

# Exhibit A

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Individuals

**UNITED STATES DISTRICT COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**

PABLO SANCHEZ and VIOLET  
ALVAREZ, individually and on  
behalf of all others similarly situated,

Plaintiffs,

v.

HEARST COMMUNICATIONS,  
INC., and DOES 1–10, inclusive,

Defendants.

Case No. 3:20-cv-05147-VC

Hon. Vince Chhabria

**JOINT STIPULATION OF CLASS  
ACTION AND PAGA  
SETTLEMENT; RELEASE OF  
CLAIMS**

1 This Joint Stipulation of Settlement and Release of Claims, which includes  
2 the Recitals and all exhibits attached hereto (collectively, the “Agreement”), is  
3 entered into by and between (1) Plaintiffs (as defined below), the Settlement Class  
4 Members (as defined below), and Plaintiffs’ Counsel (as defined below), on the  
5 one hand, and (2) Hearst (as defined below), on the other hand.

6 This Agreement is intended by the Parties (as defined below) to fully,  
7 finally, and forever resolve, discharge, and settle the Action (as defined below) and  
8 the Released Claims (as defined below), upon and subject to the terms and  
9 conditions hereof. This settlement consists of (1) a “PAGA Settlement” of all  
10 claims for civil penalties for claims asserted under the California Private Attorneys  
11 General Act of 2004, California Labor Code Section 2968, *et seq.* (“PAGA”); and  
12 (2) a settlement of all other claims included in the Action, which will be called the  
13 “Class Action Settlement.” The PAGA Settlement and the Class Action  
14 Settlement are together referred to as the “Global Settlement.”

## 15 1. DEFINITIONS

16 For the purposes of this Agreement only, the following terms shall be  
17 defined as set forth below:

18 1.1. “**Action**” means the operative complaint filed in the case titled  
19 *Sanchez v. Hearst Communications, Inc., et al.*, United States District Court,  
20 Northern District of California, Case No. 3:20-cv-05147-VC.

21 1.2. “**Aggrieved Individuals**” means all persons who have entered  
22 into written contracts with Hearst solely pursuant to a home delivery agreement in  
23 the State of California regarding newspapers, including, but not limited to, the *San*  
24 *Francisco Chronicle*, at any time from September 2, 2019, through the date of  
25 approval of the PAGA Settlement. A list of Aggrieved Individuals is set forth in  
26 Exhibit 2.

1.3. “**Attorneys’ Fees**” means the attorneys’ fees payment from the Gross Settlement Amount and approved by the Court for recoverable fees associated with the litigation and resolution of the Action. It is agreed by the Parties that Plaintiffs’ Counsel shall request attorneys’ fees not to exceed 35% of the Gross Settlement Amount (up to \$332,500). The Attorneys’ Fees shall be inclusive of all attorneys’ fees and costs incurred in the Action in connection with all of the claims, including individual, class, and PAGA claims, by any and all law firms representing Plaintiffs, the proposed class, and the alleged Aggrieved Individuals. The amount of Attorneys’ Fees actually awarded by the Court shall not be a material term of this Agreement.

1.4. “**Settlement Class Members**” means all persons who have entered into written contracts with Hearst solely pursuant to a home delivery agreement in the State of California regarding newspapers, including, but not limited to, the *San Francisco Chronicle*, at any time from July 27, 2016, through the date of the Preliminary Approval Order entered by the Court, and who do not submit a timely and valid Opt-Out. A list of Settlement Class Members is set forth in Exhibit 2.

1.5. “**Class Period**” refers to the period from July 27, 2016, through the date of a Preliminary Approval Order entered by the Court.

1.6. “**Class Representatives**” and “**Plaintiffs**” mean the named Plaintiffs in the Action, Pablo Sanchez and Violet Alvarez.

1.7. “**Class Representative Service Payment**” means the amount to be paid to each Class Representative from the Gross Settlement Amount in addition to their Individual Class Payment and Individual PAGA Payment, subject to Court approval, in recognition of their efforts and work in prosecuting the Action on behalf of Settlement Class Members and Aggrieved Individuals. In exchange for the Class Representative Service Payment made to each Class

Representative, they shall each release all claims they have or could have asserted against Hearst, and waive the protection of California Civil Code Section 1542. Class Representatives acknowledge that \$100 of each Class Representative Service Payment constitutes separate additional consideration for their release of claims under the ADEA.

1.8. **“Consideration Period”** means the 45 calendar days Settlement Class Members shall be provided to exercise any rights with regard to the Settlement, following the postmark date of the initial mailing and emailing of the Notice.

1.9. **“Costs”** means the Plaintiffs’ litigation costs to be paid from the Gross Settlement Amount and approved by the Court for costs associated with the litigation and resolution of the Action, including, but not limited to, all recoverable costs that Plaintiffs incur or incurred for the prosecution and litigation of the Action. Plaintiffs’ Counsel shall submit adequate documentation to support the amount of costs sought. Hearst has agreed not to oppose Plaintiffs’ Counsel’s request for costs, if made as set forth above.

1.10. **“Cy Pres Beneficiary”** means the East Bay Community Law Center.

1.11. **“Defendant”** and **“Hearst”** mean Hearst Communications, Inc. and any of its former and present parents, subsidiaries, divisions, affiliates, and other related entities.

1.12. **“Defense Counsel”** refers to Camille A. Olson, Richard B. Lapp, and Paul J. Leaf of Seyfarth Shaw LLP. For purposes of providing any notices required under this Agreement, Defense Counsel shall be notified by email at colson@seyfarth.com for Camille A. Olson; rlapp@seyfarth.com for Richard B. Lapp; and pleaf@seyfarth.com for Paul J. Leaf.

1.13. “**Effective Date**” means the date that all of the following have occurred:

(A) the Court has granted the motion for final approval of the Class Action Settlement; approved the PAGA Settlement; approved amounts for Attorneys’ Fees, Costs, Class Representative Service Payments, Settlement Administration Costs, the Individual Class Payments, and the Total PAGA Settlement Payment; approved the Released Claims and all other material terms of this Agreement; and entered Final Judgment consistent with this Agreement; and

(B) the rulings on such motion and the Final Judgment have become Final and have not been reversed or vacated. “Final” means the later of:

(1) The time for seeking rehearing or reconsideration and/or appellate review has expired and no timely requests for such review have been made; or

(2) If rehearing, reconsideration, or appellate review is sought, after any and all avenues of rehearing, reconsideration, and appellate review have been exhausted by the Parties and no further rehearing, reconsideration, or appellate review is permitted, and the time for seeking such review has expired.

1.14. “**Final Fairness Hearing**” or “**Final Approval**” refers to the hearing at which the Court will make a final determination whether the terms of the Agreement are fair, reasonable, and adequate for the Settlement Class Members and meet all applicable requirements for Final Approval.

1.15. “**Final Judgment**” means the Final Judgment entered by the Court consistent with this Agreement.

1.16. “**Gross Settlement Amount**” means the entire settlement amount of \$950,000, in full and complete settlement of the Action, to be paid by Hearst pursuant to this Agreement. The Gross Settlement Amount is fully

1 inclusive of all Individual Settlement Payments, the Class Representative Service  
2 Payments, the Total PAGA Settlement Payment, Settlement Administration Costs,  
3 Attorneys' Fees, and Costs. The Gross Settlement Amount has been agreed to by  
4 Plaintiffs and Defendant based upon the aggregation of the agreed-upon  
5 settlement value of all Settlement Class Member claims.

6 The Gross Settlement Amount is a material term of this Agreement. To the  
7 extent Defendant is required to pay more than the Gross Settlement Amount,  
8 Defendant shall retain the right, in the exercise of its sole discretion, to nullify the  
9 Settlement or Agreement.

10 1.17. "**Individual Class Payment**" means the portion of the Net  
11 Settlement Amount allocated to each Participating Class Member. There shall be  
12 no need to submit a Claim Form to receive an Individual Class Payment.

13 The Individual Class Payment shall include payment for all class action  
14 claims asserted in the Action.

15 Each Settlement Class Member who does not submit a timely and valid Opt-  
16 Out shall be entitled to an Individual Class Payment, determined as follows:

17 For the Class Period for each Settlement Class Member, Hearst shall provide  
18 to the Settlement Administrator and to Class Counsel data showing the total  
19 compensation paid to each Settlement Class Member by Hearst during the Class  
20 Period.

21 To determine each Participating Class Member's Individual Class Payment,  
22 the Settlement Administrator will use the following formula:

- 23
- 24 • Participating Class Member's Individual Class Payment = (that Class  
25 Member's total compensation paid by Hearst during the Class Period  
26 ÷ total compensation paid by Hearst to all Participating Class  
27 Members during the Class Period) × Net Settlement Amount
- 28

1.18. “**Individual PAGA Payment**” means the portion of the Total PAGA Settlement Payment allocated to each Aggrieved Individual.

The Individual PAGA Payment shall include payment for all PAGA claims asserted in the Action.

Each Aggrieved Individual shall be entitled to an Individual PAGA Payment, determined as follows:

For the portion of the PAGA Period pertinent for each Aggrieved Individual, Hearst shall provide to the Settlement Administrator and to Class Counsel data showing the total number of Pay Periods that each Aggrieved Individual was under contract with Defendant during the PAGA Period.

To determine each Aggrieved Individual’s Individual PAGA Payment, the Settlement Administrator will use the following formula:

- Individual PAGA Payment = (that Aggrieved Individual’s total number of Pay Periods under contract with Hearst during the PAGA Period ÷ all Pay Periods that across all Aggrieved Individuals were under contract with Hearst during the PAGA Period) × the combined value of all Individual PAGA Payments (*i.e.*, the portion of the Total PAGA Settlement Payment left after subtracting the LWDA PAGA Payment).

1.19. “**Net Settlement Amount**” means the portion of the Gross Settlement Amount remaining for payments to Participating Class Members, after deductions for approved Class Representative Service Payments, the Total PAGA Settlement Payment, Settlement Administration Costs, Attorneys’ Fees, and Costs. The entire Net Settlement Amount shall be distributed to the Participating Class Members. There shall be no reversion to Defendant.

1.20. “**Notice of Settlement**” or “**Notice**” refers to the notice to be distributed to all of the Settlement Class Members after the Court issues a

1 Preliminary Approval Order. The Notice of Settlement shall be substantially in  
2 the form attached as **Exhibit 1** to this Agreement.

3 1.21. “**Opt Out**” refers to a Class Member’s timely and proper  
4 communication of their decision to opt out from the action pursuant to the  
5 procedures set forth below, in section 4.2.

6 1.22. “**PAGA Period**” is from September 2, 2019, through the date  
7 of approval of the PAGA Settlement.

8 1.23. “**Participating Class Member**” refers to a Settlement Class  
9 Member who does not submit a timely and valid Opt-Out.

10 1.24. “**Parties**” means Plaintiffs, the Settlement Class Members, and  
11 Defendant.

12 1.25. “**Plaintiffs’ Counsel**” or “**Class Counsel**” refer to Jahan C.  
13 Sagafi and Theanne Liu of Outten & Golden LLP, and Robert Ottinger and Finn  
14 Dusenbery of The Ottinger Firm, P.C. For purposes of providing any notices  
15 required under this Agreement, Plaintiffs’ Counsel shall be notified by email at  
16 jsagafi@outtengolden.com for Jahan C. Sagafi, and robert@ottingerlaw.com for  
17 Robert Ottinger.

