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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ALAMEDA

OSCAR ESTRADA & PABLO CALDERON, on
behalf of themselves and all others similarly
situated,

Plaintiffs,

v.

HHM FACILITY MANAGEMENT, LLC., a
California Limited Liability corporation; and
DOES 1-50, inclusive.

Defendants.

CASE NO.: RG20078429

Assigned to the Hon. Brad Seligman

**DECLARATION OF MEHRDAD
BOKHOUR IN SUPPORT OF
PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

HEARING INFO

Date: August 10, 2021

Time: 3:00 p.m.

Dept.: 23

RES: R-2271744

1 **DECLARATION OF MEHRDAD BOKHOUR**

2 I, Mehrdad Bokhour, say and declare, as follows:

3 1. I am an attorney at law, duly licensed to practice before all the Courts of the State
4 of California and I am the principal of Bokhour Law Group, P.C. and I serve as attorney of record
5 for Plaintiffs Oscar Estrada, and Pablo Calderon, (collectively, "Plaintiffs") and the Putative Class.
6 I am familiar with the file in this matter and if called as a witness I could and would competently
7 testify to the following facts of my own personal knowledge. I submit this declaration in support
8 of Plaintiff's Motion for Preliminary Approval of Class Action Settlement.

9 **COUNSEL'S EXPERIENCE**

10 2. I graduated with a Bachelor of Arts with a major in Political Science from the
11 University of California, Berkeley in 2007. I received my Juris Doctorate from Loyola Law School-
12 Los Angeles in 2012 and became a member of the California State Bar in December 2012.

13 3. I have been a member, in good standing, of the State Bar of California since 2012.
14 I am admitted to practice before all California state courts, and the Ninth Circuit Court of Appeal,
15 United States District Court of California for the Central District, Eastern District, and Southern
16 District and have litigated class action and Private Attorney General Act ("PAGA") representative
17 action cases in various courts in California.

18 4. I began my legal career focusing on plaintiff-side employment litigation with an
19 emphasis on disability discrimination and harassment matters under the Fair Employment and
20 Housing Act. After practicing for several years practicing in an amorphous range of civil litigation
21 on behalf of both plaintiffs and defendants, I opened my law firm in 2014 with an exclusive
22 concentration in representation of employees against employers to recover unpaid wages and
23 vindicate harassment, discrimination and retaliation claims in various contexts. The vast majority
24 of my cases have been litigated as class actions, representative PAGA actions, or a combination
25 of the two.

26 5. I am also an active member of the California Employment Lawyers' Association
27 ("CELA") and have attended various Continuing Legal Education courses pertaining to advocacy
28 on behalf of employees. My firm has the experience, resources, and means necessary to allow us to

1 provide adequate representation as Class Counsel to all aggrieved employees in this litigation.
2 Currently, my firm is acting as lead counsel in at least twenty-five wage-and-hour class actions and
3 co-counsel in at least twenty other wage-and-hour class action.

4 6. I was selected as a “Super Lawyer Rising Star” in Employment Litigation during the
5 years 2017, 2018, 2019, 2020, and 2021, a distinction that is reserved for the top 2.5 % of lawyers
6 in the practice area.

7 7. Through a contested but productive mediation, Plaintiffs and Defendant HHM
8 Facility Management, LLC (“Defendant”) (collectively, the “Parties”) entered into a Class Action
9 and PAGA Settlement Agreement and Release of Claims resolving the wage and hour claims of the
10 Class (“Settlement Agreement” and/or “Settlement”), which is attached hereto as **Exhibit “A”**.

11 8. The Settlement Agreement seeks to fully release and discharge Defendant from the
12 claims brought against it in this matter in exchange for Defendant’s agreement to pay \$500,000 on
13 a non-reversionary, non-claim made basis (each Class Member will receive his/her share of the Net
14 Settlement Amount without having to submit a claim form or taking action, except for those who
15 opt-out). Plaintiffs seeks to represent a class of similarly situated current and former non-exempt
16 employees, and those persons who claim they were misclassified as exempt employees (the “Class”
17 or “Class Members”) by Defendant, from October 19, 2016, through August 1, 2021. (the “Class
18 Period”).

19 9. Under the terms of the Settlement Agreement, Defendant will not oppose Class
20 Counsels’ application for a reasonable award of attorney’s fees not to exceed one third of the
21 Settlement Amount, Class Counsels’ litigation costs not to exceed \$20,000.00, Settlement
22 Administration Costs not to exceed \$5,000, PAGA penalties of \$50,000 (of which \$37,500.00 or
23 75% will be paid to the LWDA and the remaining \$12,500 or 25% will be paid to the Settlement
24 Class Members), and a Service Award not to exceed \$7,500 to each named plaintiff (S.A. ¶ 48), as
25 follows:

	Total Amount
<i>Settlement Amount</i>	\$500,000.00
Attorneys' Fees	\$166,666.66
Litigation Costs (not to exceed)	\$20,000.00
Administrator Costs (not to exceed)	\$5,000.00
PAGA payment to LWDA (75% of 50k award)	\$37,500.00
Plaintiffs' Service Awards	\$15,000.00
<i>Net Settlement Amount</i>	\$255,833.34

10. The Class includes approximately 190 employees who all work and/or worked for Defendant in California during the Class Period. Regardless of their roles, all non-exempt employees worked under the same uniform workplace policies/procedures and scheduling practices, and therefore, the Individual Settlement Payments will be paid on a pro-rata basis based on the number of Compensable Workweeks during the Class Period. Assuming a total class size of 190 Settlement Class Members who collectively worked approximately 6,500 workweeks, the average payment to each Settlement Class Member will be approximately \$1,350. Of course, those with more Workweeks stand to recover proportionally more.

