection with any enforcement actions.

4 107. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
5 conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly against
6 one party than another merely by virtue of the fact that it may have been prepared by counsel for one of
7 the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all
8 Parties have contributed to the preparation of this Agreement.

9 108. Representation By Counsel. The Parties acknowledge that they have been represented
10 by counsel throughout all negotiations that preceded the execution of this Agreement, and that this
11 Agreement has been executed with the consent and advice of counsel and reviewed in full. Further,
12 Plaintiffs and Class Counsel warrant and represent that there are no liens on this Stipulation of
13 Settlement.

14 109. All Terms Subject to Final Court Approval. All amounts and procedures described in
15 this Stipulation of Settlement herein will be subject to final Court approval.

16 110. Notices. Unless otherwise specifically provided herein, all notices, demands or other
17 communications given hereunder shall be in writing and shall be deemed to have been duly given as of
18 the third business day after mailing by United States registered or certified mail, return receipt requested,
19 addressed as follows:

20 To Plaintiffs and the Class:

21 Douglas Han
22 Shunt Tatavos-Garajeh
23 Phillip Song
24 **JUSTICE LAW CORPORATION**
751 N. Fair Oaks Avenue, Suite 101
Pasadena, California 91103

25 To Defendant J.C. Ford Company:

26 Christopher M. Ahearn
27 Andrew C. Crane
28 Harrison M. Zator
FISHER & PHILLIPS LLP
2050 Main Street, Suite 1000

Irvine, California 92614

111. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Stipulation of Settlement.

112. Integration Clause. This Stipulation of Settlement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or such party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

113. Class Size. Defendant represents that the class size, as of February 23, 2021, is approximately 300. If the class size increases by more than 10% through the Class Period, then Plaintiffs, at their option, may void the Agreement for purposes of requesting a modification to the terms of the agreement to bring the scope of the release in line with the above-referenced estimate. It is the intent of the Parties that increases in class size that may occur during the time period from mediation through February 23, 2021 should not void the Agreement entirely, but rather the Parties should undertake such modifications that will give the Agreement its intended effect as set forth herein.

114. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Agreement, and further intend that this Agreement 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.

///

///

///

1 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint
2 Stipulation of Settlement and Release Between Plaintiffs and Defendant as of the date(s) set forth below:

3 **NAMED PLAINTIFFS AND CLASS COUNSEL**

4 **READ CAREFULLY BEFORE SIGNING**

5 DATED: 03/18/2021
6



7 DIEGO AYALA
8 Named Plaintiff

9 DATED: _____

10 JUAN GONZALEZ
11 Named Plaintiff

12 DEFENDANT J.C. FORD COMPANY

13
14 DATED: _____

By: _____

15
16 **APPROVED AS TO FORM**

17 JUSTICE LAW CORPORATION

18
19 DATED: 3/18/21

By: _____

20 DOUGLAS HAN
21 SHUNT TATAVOS-GARAJEH

22 Attorney for Plaintiffs Diego Ayala and Juan Gonzalez and
23 the Class

24 FISHER & PHILLIPS, LLP

25 DATED: _____

By: _____

26 CHRISTOPHER M. AHEARN

27 Attorneys for Defendant
28 J.C. FORD COMPANY

1 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint
2 Stipulation of Settlement and Release Between Plaintiffs and Defendant as of the date(s) set forth below:

3 **NAMED PLAINTIFFS AND CLASS COUNSEL**

4 **READ CAREFULLY BEFORE SIGNING**

5 DATED: _____
6

7 _____
DIEGO AYALA
Named Plaintiff

8 *JUAN GONZALEZ JR.*

9 DATED: 03/18/2021 _____

10 _____
JUAN GONZALEZ
Named Plaintiff

11
12 DEFENDANT J.C. FORD COMPANY
13

14 DATED: _____

By: _____

15
16 **APPROVED AS TO FORM**

17 JUSTICE LAW CORPORATION
18

19 DATED: _____

By: _____

20 DOUGLAS HAN
SHUNT TATAVOS-GARAJEH

21 Attorney for Plaintiffs Diego Ayala and Juan Gonzalez and
22 the Class

23 FISHER & PHILLIPS, LLP
24

25 DATED: _____

By: _____

26 CHRISTOPHER M. AHEARN

27 Attorneys for Defendant
28 J.C. FORD COMPANY

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint
Stipulation of Settlement and Release Between Plaintiffs and Defendant as of the date(s) set forth below:

NAMED PLAINTIFFS AND CLASS COUNSEL

READ CAREFULLY BEFORE SIGNING

DATED: _____

DIEGO AYALA
Named Plaintiff

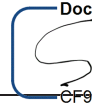
DATED: _____

JUAN GONZALEZ
Named Plaintiff

DEFENDANT J.C. FORD COMPANY

DATED: _____

By: _____

DocuSigned by:

CF9FC17489A4436...

APPROVED AS TO FORM

JUSTICE LAW CORPORATION

DATED: _____

By: _____

DOUGLAS HAN
SHUNT TATAVOS-GARAJEH

Attorney for Plaintiffs Diego Ayala and Juan Gonzalez and
the Class

FISHER & PHILLIPS, LLP

DATED: _____

By: _____


CHRISTOPHER M. AHEARN

Attorneys for Defendant
J.C. FORD COMPANY

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

PROOF OF SERVICE
1013A(3) CCP

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101, Pasadena, California 91103 and my electronic service address is amcnevin@justicelawcorp.com.

On April 12, 2021, I served the foregoing document described as

JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

For the following case:	Ayala, et al. v. J.C. Ford Company
LWDA/ Court Case No.:	LWDA Case No.: CM-806753-20
	Court Case No.: BCV-20-102948
	Kern County Superior Court

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

[X] BY ELECTRONIC SUBMISSION

Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE

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

Executed on April 12, 2021, at Pasadena, California.



Alexis McNevin