18 1.26. “**Preliminary Approval Order**” refers to the order issued and  
19 entered by the Court following a Motion for Preliminary Approval of the Class  
20 Action Settlement and this Agreement.

21 1.27. “**Released Claims**” refers to those claims defined below in this  
22 Agreement.

23 1.28. “**Released Parties**” refers to Hearst, along with all of its  
24 current or former subsidiaries, parents, divisions, affiliates, and predecessors, and  
25 all of those entities’ current or former insurers, agents, employees, successors,  
26 assigns, officers, directors, employees, partners, attorneys, managing agents,  
27 attorneys, human resources representatives, payroll representatives, executors, and  
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1 shareholders, including their respective pension, profit sharing, savings, health,  
2 and other employee benefits plans of any nature, the successors of such plans, and  
3 those plans' respective current or former trustees and administrators, agents,  
4 employees, and fiduciaries.

5 1.29. **"Settlement," "Settlement Agreement," or "Agreement"**  
6 refers to this Agreement to settle all of the claims asserted, or that could have been  
7 asserted, based on the facts alleged in the Action.

8 1.30. **"Settlement Administration Costs"** refer to the costs payable  
9 from the Gross Settlement Amount to the Settlement Administrator for  
10 administering this Settlement, including the following:

11 1.30.1 Printing, distributing, and tracking Notice of  
12 Settlement and resending Notice of Settlement pursuant to the terms of this  
13 Agreement;

14 1.30.2 Establishing a separate employer identification  
15 number and a Qualified Settlement Fund, tax reporting, making tax payments, and  
16 providing required 1099 forms;

17 1.30.3 Calculating and distributing the Individual Class  
18 Payments, Individual PAGA Payments, Class Representative Service Payments,  
19 Attorneys' Fees and Costs, and LWDA PAGA Payment;

20 1.30.4 Documenting and determining which Settlement  
21 Class Members have filed a timely and valid Opt Out or Objection Form. This  
22 shall also include resolving any disputes regarding the submission of timely and  
23 valid Opt Outs and Objection Forms, after consultation with Plaintiffs' Counsel  
24 and Defense Counsel;

25 1.30.5 Depositing the funds from uncashed checks into  
26 the Cy Pres Beneficiary's account;

1.30.6 Providing necessary reports and declarations, as requested by the Parties or the Court, including weekly reports on Settlement Class Members' requests to opt out or object or challenge the information in their Notice of Settlement, including the text of such communications; and

1.30.7 The Settlement Administration Costs shall be paid from the Gross Settlement Amount, including, if necessary, any such costs in excess of the amount estimated by the Settlement Administrator.

1.31. **"Settlement Administrator"** refers to ILYM Group, Inc., a third-party class action settlement administrator chosen by the Parties and subsequently approved by the Court for the purposes of administering this settlement. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

1.32. **"Settlement List"** means a list of data related to Settlement Class Members and Aggrieved Individuals that Hearst will compile and provide to the Settlement Administrator within 30 calendar days after entry of the Preliminary Approval Order. The Settlement List shall be formatted in Microsoft Office Excel and include the following information: (1) name of each Settlement Class Member and Aggrieved Individual; (2) the most current, known mailing address of each Settlement Class Member and Aggrieved Individual; (3) the telephone number of each Settlement Class Member and Aggrieved Individual, if available; (4) the social security number of each Settlement Class Member and Aggrieved Individual; (5) total number of Pay Periods worked by each Aggrieved Individual during the PAGA Period; and (6) total compensation paid by Hearst to each Settlement Class Member during the Class Period.

1.33. **"Total PAGA Settlement Payment"**: Of the Gross Settlement Amount, \$30,000 will be allocated to the PAGA Settlement (the "Total PAGA

1 Settlement Payment”). Of the Total PAGA Settlement Payment, 75% (\$22,500)  
2 will be transmitted to the LWDA (the “**LWDA PAGA Payment**”), and 25%  
3 (\$7,500) will be distributed to the Aggrieved Individuals (each such payment to an  
4 Aggrieved Individual is an “**Individual PAGA Payment**”).

5 1.34. “**Pay Periods**” means a full or partial pay period worked by an  
6 Aggrieved Individual during the PAGA Period. Hearst will compile and provide  
7 to the Settlement Administrator within 30 calendar days after Preliminary  
8 Approval of this Settlement the number of Pay Periods for each Aggrieved  
9 Individual. If an Aggrieved Individual was under contract with Defendant on any  
10 day of a Pay Period, he or she will be credited for the entire Pay Period.

## 11 **2. PROCEDURAL HISTORY AND RECITALS**

12 2.1. **The Complaint.** On July 27, 2020, Plaintiffs Pablo Sanchez,  
13 Yolanda Sanchez, and Monica Tejada, on behalf of a proposed class, filed a class  
14 action lawsuit against Defendant in the United States District Court, Northern  
15 District of California. The Action was designated as Case No. 20-cv-05147-KAW.

16 2.2. **Judicial Reassignment.** The Action was assigned to the  
17 Honorable Vince Chhabria and designated as Case No. 3:20-cv-05147-VC.

18 2.3. **Mediation.** Following the exchange of informal discovery, the  
19 Parties mediated before Mark Rudy on May 18, 2021. The mediation did not result  
20 in settlement, but Mediator Rudy remained engaged with the Parties to achieve a  
21 settlement.

22 2.4. **The First Amended Complaint.** On April 1, 2021, Plaintiffs  
23 Pablo Sanchez and Yolanda Sanchez filed a First Amended Complaint on behalf of  
24 a proposed class and as representatives of the People of the State of California and  
25 as Private Attorney Generals, asserting class action and PAGA claims against  
26 Hearst.

1                   **2.5. The Second Amended Complaint.** On November 19, 2021,  
2 Plaintiffs Pablo Sanchez and Violet Alvarez filed a Second Amended Complaint  
3 (“SAC”) on behalf of a proposed class and as representatives of the People of the  
4 State of California and as Private Attorney Generals, asserting class action and  
5 PAGA claims against Hearst. The SAC is the operative Complaint in the Action.

6                   **2.6. The Parties Engaged In Extensive Discovery In Connection**  
7 **With Class Certification.** In order to prepare for class certification, the Parties  
8 engaged in extensive discovery, including (1) written discovery through requests for  
9 admission, document demands, and interrogatories; (2) interviewing putative  
10 Settlement Class Members; (3) deposing nine witnesses (consisting of putative  
11 Settlement Class Members and Hearst’s corporate representative witness); (4)  
12 exchanging declarations of 18 witnesses (consisting of putative Settlement Class  
13 Members and employees of Hearst who interacted with putative Settlement Class  
14 Members); producing approximately 5.2 gigabytes of electronically stored  
15 information, including a sample of contracts that Hearst signed with putative  
16 Settlement Class Members, a sample of invoices Hearst issued to putative  
17 Settlement Class Members, and Hearst emails to, from, and about putative  
18 Settlement Class Members. Hearst also engaged in third-party discovery, including  
19 serving document subpoenas to Plaintiff Pablo Sanchez’s employer and both  
20 Plaintiffs’ accountants.

21                   **2.7. Plaintiffs’ Class Certification Motion.** On November 19,  
22 2021, Plaintiffs filed a class certification motion.

23                   **2.8. The Denial Of Class Certification.** On May 4, 2022, the  
24 Court denied class certification on all claims. Applying *S.G. Borello & Sons, Inc. v.*  
25 *Dep’t of Industrial Relations*, 48 Cal. 3d 341 (1989), the Court ruled that “[b]ecause  
26 the plaintiffs have not shown on this record that there are not significant differences  
27 between Settlement Class Members—or, if there are significant differences, how  
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1 they could be handled at trial—the motion to certify the class is denied.” The  
2 denial of class certification was without prejudice, so the Court held that Plaintiffs  
3 may conduct more discovery and file another class certification motion.

4 **2.9. Continued Settlement Efforts With Mediator Rudy.**

5 Following the denial of class certification, Plaintiffs served more discovery on  
6 Hearst. After the class certification order, the Parties continued settlement talks  
7 through Mediator Rudy. After multiple rounds of counteroffers and discussions  
8 with Mediator Rudy, the Parties accepted a mediator’s proposal to settle the entire  
9 Action on August 10, 2022.

10 **2.10. The Settlement Is The Result Of Arm’s Length**

11 **Negotiations.** Based on very active litigation, Plaintiffs’ Counsel believes that the  
12 terms set forth in this Agreement are fair, reasonable, adequate, and in the best  
13 interests of the Settlement Class Members and Aggrieved Individuals. The terms of  
14 this Settlement also reflect extensive exchange of information and data between the  
15 Parties, which allowed Plaintiffs’ Counsel to fully evaluate the potential risks of  
16 failing again to certify a class, the Court deeming a PAGA trial unmanageable, and  
17 not prevailing at trial. Defense Counsel also believes that the terms set forth in this  
18 Agreement are fair, reasonable, adequate, and are in the best interests of avoiding  
19 continued litigation. This Agreement was reached after extensive arm’s-length  
20 negotiations aided by an experienced mediator, and it was negotiated in light of all  
21 known facts and circumstances, including the risks of uncertainty associated with a  
22 Plaintiffs filing a second class certification motion, as well as a subsequent trial.  
23 The Parties also acknowledge that the Action could subsequently involve numerous  
24 appellate issues.

25 **2.11. Defendant’s Denials.** Defendant denies and continues to deny  
26 all of the allegations made by Plaintiffs in the Action. Defendant further denies and  
27 continues to deny that it is liable or owes damages, penalties, interest, attorneys’  
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1 fees, costs, or other compensation or remedies to anyone with respect to the alleged  
2 facts or claims asserted in the Action. Defendant denies any liability or wrongdoing  
3 of any kind in connection with Plaintiffs' claims, and contends that, during all  
4 relevant times, it complied with all applicable California law. Nonetheless, without  
5 admitting or conceding any liability or damages whatsoever, and without admitting  
6 that class certification is appropriate or that a PAGA trial would be manageable,  
7 except for settlement purposes alone, Defendant has agreed to settle the Action on  
8 the terms and conditions set forth in this Agreement, to avoid the burden, expense,  
9 and uncertainty of continuing litigating the Action.

10           **2.12. Inadmissibility.** The Parties understand and agree that this  
11 Agreement and all exhibits hereto are settlement documents and shall be  
12 inadmissible for any purpose in any proceeding, except an action or proceeding to  
13 approve, interpret, or enforce the terms of this Agreement. The Parties agree that,  
14 to the extent permitted by law, this Agreement may be pleaded as a full and  
15 complete defense to, and may be used as the basis for an injunction against, any  
16 action, suit, or other proceeding that may be instituted, prosecuted, or attempted in  
17 breach of this Agreement.

18           **2.13. The Parties' Intent.** The Parties wish to fully, finally, and  
19 forever settle, compromise, and discharge any and all claims, rights, demands,  
20 charges, penalties, complaints, causes of action, obligations, or liability of any and  
21 every kind that were or could have been asserted in the Action, to the extent that  
22 such claims arise out of the alleged facts, circumstances, and occurrences  
23 underlying the allegations as set forth in the claims included in the Action and  
24 asserted in any of the Complaints filed in the Action.

25           **2.14. Class Certification.** This Agreement is contingent upon  
26 approval of class certification by the Court for settlement purposes only. Defendant  
27 expressly reserves its right to challenge the propriety of class certification or  
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1 representative treatment of the Action should the Court not approve the Settlement  
2 or this Agreement.

3           **2.15. The Parties' Agreement To Cooperate.** The Parties agree to  
4 cooperate and to take all steps necessary and appropriate to effectuate all aspects of  
5 this Agreement, to obtain a Preliminary Approval Order and Final Approval Order  
6 of this Settlement, and to dismiss the Action and claims of Settlement Class  
7 Members and Aggrieved Individuals with prejudice upon Final Approval.

### 8           **3. NOTICE TO SETTLEMENT CLASS MEMBERS**

9           **3.1. Settlement Administrator.** The Parties estimate that  
10 settlement administration costs shall not exceed \$6,750, based on a written bid  
11 received from the Settlement Administrator. All disputes relating to the Settlement  
12 Administrator's performance of its duties, after good-faith efforts by the Parties to  
13 first resolve such disputes, will be referred to the Court, if necessary, which will  
14 have continuing jurisdiction over this Agreement until all payments and obligations  
15 contemplated by this Agreement have been fully completed.

16           **3.2. Data For Settlement Administrator.** Within 30 calendar days  
17 of the entry of a Preliminary Approval Order, Defendant shall provide to the  
18 Settlement Administrator the Settlement List.

19           The contact information is being provided confidentially, and the  
20 Settlement Administrator shall treat the information as private and confidential and  
21 take all necessary precautions to maintain the confidentiality of contact  
22 information of the Settlement Class Members and Aggrieved Individuals. This  
23 information is to be used only to carry out the Settlement Administrator's duties as  
24 specified in this Settlement Agreement. The Settlement Administrator shall return  
25 the data to Defendant or confirm its destruction upon completion of the Settlement  
26 Administrator's duties in administering the Settlement.

1                   **3.3. Notice to Settlement Class Members.** The Settlement  
2 Administrator shall mail and e-mail the Notice to Settlement Class Members within  
3 21 calendar days of the receipt of the Settlement List. The Settlement  
4 Administrator shall send the Notice via First Class U.S. Mail, using the most  
5 current, known mailing address for each Settlement Class Member based on  
6 information provided by Defendant. The Settlement Administrator shall also e-mail  
7 the Notice to Settlement Class Members using the most recent, readily available e-  
8 mail address for each Settlement Class Member (if any) based on information  
9 provided by Defendant. Upon receipt of the Settlement List, the Settlement  
10 Administrator shall perform a search based on the National Change of Address  
11 Database maintained by the United States Postal Service to update and correct any  
12 known or identifiable address changes.

13                   **3.4. Form Of Notice.** The Notice of Settlement shall be  
14 substantially in the form attached as **Exhibit 1** to this Agreement.

15                   **3.5. Non-Delivered Notice Of Settlement.** Any mailing returned  
16 to the Settlement Administrator as undeliverable shall be sent within five calendar  
17 days via First Class U.S. Mail to the forwarding address affixed thereto. If no  
18 forwarding address is provided, the Settlement Administrator shall attempt to  
19 determine the correct address using a computer-based skip-trace search, and it shall  
20 then perform a single re-mailing via First Class U.S. Mail within five calendar days.

21                   **3.6. Proof Of Mailing.** At least five calendar days prior to the Final  
22 Fairness Hearing, the Settlement Administrator shall provide a declaration to Class  
23 Counsel and Defense Counsel of the Settlement Administrator's due diligence and  
24 proof of mailing the Notice of Settlement, which the Parties' counsel shall in turn  
25 provide to the Court.

26                   **4. SETTLEMENT CLASS MEMBERS' OPTIONS TO RESPOND**  
27  
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1                   **4.1. Settlement Class Members' Consideration Period.**

2 Settlement Class Members shall be provided 45 calendar days to exercise any rights  
3 with regard to the Settlement, following the postmark date of the initial mailing of  
4 the Notice. Except as specifically provided herein, no late Settlement Class  
5 Member responses of any kind that are postmarked after the deadline shall be  
6 considered.

7                   **4.2. Opt-Out And Objection Rights.** Settlement Class Members

8 shall be given the opportunity to opt out of the class action portion of the  
9 Settlement. Settlement Class Members cannot opt out of the PAGA portion of the  
10 Settlement.

11                   **4.2.1 Opt-Out Procedures.** Settlement Class Members may

12 opt out of the Class Settlement by sending a letter to the Settlement Administrator.  
13 Any Opt-Out must be received or postmarked before the end of the Consideration  
14 Period. To be a valid Opt-Out, it must (1) contain the Class Member's name and  
15 contact information (e.g., address, email address, telephone number) and (2)  
16 clearly state that the Settlement Class Member does not wish to be included in the  
17 Settlement. The date of a fax or the postmark on the mailing envelope shall be the  
18 exclusive means to determine whether an Opt-Out has been timely submitted by  
19 fax or mail. Any Opt-Out that is late or does not include all of the required  
20 information will be deemed null, void, and ineffective. If there is a dispute  
21 regarding the timeliness or validity of an Opt-Out, the Settlement Administrator  
22 shall make the determination, after consultation with Class Counsel and Defense  
23 Counsel. A Settlement Class Member who does not timely request exclusion from  
24 the Class Settlement shall be deemed a Participating Class Member and will be  
25 bound by all terms of the Class Settlement, if the Class Settlement becomes Final.

26                   **4.2.2 Effect Of Opt-Out.** Any Settlement Class Member who

27 opts out of the Class Settlement may not object to the Class Settlement, shall not  
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1 receive any Individual Class Payment, and shall not be bound by the applicable  
2 Released Claims provisions in this Agreement, other than the release of the right to  
3 seek PAGA penalties (as there is no right to opt out of the PAGA Settlement). If a  
4 Settlement Class Member submits both an Opt-Out and an Objection, Class  
5 Counsel shall contact the Settlement Class Member to determine the Settlement  
6 Class Member's wishes, and the Settlement Class Member will have an  
7 opportunity to supplement the record and/or withdraw any submissions before the  
8 Fairness Hearing. To the extent that a Settlement Class Member has submitted and  
9 not withdrawn both an Opt-Out and an Objection, the Opt-Out will be valid and be  
10 deemed to invalidate the Objection.

11           **4.3. Objection Rights.** Only Settlement Class Members who do  
12 not opt out of the Class Settlement shall be entitled to object to the terms of the  
13 Class Settlement, and only to the class action portion of the Settlement.

14           **4.3.1 Objection Procedures.** Settlement Class Members'  
15 objections to the Class Settlement or this Agreement must be made using the  
16 procedures set forth in the Notice. Any objection must be submitted to the Court  
17 in writing and received by the Court before the end of the Consideration Period.  
18 The written objection must contain (a) the objector's full name and contact  
19 information; (b) a written statement of all grounds for the objection and whether it  
20 applies only to the objector, to a specific subset of the class, or to the entire class;  
21 and (c) a statement regarding whether the objector intends to appear at the Final  
22 Fairness Hearing.

23           **4.3.2 Waiver Of Objection Rights.** Settlement Class  
24 Members who both fail to make objections in a manner that substantially complies  
25 with the specifications of the Notice of Settlement and fail to make a showing of  
26 good cause for such failure shall be deemed to have waived any objections and  
27 shall be foreclosed from making any objection, whether by appeal or otherwise, to  
28

1 this Agreement. This means a Settlement Class Member may appear in Court to  
2 object to the Settlement without filing a written objection, upon a showing of good  
3 cause.

4           **4.4. Defendant's Right To Withdraw.** Defendant has the right, at  
5 its sole option, within 15 calendar days after expiration of the period for submitting  
6 an Opt-Out, to withdraw from this Settlement or Agreement, if more than two  
7 Settlement Class Members submit a timely and valid Opt Out. The right to  
8 withdraw is a material term of the Agreement, and Defendant has the right, at its  
9 sole option, to withdraw from this Agreement if this material term is not approved  
10 by the Court. If Defendant exercises this option to withdraw, a written notice of  
11 such withdrawal and the grounds therefore shall be delivered to Class Counsel  
12 within five days after the close of the 15-day window, and Defendant will be  
13 responsible for all Settlement Administration Costs incurred by the Settlement  
14 Administrator.

15           **4.5. Proof Of Settlement Class Members' Responses.** Within 10  
16 calendar days after the close of the Consideration Period, the Settlement  
17 Administrator will prepare and submit a declaration attesting to (by number of  
18 relevant individuals) its mailing of the Notice of Settlement, its inability to deliver  
19 any mailing due to invalid addresses, and its receipt of valid Opt-Outs.

20           **4.6. Binding Effect Of Settlement.** Although some Settlement  
21 Class Members might not receive the Notice, due to inability to locate their current  
22 address following the procedures set forth in this Agreement, such individuals shall  
23 nonetheless be bound by all of the terms of this Settlement and Agreement and the  
24 Final Approval Order and Final Judgment.

1           **5. COMPUTATION AND DISTRIBUTION OF SETTLEMENT**  
2           **PROCEEDS**

3           **5.1. Funding Of Gross Settlement Amount.** Defendant shall  
4 deposit into an interest-bearing escrow account with the Settlement Administrator  
5 the Gross Settlement Amount, within 15 calendar days after the Effective Date.

6           **5.2. Class Representative Service Payments.** Class Counsel  
7 intends to request—and Defendant agrees not to oppose—that the Court approve  
8 Class Representative Service Payments of up to \$15,000 for each Class  
9 Representative, for their services as Class Representatives, and such payment shall  
10 not be subject to payroll taxes or withholdings. Any Class Representative Service  
11 Payment is in addition to the Class Representatives' Individual Class Payments and  
12 Individual PAGA Payments. In exchange for the Class Representative Service  
13 Payments, the Class Representative will release all claims that they asserted or  
14 could have asserted against Defendant based on their contractual relationships with  
15 Defendant and alleged employment with them, and they will waive the protection of  
16 California Civil Code Section 1542. These releases must be executed before the  
17 Class Representative Service Payments are issued to the Class Representatives.  
18 Class Representatives acknowledge that \$100 of each Class Representative Service  
19 Payment constitutes separate additional consideration for their release of claims  
20 under the ADEA.

21           **5.2.1 Class Representative Service Payments Not Material.**

22 The Court's approval of Class Representative Service Payments is not a material  
23 term of the Settlement or this Agreement. If the Court does not approve, or  
24 approves only a lesser amount than that requested by Class Counsel for the Class  
25 Representative Service Payments, the other terms of the Settlement and this  
26 Agreement shall apply. The Court's refusal to approve the Class Representative  
27 Service Payments requested by Class Counsel does not give the Class  
28 Representatives or Class Counsel any basis to abrogate the Settlement or this

1 Agreement. Any amount of a Class Representative Service Payment requested by  
2 Class Counsel but unapproved by the Court shall be allocated to the Net Settlement  
3 Amount.

#### 4 **5.2.2 Timing Of Class Representative Service Payments.**

5 Assuming all preconditions are met, the Settlement Administrator shall pay to the  
6 Class Representatives any approved Class Representative Service Payments within  
7 15 calendar days after the funding of the Gross Settlement Amount. The  
8 Settlement Administrator shall issue IRS Forms 1099 to the Class Representatives  
9 for any Class Representative Service Payments. The Class Representatives shall  
10 be solely and legally responsible for paying all applicable taxes on any Class  
11 Representative Service Payments and shall hold harmless Defendant from any  
12 claim or liability for taxes, penalties, or interest arising as a result of the payments.

13 **5.3. Attorneys' Fees.** Class Counsel intends to request—and  
14 Defendant agrees not to oppose—that the Court approve Attorneys' Fees in an  
15 amount up to 35% of the Gross Settlement Amount (or \$332,500), supported by  
16 adequate documentation by Class Counsel to support the amount of fees sought.  
17 Defendant shall have no liability for any other attorneys' fees.

18 **5.4. Costs.** Class Counsel intends to request—and Defendant  
19 agrees not to oppose—that the Court approve Costs up to \$40,000 supported by  
20 adequate documentation to support the amount of costs sought. Defendant shall  
21 have no liability for any other costs.

#### 22 **5.4.1 Approval Of Attorneys' Fees And Costs Not Material.**

23 The Court's approval of Attorneys' Fees and/or Costs is not a material term of the  
24 Settlement or this Agreement. If the Court does not approve, or approves only a  
25 lesser amount than that requested by Class Counsel for Attorneys' Fees and/or  
26 Costs, the other terms of the Settlement and this Agreement shall still apply. The  
27 Court's refusal to approve the Attorneys' Fees and/or Costs requested by Class  
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1 Counsel does not give the Class Representatives, the Settlement Class Members,  
2 Class Counsel, or the Aggrieved Individuals any basis to abrogate the Settlement  
3 or this Agreement. Any amount of Attorneys' Fees and/or Costs requested by  
4 Class Counsel but unapproved by the Court shall be allocated to the Net Settlement  
5 Amount.

6 **5.4.2 Timing Of Payment Of Attorneys' Fees And Costs.**

7 The Settlement Administrator shall pay to Class Counsel any approved Attorneys'  
8 Fees and Costs 15 calendar days after the funding of the Gross Settlement Amount.  
9 The Settlement Administrator shall issue IRS Forms 1099 to Class Counsel for any  
10 Attorneys' Fees and Costs payment. Class Counsel shall be solely and legally  
11 responsible for paying all applicable taxes on any Attorneys' Fees and Costs  
12 payments and shall indemnify and hold harmless Defendant from any claim or  
13 liability for taxes, penalties, or interest arising as a result of the payment.

14 **5.5. Settlement Administration Costs.** As part of the Settlement,  
15 the Settlement Administrator shall be paid its reasonable costs, which are expected  
16 to be \$6,750. Upon completion of administration of the Settlement, the Settlement  
17 Administrator shall provide written certification of such completion to Class  
18 Counsel and Defense Counsel. The Parties agree to cooperate in the settlement  
19 administration process and to make all reasonable efforts to control and to minimize  
20 settlement administration costs.

21 **5.6. Total PAGA Settlement Payment.** The Settlement  
22 Administrator shall pay the LWDA's 75% portion of the Total PAGA Settlement  
23 Payment, consistent with California Labor Code Sections 2699(i) and (j), no later  
24 than 30 calendar days after the Funding of the Gross Settlement Amount. Each  
25 Aggrieved Individual's total number of Pay Periods shall be determined based on  
26 Defendant's records. If any Aggrieved Individual disputes the number of Pay  
27 Periods assigned to that Aggrieved Individual, the Aggrieved Individual may  
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1 produce evidence to the Settlement Administrator. Absent compelling evidence  
2 rebutting Defendant's records, those records will be presumed determinative. But if  
3 an Aggrieved Individual produces compelling evidence to the contrary, then the  
4 Settlement Administrator, assisted by Class Counsel, will evaluate the evidence  
5 submitted by the Aggrieved Individual and will make the final decision as to the  
6 number of Pay Periods that should be applied.

7           **5.7. Individual Class Payments.** Each Class Member's total  
8 compensation shall be determined based on Defendant's records. If any Settlement  
9 Class Member disputes the compensation figure assigned to that Class Member, the  
10 Settlement Class Member may produce evidence to the Settlement Administrator.  
11 Absent compelling evidence rebutting Defendant's records, those records will be  
12 presumed determinative. But if a Settlement Class Member produces compelling  
13 evidence to the contrary, then Class Counsel will evaluate the evidence submitted  
14 by the Settlement Class Member and will make the final decision as to the  
15 compensation figure that should be applied.

16           **5.8. Allocation Of Individual Class Payment And Individual**  
17 **PAGA Payment For Tax Purposes.** The Settlement Administrator will issue IRS  
18 Forms 1099 to Participating Class Members and Aggrieved Individuals in  
19 connection with their Individual Class Payments and Individual PAGA Payments.  
20 These payments will not be subject to payroll tax withholding. The Settlement  
21 Administrator shall set up its own taxpayer identification number and Qualified  
22 Settlement Fund for purposes of making the Individual Class Payments and  
23 Individual PAGA Payments required under this Agreement. Settlement Class  
24 Members and Aggrieved Individuals shall be solely and legally responsible for  
25 paying all applicable taxes on their respective Individual Class Payments and  
26 Individual PAGA Payments and shall hold harmless Defendant from any claim or  
27 liability for taxes, penalties, or interest arising as a result of the payments.

1                   **5.9. Timing Of Individual Class Payments and Individual**

2 **PAGA Payments.** The Settlement Administrator shall issue the checks constituting  
3 the Individual Class Payments and Individual PAGA Payments no later than 15  
4 calendar days after the funding of the Gross Settlement Amount.

5                   **5.10. Non-Reversionary Settlement For Undeliverable Or**

6 **Uncashed Checks.** This Settlement shall be a non-reversionary Settlement. Any  
7 settlement checks distributing Individual Class Payments and Individual PAGA  
8 Payments returned to the Settlement Administrator as undeliverable shall be sent  
9 within five calendar days via First Class U.S. Mail to the forwarding address affixed  
10 thereto. If no forwarding address is provided, the Settlement Administrator shall  
11 attempt to determine the correct address using a single computer skip-trace search,  
12 and it shall then perform a re-mailing within five calendar days. The amount of any  
13 Individual Class Payments and Individual PAGA Payments that remain  
14 undeliverable or uncashed 30 calendar days after the expiration date of the  
15 payments (the “Residue”) will be re-mailed to Settlement Class Members who  
16 claimed their shares, with the re-mailed payments being determined pro rata based  
17 on the formula for calculating the Individual Class Payments and Individual PAGA  
18 Payments, respectively, to the extent practicable. No part of the Net Settlement  
19 Amount shall be returned to Defendant.

20                   **5.11. Tax Payment Considerations.** Neither Class Counsel nor  
21 Defense Counsel intend anything contained in this Settlement or Agreement to  
22 constitute advice regarding taxes or taxability, nor shall anything in this Settlement  
23 or Agreement be relied upon as such within the meaning of United States Treasury  
24 Department Circular 230 (31 C.F.R. Part 10, as amended) or otherwise.

25                   **5.11.1 No Tax Advice Or Liability.** Each Settlement Class  
26 Member and Aggrieved Individual agrees to hold harmless Defendant from any  
27  
28

1 liability for taxes, fees, costs, or assessments resulting from his or her failure to  
2 timely pay taxes, interest, fees, or penalties owed.

3 **6. RELEASES**

4 **6.1. Release By Settlement Class Members And Aggrieved**

5 **Individuals.** As of the Effective Date, and except as to such rights or claims as  
6 may be created by this Agreement, each Settlement Class Member and each  
7 Aggrieved Individual, and each of their respective executors, administrators,  
8 representatives, agents, heirs, successors, assigns, trustees, spouses, or guardians,  
9 will release each of the Released Parties of and from any and all claims, rights,  
10 demands, charges, complaints, causes of action, damages, penalties, interest,  
11 attorneys' fees, costs, obligations, or liability of any and every kind for the Class  
12 Period (for Settlement Class Members) and for the PAGA Period (for Aggrieved  
13 Individuals) that were or could have been asserted in the operative complaint filed  
14 in the Action and that are based on or arise out of the identical factual predicate  
15 alleged in the operative complaint filed in the Action, including, but not limited to,  
16 those for:

17 1. failure to pay wages, or failure to timely pay wages during  
18 employment and at separation of employment, under California Labor Code  
19 Sections 201, 202, 203, 204, 210, and 218;

20 2. failure to pay all wages earned, minimum wages, overtime at the  
21 regular rate of pay, non-productive time, and liquidated damages pursuant to  
22 California Labor Code Sections 218.6, 510, 1194, 1194.2, 1197, 1197.1, and 1198;

23 3. failure to provide meal periods and to pay meal period premiums at  
24 the regular rate of pay, and failure to authorize and permit rest periods and to pay  
25 rest period premiums at the regular rate of pay, under California Labor Code  
26 Sections 218, 218.6, 226.7, 510, 512, 1194, 1197, and 1198;

1           4.     failure to maintain required records under California Labor Code  
2 Sections 226 and 1174;

3           5.     failure to furnish accurate itemized wage statements under California  
4 Labor Code Sections 226 and 226.3;

5           6.     failure to indemnify for necessary business expenditures incurred in  
6 discharge of duties under California Labor Code Section 2802;

7           7.     willful misclassification under California Labor Code Sections 218  
8 and 226.8;

9           8.     breach of contract;

10          9.     incorporated or related claims, including for unfair or unlawful  
11 business practices, under the California Unfair Competition Law and California  
12 Business and Professions Code, Cal. Bus. & Prof. Code §§ 17200 *et seq.*;

13          10.    all PAGA claims seeking civil penalties based on any of the  
14 California Labor Code Sections listed above and for any other California Labor  
15 Code claims that are or could have been alleged in the Action, under California  
16 Labor Code § 2968, *et seq.*;

17          11.    violation of any California Industrial Welfare Commission Wage  
18 Order;

19          12.    interest based on any of the claims listed above; and

20          13.    attorneys' fees, expenses, and costs based on any of the claims listed  
21 above (collectively, "Released Claims").

22                This release shall include any claims for damages, penalties, restitution,  
23 equitable or injunctive relief, liquidated damages, interest, attorneys' fees, and  
24 costs.

25                This release does not include any claims, that as a matter of law, may not be  
26 released.

1           **6.2. Additional Release By Class Representatives.** In addition to the  
2 above release applicable to the Settlement Class Members and Aggrieved  
3 Individuals, the Class Representatives also generally release any and all claims  
4 against each of the Released Parties as of the Effective Date. This general release  
5 includes any and all claims arising from the Class Representatives' contractual  
6 relationships with Defendant and alleged employment relationships with Defendant,  
7 including, without limitation, claims for unpaid wages; breach of an express, oral,  
8 or implied contract; breach of the covenant of good faith and fair dealing; breach of  
9 fiduciary duty; fraud; misrepresentation; defamation; slander; retaliation;  
10 discrimination; harassment; wrongful termination; infliction of emotional distress;  
11 unreimbursed business expenses; failure to pay minimum wages; failure to  
12 authorize and permit rest breaks or compensation in lieu thereof; failure to provide  
13 meal periods or compensation in lieu thereof; failure to pay overtime wages; wage  
14 statement violations; failure to pay wages of terminated or resigned employees;  
15 unfair business practices; age discrimination; loss of future earnings or profits; and  
16 any other claim based upon any state or federal public policy, including, without  
17 limitation, such claims pursuant to Title VII of the Civil Rights Act of 1964, the  
18 Civil Rights Act of 1866, the Americans with Disabilities Act, the Age  
19 Discrimination in Employment Act, 42 U.S.C. Sections 2000 *et seq.*, the California  
20 Fair Employment and Housing Act, Cal. Gov't Code Sections 12900 *et seq.*, the  
21 Unruh Civil Rights Act, and the California Labor Code. The Class Representatives  
22 also waive and release the Released Parties from any claims that this Agreement  
23 was procured by fraud or signed under duress or coercion so as to make any of the  
24 terms or provisions of this Agreement not binding.

25           This general release does not include any claims, that as a matter of law,  
26 may not be released.

1                   **6.2.1 Age Discrimination Is Specifically Intended to be**  
2 **Included as a Released Claim.** Class Representatives specifically intend that this  
3 Agreement shall include a complete release of claims under the Age  
4 Discrimination in Employment Act of 1967 (the “ADEA,” 29 U.S.C. §§ 621, *et*  
5 *seq.*), as amended by the Older Workers’ Benefit Protection Act of 1990, except  
6 for any allegation that a breach of the ADEA occurred following the Effective Date  
7 of this Agreement.

8                   **6.2.2 Additional Consideration.** Class Representatives agree  
9 and promise that this Agreement by Defendant represents obligations by Defendant  
10 to Class Representatives that are in addition to anything of value to which Class  
11 Representatives were otherwise entitled from Defendant, in order to effect a valid  
12 waiver of Class Representatives’ claims under the federal age discrimination laws.  
13 Class Representatives acknowledge that \$100 of each Class Representative Service  
14 Payment constitutes separate additional consideration for their release of claims  
15 under the ADEA.

16                   **6.2.3 Waiver Of California Civil Code Section 1542.** This  
17 general release by the Class Representatives also includes a waiver of California  
18 Civil Code Section 1542. The Class Representatives expressly waive all rights  
19 provided by California Civil Code Section 1542, or other similar statutes, that the  
20 Class Representatives may have against each of the Released Parties. California  
21 Civil Code Section 1542 states:  
22

23                   **A general release does not extend to claims that**  
24 **the creditor or releasing party does not know**  
25 **or suspect to exist in his or her favor at the**  
26 **time of executing the release and that, if known**  
27 **by him or her, would have materially affected**  
28 **his or her settlement with the debtor or**  
**released party.**

1                   **6.2.4 Consideration Period.** The Class Representatives  
2 acknowledge that they have been given at least 21 days to consider this Agreement  
3 before signing it.

4                   **6.2.5 Revocation Period.** The Class Representatives  
5 understand that they can revoke the portion of this Agreement that effects a release  
6 of a claim for violation of the ADEA within seven days after signing the  
7 Agreement, by returning it with a written revocation notice to: Paul J. Leaf at  
8 pleaf@seyfarth.com. To revoke this portion of the Agreement, any Class  
9 Representative's signed revocation notice must be received by Paul J. Leaf no later  
10 than the end of the seventh day after the Class Representative has signed the  
11 Agreement. If any Class Representative decides to revoke, his or her written  
12 revocation notice must state "I hereby revoke my consent to the Settlement  
13 Agreement as it relates to my release of a claim for violation of the ADEA." The  
14 remainder of the Agreement will remain in effect. The Class Representatives  
15 understand that this Agreement will not be effective until after this seven-day  
16 period has expired.

17  
18                   **6.2.6 Class Representatives' Acknowledgments.** The Class  
19 Representatives acknowledge that they have read this Agreement in its entirety,  
20 including the above language from the California Civil Code Section 1542 and the  
21 paragraphs concerning the consideration and revocation periods, and that they fully  
22 understand this Agreement. The Class Representatives also acknowledge that they  
23 have been advised to consult legal counsel and have done so, before executing this  
24 Agreement. By executing this Agreement, as of the Effective Date, Class  
25 Representatives expressly waive any benefits and rights granted pursuant to  
26 California Civil Code Section 1542 or any statute, rule, or principle of common  
27 law or equity, in any jurisdiction, that is similar, comparable, or equivalent, in  
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1 whole or in part, to California Civil Code Section 1542. The Class Representatives  
2 acknowledge and agree that this knowing and voluntary waiver is an essential and  
3 material term of this Agreement, and the Agreement would not have been entered  
4 into without such a waiver.

5           **6.3. No Other Remedies For Released Claims.** This Settlement is  
6 further conditioned upon the release by the Settlement Class Members and  
7 Aggrieved Individuals as described herein, and upon covenants by the Settlement  
8 Class Members and Aggrieved Individuals that they will not be eligible to receive  
9 any remedy, monetary or otherwise, that is being released through this Settlement  
10 from any actions, lawsuits, proceedings, complaints, or charges brought  
11 individually by the DLSE, LWDA, or by any other agency, persons, or entity in any  
12 court or before any administrative body related to the Released Claims, nor will the  
13 Settlement Class Members or Aggrieved Individuals contest or interfere with efforts  
14 by Defendant to oppose any attempt to bring such released claims against  
15 Defendant.

## 16           **7. SETTLEMENT APPROVAL PROCEDURE**

17           **7.1. Preliminary Approval Hearing.** Plaintiffs shall file an  
18 Unopposed Motion for Preliminary Approval of Class Action and PAGA  
19 Settlement. This motion shall seek an order to preliminarily approve the proposed  
20 Class Action Settlement according to the terms in this Agreement and provide for  
21 the Notice to be sent to Settlement Class Members as specified in this Agreement.  
22 This motion shall include the bases for the Gross Settlement Amount and why the  
23 amount is reasonable in light of the facts and controlling authorities pertaining to  
24 the claims alleged in the Action. The motion shall also be accompanied by signed  
25 declarations by Class Counsel, discussing the risks of continued litigation and the  
26 decision that the best interests of all Parties are served by the terms of this

1 Agreement. Defense Counsel may file a statement in support of Plaintiffs' motion  
2 and may submit evidence in support of such statement.

3           **7.2. Filing Deadline.** Defendant hereby stipulates to accept a  
4 shortened time for Plaintiffs to notice and serve the Unopposed Motion for  
5 Preliminary Approval of Class Action Settlement.

6           **7.3. Final Approval.** Plaintiffs shall file an Unopposed Motion for  
7 Final Approval of the Class Action Settlement and Approval of the PAGA  
8 Settlement in advance of the final approval hearing. The motion shall request the  
9 entry of a Final Approval Order and Final Judgment, which shall include findings  
10 and orders (a) approving the Class Action Settlement and the Agreement, including  
11 approval of the PAGA Settlement; (b) adjudging the terms to be fair, reasonable,  
12 and adequate; (c) reciting the release terms in full; (d) directing that the Settlement  
13 terms and provisions be carried out; and (e) retaining jurisdiction to oversee  
14 administration and enforcement of the terms of this Agreement and the Court's  
15 orders.

16           **7.4. Motion For Attorneys' Fees And Costs.** Concurrently with  
17 the Joint Motion for Final Approval Order, Class Counsel shall file a motion for  
18 Court approval of Attorneys' Fees and Costs as set forth above, supported by  
19 adequate documentation by Class Counsel to justify the amount of fees sought.  
20 Defendant will not oppose the motion, provided it is consistent with this paragraph.

21           **7.5. Entry Of Judgment.** At the final approval hearing, Plaintiffs  
22 shall request that the Court issue Judgment in accordance with this Agreement and  
23 without further fees or costs to any Party except as expressly set forth in this  
24 Agreement.

25           **7.6. Effect Of Failure To Obtain Preliminary Approval, Final**  
26 **Approval, or Final Judgment.** If approval of the Class Action Settlement or  
27 Agreement or a substantially similar settlement mutually agreed to by the Parties  
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1 does not become Final (i.e., the Effective Date is not reached), the Action shall  
2 proceed as if no settlement had been attempted, unless the Parties jointly agree to  
3 seek reconsideration of the ruling or Court approval of a renegotiated settlement.  
4 Defendant retains the right to contest whether any aspect of the Action should be  
5 maintained as a class or representative action, or to contest the merits of the claims  
6 being asserted by the Class Representatives, Settlement Class Members, and  
7 Aggrieved Individuals in the Action. The parties agree to jointly request that the  
8 deadline for Plaintiffs' motion for class certification be set at least 60 days out.

9           **7.7. Waiver Of Appeal Rights.** By accepting this Settlement, and  
10 upon final approval of the settlement being granted, the parties hereby waive any  
11 and all rights they may have to appeal any judgment, ruling, or order made by the  
12 Court, except orders as to this Settlement. This includes all rights to any post-  
13 judgment proceeding and appellate proceeding, such as a motion to vacate  
14 judgment, a motion for new trial, an appeal to review the denial of class  
15 certification, a motion for relief, and any extraordinary writ, and the Judgment  
16 therefore will become nonappealable at the time it is entered. The waiver of appeal  
17 does not include any waiver of the right to oppose any appeal, appellate  
18 proceedings, or post-judgment proceedings. If an appeal is taken from the  
19 Judgment, the time for consummation of the Settlement (including making  
20 payments under the Settlement) will be suspended until such time as the appeal is  
21 finally resolved and the Judgment becomes final.

## 22           **8. MISCELLANEOUS**

23           **8.1. No Representation By Class Counsel Of Other Settlement**  
24 **Class Members Or Aggrieved Individuals Outside Of The Action.** Plaintiffs'  
25 Counsel represents and warrants that they currently do not represent any Settlement  
26 Class Member or Aggrieved Individual with respect to any claims other than those  
27 raised in the Action. However, this will not be construed or applied as a bar or  
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1 limitation on the ability of Plaintiffs' Counsel to represent a Settlement Class  
2 Member or Aggrieved Individual on any claim in the future that is not covered by  
3 this Agreement.

4           **8.2. Interim Stay Of Proceedings.** The Parties agree to refrain  
5 from further litigation in the Action, except such proceedings necessary to  
6 implement and to obtain a Preliminary Approval Order and Final Approval Order of  
7 the terms of the Agreement. If the Settlement is not finally approved, the Parties  
8 agree that they will revert to their positions in the lawsuits prior to the time the  
9 Settlement was reached, and no agreements set forth in this Agreement will be  
10 admissible in any future proceeding in this or any other action, other than the  
11 agreement regarding the timing of the class certification motion deadline.

12           **8.3. Parties' Authority.** The signatories hereto represent that they  
13 are fully authorized to enter into this Agreement and are fully authorized to bind the  
14 Parties to all terms stated herein. It is agreed that Settlement Class Members are so  
15 numerous that it is impossible or impractical to have each Settlement Class Member  
16 execute this Agreement. It is agreed that this Agreement may be executed on behalf  
17 of Settlement Class Members by Class Representatives and Class Counsel.

18           **8.4. Entire Agreement.** This Agreement, which includes the  
19 Definitions, Recitals, and all exhibits attached hereto, constitutes the entire  
20 agreement among the Parties with regard to the subject matter contained herein, and  
21 all prior and contemporaneous negotiations and understandings between the  
22 Parties—whether written or oral—shall be deemed merged into or overridden by  
23 this Agreement.

24           **8.5. Arm's Length Transaction; Materiality Of Terms.** The  
25 Parties have arrived at this Agreement as a result of arm's length negotiations.  
26 Except as otherwise stated in this Agreement, all terms and conditions of this  
27 Agreement in the exact form set forth in this Agreement are material to this  
28

1 Agreement and have been relied upon by the Parties in entering into this  
2 Agreement.

3           **8.6. Counterparts.** This Agreement may be executed in  
4 counterparts, and when each Party has signed and delivered at least one such  
5 counterpart, each counterpart shall be deemed an original, and when taken together  
6 with other signed counterparts, shall constitute one signed Agreement, which shall  
7 be binding upon and effective as to all Parties.

8           **8.7. Electronic Or Scanned Signatures.** Any Party may sign and  
9 deliver this Agreement by signing on the designated signature block and  
10 transmitting that signature page via an attachment to an e-mail to counsel for the  
11 other Parties. Any signature made and transmitted as an attachment to an e-mail for  
12 the purpose of executing this Agreement shall be deemed an original signature for  
13 purposes of this Agreement and shall be binding upon the Party who transmits the  
14 signature page.

15           **8.8. Binding Effect.** This Agreement shall be binding upon the  
16 Parties and, with respect to the Class Representative, Settlement Class Members,  
17 and Aggrieved Individuals, also their spouses, children, representatives, heirs,  
18 administrators, executors, beneficiaries, conservators, attorneys, and assigns.

19           **8.9. Waivers And Modifications To Be In Writing.** No waiver,  
20 modification, or amendment of the terms of this Agreement, whether purportedly  
21 made before or after the Court's approval of this Agreement, shall be valid or  
22 binding, unless in writing, signed by or on behalf of all Parties by Plaintiffs'  
23 Counsel and Defense Counsel, and then only to the extent set forth in such written  
24 waiver, modification, or amendment, subject to any required Court approval. Any  
25 failure by any Party to insist upon the strict performance by the other Parties of any  
26 of the provisions of this Agreement shall not be deemed a waiver of future  
27 performance of the same provisions or of any of the other provisions of this  
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1 Agreement, and such Party, notwithstanding such failure, shall have the right  
2 thereafter to insist upon the specific performance of any and all of the provisions of  
3 this Agreement. The time periods and dates provided in this Agreement with  
4 respect to giving of notices and hearings are subject to Court approval and  
5 modification by the Court or by written stipulation of Class Counsel and Defense  
6 Counsel.

7           **8.10. Construction.** The determination of the terms and conditions  
8 of this Agreement has been by mutual agreement of the Parties. Each party  
9 participated in the drafting of this Agreement with assistance of legal counsel, and  
10 the terms and conditions of this Agreement are not intended to be, and shall not be,  
11 construed against any Party by virtue of draftsmanship.

12           **8.11. Exhibits Incorporated By Reference.** The terms of this  
13 Agreement include the terms set forth in any attached exhibit, which are  
14 incorporated by this reference as though fully set forth herein. Any exhibit to this  
15 Agreement is an integral part of the Settlement.

16           **8.12. Captions.** The captions or headings of the sections and  
17 paragraphs of this Agreement have been inserted for convenience of reference only  
18 and shall have no effect upon the construction or interpretation of any part of this  
19 Agreement.

20           **8.13. Invalidity Of Any Provision.** Before declaring any provision  
21 of this Agreement invalid, the Court shall first attempt to construe the provisions  
22 valid to the fullest extent possible consistent with applicable precedents so as to  
23 render all provisions of this Agreement valid and enforceable.

24           **8.14. Further Acts And Cooperation Among The Parties.** The  
25 Parties shall cooperate fully with each other and shall use their best efforts to obtain  
26 the Court's approval of this Agreement and all of its terms. Each of the Parties,  
27 upon the request of another, agrees to perform such further acts and to execute and  
28

1 to deliver such other documents as are reasonably necessary to carry out the  
2 provisions of this Agreement.

3           **8.15. No Prior Assignments Or Undisclosed Liens.** The Class  
4 Representatives and Class Counsel represent and warrant that they have not  
5 assigned, transferred, conveyed, or otherwise disposed of, or purported to assign,  
6 transfer, convey, or otherwise dispose of, any Released Claims or the attorneys'  
7 fees and costs to be paid pursuant to this Agreement. Class Counsel further  
8 represent and warrant that there are not any liens or claims against any of the  
9 amounts to be paid by Defendant pursuant to this Agreement. The Class  
10 Representatives and Class Counsel agree to hold Defendant harmless from any  
11 liability, losses, claims, damages, costs, or expenses, including reasonable  
12 attorneys' fees, resulting from a breach of these representations or from any lien or  
13 assignment.

14           **8.16. No Solicitation Of Objections.** The Parties further represent  
15 and warrant that they have not and will not solicit, encourage, or assist in any  
16 fashion any effort by any entity or person to object to or to seek exclusion from the  
17 Settlement set forth in this Agreement.

18           **8.17. Discovery Of Confidential Documents And Information.**  
19 Class Counsel agree that they will destroy all confidential documents and  
20 information provided to them by Defendant within 60 calendar days after the  
21 completion of the administration of the Settlement, with the exception of material  
22 that is incorporated in work-product. Class Counsel further agrees that none of the  
23 documents and information provided to them by Defendant shall be used for any  
24 purpose other than prosecution of this Action or the defense or prosecution of a  
25 malpractice action.

26           **8.18. No Media Announcements.** Neither side shall make any  
27 public statements to the news, print, electronic, or Internet media concerning the  
28

1 Settlement, and both sides shall respond to media inquiries concerning the  
2 Settlement, if at all, only with a neutral explanation of the publicly available facts of  
3 the action and procedural posture of the litigation. Class Counsel agree not to issue  
4 any press release regarding the Settlement. Any communication about the  
5 Settlement to Settlement Class Members and Aggrieved Individuals prior to the  
6 Court-approved mailing will be limited to a statement that a settlement has been  
7 reached and the details will be communicated in a forthcoming Court-approved  
8 notice. Nothing in this Agreement prevents Plaintiffs, Settlement Class Members,  
9 or Aggrieved Individuals from discussing or disclosing information about unlawful  
10 acts in the workplace, such as harassment, retaliation, discrimination, or any other  
11 conduct that they have reason to believe is unlawful.

12           **8.19. Continuing Jurisdiction.** The Court shall retain jurisdiction  
13 over the implementation of this Agreement as well as any and all matters arising out  
14 of, or related to, the implementation of this Agreement and Settlement. The Court  
15 shall not have jurisdiction to modify the terms of the Agreement without the  
16 consent of all of the Parties.

17           **8.20. Disputes.** If the Parties have a dispute with regard to the  
18 language of this Agreement, they agree to first attempt to resolve the dispute  
19 informally through good faith negotiations, but if those efforts are unsuccessful,  
20 they agree to mediate any such dispute. The Parties will split the costs of the  
21 mediator, and all Parties will bear their own fees and costs.

22           **8.21. Governing Law.** This Settlement and Agreement was made  
23 and entered into in the State of California. All terms of this Agreement shall be  
24 governed by and interpreted according to the procedural and substantive laws of the  
25 State of California.

26           **8.22. Papers To Be Filed With The Court.** All papers to be filed  
27 with the Court by Defendant or Class Counsel in connection with this Agreement  
28

1 shall be submitted to the other Parties at least four business days prior to filing. The  
2 other Parties shall have no right to object to the papers, unless they do not conform  
3 to the terms and conditions of this Agreement.

4 **NOW THEREFORE**, in consideration of the covenants and agreements set  
5 forth herein, and of the release and dismissal of all Released Claims, the Parties  
6 stipulate and agree to the terms and provisions of this Settlement and Agreement,  
7 subject to the approval of the Court.

8 **SO AGREED AND STIPULATED:**

9  
10 Dated: November 29,  
2022

HEARST COMMUNICATIONS, INC.

11  
12 By: 

13 William F. Nagel  
14 Publisher, San Francisco Chronicle  
15 Division

16  
17 Dated: November 30,  
18 2022

SEYFARTH SHAW LLP

19  
20 By: 

21 Camille A. Olson  
22 Richard B. Lapp  
23 Paul J. Leaf

24 Attorneys for Defendant  
25 Hearst Communications, Inc.

1 Dated: 12/1/2022  
2 2022

PLAINTIFF PABLO SANCHEZ

DocuSigned by:



76E519379BEE497...

Pablo Sanchez

8 Dated: 11/28/2022  
9 2022

PLAINTIFF VIOLET ALVAREZ

DocuSigned by:



4FC299F7B8FF418...

Violet Alvarez

14 Dated: December 1, 2022

OUTTEN & GOLDEN, LLP



Jahan C. Sagafi  
Attorneys for Plaintiffs,  
the Proposed Settlement Class,  
and Aggrieved Individuals

21 Dated: \_\_\_\_\_,  
22 2022 December 1

THE OTTINGER FIRM, P.C.

25 By: 

Robert Ottinger

Attorneys for Plaintiffs,  
the Proposed Settlement Class,  
and Aggrieved Individuals

# Exhibit 1

*Sanchez, et al. v. Hearst Communications, Inc.*, Case No. 3:20-cv-05147-VC  
**United States District Court for the Northern District of California**

## Class and PAGA Action Settlement Notice

**A federal court authorized this notice. This is not a solicitation from a lawyer.**

**Why am I receiving this?** On [insert date of court order granting preliminary approval], the Court in this action granted preliminary approval of a proposed settlement as set forth in the Settlement Agreement, available at [website], concerning the lawsuit noted above (the “Lawsuit”). You are receiving this notice because Hearst’s records show that you are one of the Settlement Class Members eligible to participate in the Settlement process.

**Who are the Settlement Class Members?** Settlement Class Members means all persons who have entered into written contracts with Hearst solely pursuant to a home delivery agreement in the State of California regarding newspapers, including, but not limited to, the *San Francisco Chronicle*, at any time from July 27, 2016, through [insert the date of the Preliminary Approval Order entered by the Court], and who do not submit a timely and valid Opt-Out.

**What is the Lawsuit about?** Plaintiffs, on behalf of the proposed class, filed a class action lawsuit against Hearst, alleging that Hearst misclassified Settlement Class Members as independent contractors instead of employees, failed to pay Settlement Class Members for all hours worked, failed to compensate Settlement Class Members for rest and recovery periods and other non-productive time, failed to provide Settlement Class Members with meal periods and rest periods, failed to provide Class Members with minimum and overtime wages, failed to maintain accurate and complete records, failed to provide Settlement Class Members with accurate, itemized wage statements, failed to reimburse Settlement Class Members for business expenses, and committed unlawful business acts and practices through the aforementioned violations. The Lawsuit covers the period from July 27, 2016, through [insert date of court order granting preliminary approval]. Plaintiffs also seek penalties under the Private Attorneys General Act (“PAGA”) for the same wage and hour violations alleged in connection with the class action claims. The PAGA claim covers the period from September 2, 2019, through [insert date of court order granting preliminary approval].

**What is the Settlement?** The Plaintiffs and Hearst (collectively, “the Parties”) have agreed to settle the Lawsuit for a payment by Hearst of \$950,000.00.

**What is this notice?** This notice only summarizes the Settlement. For more information, visit [insert website].

Your legal rights are affected whether you act or do not act.  
 Read this notice carefully.

| Summary of Your Legal Rights and Options        |                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Obtaining a payment under the Settlement</b> | <b>To receive a payment under the Settlement, you do not need to take any action.</b> You will be a member of the class and your rights will be represented by counsel for Plaintiffs. You will be bound by the result in the Lawsuit. You will not be allowed to bring your own case for the claims alleged in this Lawsuit as described above and you will give up your right to |

|                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                         | be part of any other case against Hearst about the claims being resolved by this Settlement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Exclude yourself from the Settlement (“opt out”)</b> | Get no payment. Keep any rights to bring or join a case against Hearst about the claims being resolved by this Settlement, except that you will still not be able to bring or participate in a PAGA action against Hearst for the claims resolved by this Settlement. You will lose the ability to recover any monetary payment under the Settlement, except that you will still receive a share of the PAGA penalties under the Settlement. If you opt out, you will not be represented by counsel for Plaintiffs. You will be responsible for getting your own lawyer if you opt out. |
| <b>Object to the Settlement</b>                         | Write to the Court about why you do not like the Settlement, to help the Court decide whether to approve the Settlement. The Court cannot order that you receive more money from the Settlement even if it agrees with you.                                                                                                                                                                                                                                                                                                                                                             |
| <b>Do nothing</b>                                       | If you do nothing, you will get a payment under the Settlement, <b>and you will release your claims that are covered by the Settlement and give up your right to assert those claims.</b>                                                                                                                                                                                                                                                                                                                                                                                               |

These rights and options—**and the deadlines to exercise them**—are explained in this notice.

The Court has not yet decided whether to finally approve the Settlement. Payments will be made only if the Court approves the Settlement and after appeals, if any, are resolved. Please be patient.

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## **Basic Information**

### **1. Why did I get this notice package?**

The purpose of this notice is to let you know that the Parties in the case have reached a Settlement, subject to Court approval in the class and PAGA action known as *Sanchez, et al. v. Hearst Communications, Inc.*, Case No. 3:20-cv-05147-VC, pending in the United States District Court for the Northern District of California (the “Lawsuit”). You have received this notice because:

Hearst’s records show that you entered into a home delivery agreement regarding newspapers with Hearst in the State of California between July 27, 2016, and [insert the date of the Preliminary Approval Order entered by the Court].

The Court authorized that you be sent this notice because you have a right to know about the proposed Settlement of the Lawsuit, and about your options, before the Court decides whether to grant final approval of the Settlement. If the Court approves it and after any objections and appeals are resolved, a third-party administrator appointed by the Court will make the payments that the Settlement allows. This notice provides you with instructions on the options available to you under the Settlement.

### **2. What is this lawsuit about?**

In the Lawsuit, Plaintiffs allege that Hearst misclassified Settlement Class Members as independent contractors instead of employees, failed to pay Settlement Class Members for all hours worked, failed to compensate Settlement Class Members for rest and recovery periods and other non-productive time, failed to provide Settlement Class Members with meal periods and rest periods, failed to provide Settlement Class Members with minimum and overtime wages, failed to maintain accurate and complete records, failed to provide Settlement Class Members with accurate, itemized wage statements, failed to reimburse Settlement Class Members for business expenses, and committed unlawful business acts and practices through the aforementioned violations. Plaintiffs also seek penalties under the Private Attorneys General Act (“PAGA”) for the same wage and hour violations alleged in connection with the class action claims.

Hearst denies the allegations in the Lawsuit and contends that they are without foundation or merit, including because the Settlement Class Members freely and lawfully chose to contract with Hearst as independent contractors. Hearst further denies and continues to deny that it is liable or owes damages, penalties, interest, attorneys’ fees, costs, or any other compensation or remedies to anyone with respect to the alleged facts or claims asserted in the Lawsuit. Hearst denies any liability or wrongdoing of any kind in connection with Plaintiffs’ claims, and contends that, during all relevant times, it complied with all applicable California law. Hearst also denies that this matter may be certified as a class or representative action under either Rule 23 or PAGA for purposes of trial.

The Court has not addressed the merits of Plaintiffs’ claims, so there has been no ruling that Hearst violated any law or did anything wrong.

### 3. What is a class and PAGA action?

In a class action, one or more people, called “Class Representatives” (in this case, Pablo Sanchez and Violet Alvarez) sue on behalf of people who allegedly have similar claims. In a class action, all people with similar class claims are called “Class Members.” Class Members do not need to do anything to be part of a class action. Once the Court decides that a case can proceed as a class action (as the Court here has done strictly for purposes of this Settlement), all Class Members are included in the class by default, except for those who exclude themselves (excluding is described in sections 12-14, below). In a class action, the court resolves the issues for all Class Members together in one legal proceeding. Class Members for purposes of this Settlement is defined in section 5, below.

In a PAGA action, a plaintiff sends a letter to the State of California describing the alleged Labor Code violations committed against the workers (“PAGA Members”) by the defendant(s). If the State of California does not opt to pursue the alleged Labor Code violations, the plaintiff is allowed to sue the defendant(s) on behalf of the State of California, him-/herself, and all other PAGA Members. PAGA Members cannot opt out of the settlement of a PAGA action. If the settlement of a PAGA action is approved by the Court, the PAGA Members covered under the PAGA action will have their claims for PAGA penalties released, whether or not the PAGA Members opt out of the Settlement of the class action. The State of California receives 75% of the PAGA penalties, and the PAGA Members receive the other 25%.

The Honorable Vince Chhabria, United States District Judge, is presiding over this class and PAGA action. He decided that this settlement can proceed on a class and PAGA basis.

### 4. Why is there a settlement?

The Court did not decide in favor of either party. Instead, both sides agreed to a settlement, which, if approved, brings the Lawsuit to an end. That way, Plaintiffs, Settlement Class Members, PAGA Members, and Hearst avoid the cost, delay, and uncertainty of moving forward in litigation to trial and possible appeals, and the Settlement Class Members and PAGA Members can get compensation and penalties. The Class Representatives and their attorneys (“Class Counsel”) believe that the Settlement is fair, reasonable, adequate and in the best interests of the Settlement Class Members and PAGA Members.

## Who is in the Settlement

### 5. Who is included in the Settlement?

The Settlement provides benefits to the Settlement Class Members and the PAGA Members.

The Settlement Class Members (also referred to as the “Settlement Class” here and in the Settlement Agreement) are all persons who entered into home delivery agreements with Hearst regarding newspapers, including, but not limited to, the *San Francisco Chronicle*, at any time from July 27, 2016, through [insert date of court order granting preliminary approval]. PAGA Members are all persons who entered into home delivery agreements with Hearst regarding newspapers, including, but not limited to, the *San Francisco Chronicle*, at any time from September 2, 2019, through [insert date of court order granting preliminary approval].

Together, these individuals are referred to as the “Covered Individuals.”

## **The Settlement Benefits—What You Get**

### **6. What does the Settlement provide?**

**Monetary relief.** Hearst has agreed to pay \$950,000 to settle the claims of Covered Individuals. Each Covered Individual who does not opt out of the class action portion of the Settlement will get a share of the \$950,000 paid by Hearst.

Settlement Class Members will receive money from the Settlement fund in proportion to the total compensation they received from Hearst from July 27, 2016 to the date of preliminary approval. PAGA Members will receive money from the Settlement fund – \$30,000 of which is allocated for payments to PAGA Members – in proportion to the number of pay periods they were under contract with Hearst from September 2, 2019 to [the date of approval of the PAGA settlement].

**Tax treatment of awards.** The Settlement Agreement allocates how payments made to you under this Settlement should be treated for tax purposes. Accordingly, payments to Covered Individuals are allocated for tax purposes on an IRS form 1099. You will be responsible for correctly reporting this for tax purposes and for paying any taxes on the amounts received. You will be responsible for the tax obligations and consequences of all payments received from the Settlement. Hearst, Defendants’ Counsel, and Class Counsel are not providing tax advice to you, and they make no representations regarding the tax characterization of any Settlement payments or any tax obligations of, or tax consequences to, any Covered Individual.

**Unclaimed funds.** Any unclaimed funds will be given as a *cy pres* donation to the East Bay Community Law Center. East Bay Community Law Center is a Bay Area organization that seeks to address the underlying causes of economic and racial inequality to increase justice.

### **7. What can I get from the Settlement?**

Each Covered Individual will receive some money, depending on (a) their compensation received by Hearst in the State of California from July 27, 2016, through [insert date of court order granting preliminary approval], and (b) their pay periods worked for Hearst from September 2, 2019, through [insert date of court order granting approval of PAGA settlement] for settlement of the PAGA action, and (c) whether the Settlement Class Member opts out of the Settlement.

## **How You Get a Payment**

### **8. When will I get my payment?**

The terms and conditions of this Settlement are subject to Court approval. The Court will hold a hearing on [insert fairness hearing date], to decide whether to approve the Settlement. If Judge Chhabria approves the Settlement, and there are no appeals, **we estimate that checks will be mailed around [insert approximate date]**. However, because it is always possible for there to be unexpected delays or appeals, the payments may be delayed by a year or more, or an

appeals court may determine that the payments cannot be made. If the Court does not approve the Settlement, no payment will be distributed to any individual, the entire Settlement will be void and unenforceable, and the Parties shall be restored to the status quo ante, that is, their respective positions that existed in this Lawsuit prior to entering into this Settlement Agreement.

The Settlement Administrator will provide regular updates of the status of the Settlement at [website]. If your contact information changes, please inform the Settlement Administrator.

## **Release Agreement**

### **9. What am I giving up to get a payment?**

**Release.** Unless you exclude yourself from the Settlement, you are staying in the Settlement Class and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Hearst about the legal issues resolved by this Settlement. It also means that all of the Court's orders will apply to you and legally bind you. If you do not exclude yourself, you are knowingly and voluntarily releasing and waiving the following claims you and your executors, administrators, representatives, agents, heirs, successors, assigns, trustees, spouses, or guardians may have against Hearst Communications, Inc., along with all of its current or former subsidiaries, parents, divisions, affiliates, and predecessors, and all of those entities' current or former insurers, agents, employees, successors, assigns, officers, directors, employees, partners, attorneys, managing agents, attorneys, human resources representatives, payroll representatives, executors, and shareholders, including their respective pension, profit sharing, savings, health, and other employee benefits plans of any nature, the successors of such plans, and those plans' respective current or former trustees and administrators, agents, employees, and fiduciaries: any and all claims, rights, demands, charges, complaints, causes of action, damages, penalties, interest, attorneys' fees, costs, obligations, or liability of any and every kind from July 26, 2016 to [date of Preliminary Approval] that were or could have been asserted in the operative complaint filed in the Action and that are based on or arise out of the identical factual predicate alleged in the operative complaint filed in the Action, including, but not limited to, those for: failure to pay wages, or failure to timely pay wages during employment and at separation of employment, under California Labor Code Sections 201, 202, 203, 204, 210, and 218; failure to pay all wages earned, minimum wages, overtime at the regular rate of pay, non-productive time, and liquidated damages pursuant to California Labor Code Sections 218.6, 510, 1194, 1194.2, 1197, 1197.1, and 1198; failure to provide meal periods and to pay meal period premiums at the regular rate of pay, and failure to authorize and permit rest periods and to pay rest period premiums at the regular rate of pay, under California Labor Code Sections 218, 218.6, 226.7, 510, 512, 1194, 1197, and 1198; failure to maintain required records under California Labor Code Sections 226 and 1174; failure to furnish accurate itemized wage statements under California Labor Code Sections 226 and 226.3; failure to indemnify for necessary business expenditures incurred in discharge of duties under California Labor Code Section 2802; willful misclassification under California Labor Code Sections 218 and 226.8; breach of contract; incorporated or related claims, including for unfair or unlawful business practices, under the California Unfair Competition Law and California Business and Professions Code, Cal. Bus. & Prof. Code §§ 17200 *et seq.*; all PAGA claims seeking civil penalties based on any of the California Labor Code Sections listed above and for any other California Labor Code claims that are or could have been alleged in the Action, under California Labor Code § 2968, *et seq.*; violation of any California Industrial Welfare Commission Wage Order; interest based on any of

the claims listed above; and attorneys' fees, expenses, and costs based on any of the claims listed above.

## **The Lawyers Representing You**

### **10. Do I have a lawyer in this case?**

The Court appointed the following attorneys to represent you and the other Covered Individuals: Jahan C. Sagafi and Theanne Liu of Outten & Golden LLP, and Robert Ottinger and Finn Dusenbery of The Ottinger Firm, P.C

Together, these lawyers are called Class Counsel or Plaintiffs' Counsel. You will not be personally charged for these lawyers' work in securing the Settlement benefits for you and the other Covered Individuals. If you want to be represented by your own lawyer, you may hire one at your own expense.

### **11. How will Class Counsel and Class Representatives be paid?**

Class Counsel will ask the Court for attorneys' fees of up to 35% of the \$950,000 Settlement fund and reimbursement of out-of-pocket costs of up to **XXX**, consistent with the terms of the Settlement Agreement. In addition, Class Counsel will apply to the Court for a service award of up to \$15,000 each for Class Representatives Pablo Sanchez and Violet Alvarez. The Class Representatives' service awards are being requested in recognition of the time and effort incurred by them in securing the benefits of this Settlement for you and the other Covered Individuals. The Court will decide whether to approve Class Counsel's and the Class Representatives' requests.

## **Excluding Yourself from the Settlement**

### **12. What does excluding yourself from the Settlement mean?**

If you want to preserve your right to sue Hearst on your own about the legal issues in this case, then you need to take steps to get out. This is called excluding yourself from—or opting out of—the Settlement. You will not be represented by Class Counsel if you opt out.

### **13. How do I get out of the Settlement?**

To exclude yourself from (opt out of) the Settlement and not release any claims, you must send a letter saying that you want to be excluded from the Settlement, and that you understand that you will not receive money from it. You must include your (1) name, address, telephone number and last four digits of your social security number; (2) signature; and (3) a statement that you wish to be excluded from the settlement, such as: "I decline to provide a release of claims and instead elect to exclude myself from the monetary relief provisions in the Settlement in *Sanchez, et al. v. Hearst Communications, Inc.* That means I will not be entitled to any money from the Settlement."

Your opt-out request must be received or postmarked by [insert date]. Opt-out requests should be sent electronically, by mail, or by fax to the Settlement Administrator, whose contact information is listed in section 22.

If you ask to be excluded, you will not get any Settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit, and the Settlement would not affect any right you might have, if any, to pursue legal action against Hearst on your own.

#### **14. If I exclude myself, can I get money from this Settlement?**

If you exclude yourself, you will not receive money from the settlement of the class action, but you will still receive money from the settlement of the PAGA action (because you cannot opt out from the PAGA settlement). You will not be legally bound by anything that happens in this Lawsuit regarding the class action, but you will still be bound by the Settlement regarding the PAGA action (again, because you cannot opt out of it).

### **Objecting to the Settlement**

#### **15. What does objecting to the Settlement mean?**

You can tell the Court what you think about the Settlement.

#### **16. How do I tell the Court that I do not like the Settlement?**

If you are a Covered Individual, you can object to the Settlement.

The Court cannot order a larger (or smaller, or otherwise different) settlement; it can only approve or deny the Settlement. If the Court denies approval, there will be no settlement at this time, no Settlement payments will be sent out, and the Lawsuit will continue.

Any objection to the proposed Settlement must contain: (1) the objector's full name, address, and telephone number; (2) a written statement of all specific grounds for the objection (including whether it applies only to the objector, to a specific subset of the class, or to the entire class); and (3) a statement regarding whether the objector intends to appear at the final approval hearing. If you do not file a timely and complete written objection to the Settlement and notice of your intent to appear at the final approval hearing, or otherwise fail to comply with the requirements for objecting, you shall be foreclosed from objecting to the Settlement and seeking any adjudication or review of the Settlement, by appeal or otherwise. If you submit an objection you remain bound by the Settlement, including the applicable Released Claims provisions, and you may be subject to appear for a deposition, if requested. All written comments and objections and supporting papers must (a) clearly identify the case name and number (as *Sanchez, et al., v. Hearst Communications, Inc.*, Case No. 3:20-cv-05147-VC); (b) be submitted to the Court either by mailing them to the Class Action Clerk, United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, or by filing them in person at any location of the United States District Court for the Northern District of California; and (c) be filed or postmarked on or before [insert deadline]. This deadline for submitting a written objection may be excused on a showing of good cause. Accordingly, an objector may appear in Court to object to the Settlement without filing a written objection, upon a showing of good

cause. Further, substantial compliance with the requirements herein is sufficient to file an objection.

**17. What's the difference between objecting and excluding?**

Objecting is simply telling the Court that you do not like something about the Settlement.

## **The Court's Final Approval Hearing**

The Court will hold a final approval hearing to decide whether to approve the Settlement. You may attend, and you may ask to speak, but you do not have to.

**18. When and where will the Court decide whether to approve the Settlement?**

The Court will hold a final approval hearing at [insert time and date], at the United States District Court for the Northern District of California, San Francisco Courthouse, located at 450 Golden Gate Avenue, San Francisco, CA 94102, in Courtroom Four on the Seventeenth Floor, before the Honorable Chhabria, United States District Judge. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Chhabria will listen to people who wish to speak at the hearing, if any. The Court may also decide how much to pay Class Counsel and the Class Representatives. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take. The final approval hearing may be postponed without further notice to the Settlement Class. If you plan to attend the hearing, you should check [www.\[Administrator Website\].com](http://www.AdministratorWebsite.com) or the Court's PACER site at <https://ecf.cand.uscourts.gov> to confirm that the date has not been changed.

**19. Do I have to come to the hearing?**

No. Unless you opt out of the Settlement, Class Counsel will represent you and will answer any questions Judge Chhabria may have. But you are welcome to come at your own expense. If you send a comment (including an objection), you do not have to come to Court to talk about it. As long as you submitted it on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

**20. May I speak at the hearing?**

You can ask the Court to deny approval by filing an objection. You cannot ask the Court to order a different settlement; the Court can only approve or reject the settlement. If the Court denies approval, no settlement payments will be sent out, and the Lawsuit will continue. If that is what you want to happen, you should object.

Any objection to the proposed settlement must be in writing. If you file a timely written objection, you may, but are not required to, appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections and supporting papers must (a) clearly identify the case name and number (*Sanchez v. Hearst Communications, Inc.*, Case No. 20-cv-05147-VC); (b) be submitted to the Court either by filing them electronically or in person at any location of the United States District Court for the Northern District of

California or by mailing them to the Class Action Clerk, United States District Court for the Northern District of California, 450 Golden Gate Ave., San Francisco, CA 94102; and (c) be filed or postmarked on or before [insert deadline].

You cannot speak about the class Settlement at the hearing if you excluded yourself, because that aspect of the case no longer affects you.

## **If You Do Nothing**

### **21. What happens if I do nothing at all?**

If you do nothing, you will receive a payment under the Settlement. You will also be bound by the result in the Lawsuit. You will not be allowed to bring your own case for the claims alleged in this Lawsuit as described above and you will give up your right to be part of any other case against Hearst about the claims being resolved by this Settlement

## **Getting More Information**

### **22. Are there more details about the Settlement?**

This Notice is intended to be a summary of the terms of the Settlement. The Stipulation of Settlement and Release, Amended Complaints, and this Notice are all available at: <https://ecf.cand.uscourts.gov>

You may also obtain this information by contacting the Settlement Administrator at [insert phone number], Class Counsel at Outten & Golden LLP at (415) 638-8800 or at the Ottinger Firm, P.C. at (415) 262-0096, by accessing the Court docket in this case through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California on the sixteenth floor at 450 Golden Gate Avenue, San Francisco, CA 94012, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

**PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.**

By order of the United States District Court for the Northern District of California.

Dated: [DATE]

# Exhibit 2

**Exhibit 2: Class Members And Aggrieved Individuals Included In *Sanchez v. Hearst***

1. Alberto/Nubia Garcia
2. Alex Hernandez
3. Andrew Wong
4. Auri Rincon
5. Billie Jo Leach
6. Brinda Acosta
7. Iris Rojas
8. Carla Gillespie
9. Carlos Huayllapuma
10. Carlos Lescano
11. Carlos Silva
12. Ruben Namorado
13. Crisanto Baclagon
14. Doug Johnson
15. Daniel Halili
16. Diane Peterson
17. Dung Quoc Ly
18. Eduardo Costa
19. Eric Smith
20. Iris Escorcía
21. Flordeliz Abad
22. Fulvia Ramirez
23. Grazia Lucia Gala
24. Mel Sanders

25. Herval Ferreira
26. Jay Hutton
27. Jose Hamann
28. Jose Melendez
29. Kelly Caro Trevino
30. Kevin Tavares
31. Lam Thanh Nguyen
32. Laura Tavares
33. Leonor Rivera
34. Manuel Reyes
35. Marina Thong
36. Michelle Pedemonte
37. Milton Truong
38. Minh Tran
39. Pablo Sanchez-Cabanillas
40. Nancy Mori
41. Phuong My Trinh
42. Quen Trinh
43. Rafael Xavier De Lima
44. Samuel Parker
45. Thuy Thu Thi Nguyen
46. Vincent Archuleta
47. Violet Alvarez
48. Yolanda Lamas Sanchez
49. Trinidad Brown

50. Cecilia Cienfuegos
51. Helen Almada
52. James Pierce
53. Lourdes Montesinos
54. Reliza Hallili
55. Sergio Martinez Caballero
56. Manual Ruiz
57. Dawn Watson