11. The Settlement is non-reversionary, and Class Members will not be required to submit claim forms to receive payment, but each Class Member will receive the Notice Packet containing information about his/her share, the opportunity to dispute the number of Workweeks worked by the Class Member, and the opportunity to opt-out or object to the Settlement. All Class Members who do not affirmatively opt-out will receive a settlement check upon the Court granting final approval. (attached hereto as **Exhibit B**).

12. My office has performed considerable work and diligently investigated and prosecuted this case to a successful conclusion. Our work has resulted in the creation of a significant Settlement Amount for the benefit of the Class. We effectively communicated and exchanged information informally with Defense counsel, which enabled the Parties to successfully settle the case at mediation before Lynn S. Frank, Esq. Because of the risks involved in litigating the case and the contested legal and factual issues, Plaintiff's counsel believes this Settlement to be fair, reasonable, and adequate.

1 13. Because the Settlement is fair and reasonable and was negotiated at arm's length
2 by experienced counsel and an experienced mediator following a sufficient exchange of
3 information and documents in advance of mediation, it should be preliminarily approved. Plaintiffs
4 respectfully request that the Court enter an order preliminarily approving the Settlement,
5 conditionally certifying the Class under Code of Civil Procedure § 382 for settlement purposes,
6 approving the proposed Notice Packet, appointing Plaintiffs' counsel as Class Counsel, appointing
7 Simpluris as the Settlement Administrator, and scheduling a hearing for the final approval of the
8 Settlement.

9 14. Defendant HHM Facilities Management, LLC provides a full line of maintenance
10 and janitorial services across California, including Energy Management, Janitorial, Packaging
11 Materials, Electrical, HVAC, Facility Engineering, Food Services, Plant Operations, Mechanical
12 Services, Landscaping, Security, IT, Recycling Services, and Parking Management.

13 15. Defendant retained counsel, denied the allegations, and vowed to vigorously defend
14 against it. However, before engaging in protracted litigation, the Parties agreed to explore resolution
15 through private mediation. In preparation for mediation, the Parties agreed to an informal discovery
16 process where information was exchanged relating to the applicable policies and procedures, payroll
17 and time keeping records, size of the Class, compensation policies and practices, and potential value
18 of the case. The sampling enabled Plaintiffs' counsel and their expert to fully evaluate the potential
19 claims and extrapolate the data to the entire Class. During this process, Plaintiffs and Class counsel
20 analyzed, researched, and investigated the potential claims of all similarly situated employees.

21 16. On June 1, 2021, the Parties participated in a private mediation before Lynn S. Frank,
22 Esq. ("Mediator"), a highly experienced and knowledgeable wage and hour class action mediator.
23 After a full-day mediation, the Parties ultimately reached a Settlement and then memorialized the
24 terms of the Settlement in a long-form Settlement Agreement.

25 17. Plaintiffs allege numerous wage and hour violations on behalf of the employees who
26 worked for Defendant during the Class Period.

27 18. The crux of Plaintiffs' allegations was that Defendant failed to authorize and permit
28 Plaintiffs and putative class members from taking legally complaint and timely first and second meal

1 periods due to Defendant's facially invalid meal period policies and practices. Furthermore,
2 Plaintiffs allege that HHM failed to provide off-duty rest periods free from employer control, as it
3 required its employees to "be in designated areas" during rest periods. Plaintiffs further allege that
4 Defendant failed to pay Plaintiffs and putative class members all wages owed at their time of
5 separation from employment in violation of Labor Code §§ 201-203 and failed to reimburse business
6 expense related to suitable work clothes and uniforms.

7 19. Plaintiff Calderon also alleged that those who held the position of "Route Supervisor"
8 had been unlawfully classified as an exempt employee.

9 20. Finally, Plaintiffs allege that Defendant failed to provide accurate itemized wage
10 statements in addition to various PAGA claims arising out of the underlying Labor Code violations
11 set forth above.

12 21. Defendant contested and denied each of Plaintiff's material allegations on the merits
13 and as to the propriety of the class and PAGA Action. First, Defendant argued that its time-rounding
14 policies were neutral and did not result in any underpayments and that it paid Class Members for all
15 hours worked. Defendant also argued that its meal and rest period policies were compliant with
16 California law.

17 22. Defendant argued that claims for wage statements, waiting time penalties and PAGA
18 penalties were derivative of other claims, which it argued have no merit.

19 23. Defendant further contended that Plaintiff's waiting time penalty and wage statement
20 claims based on the underlying meal and rest period violations were unfounded based on the recent
21 authority in *Naranjo, et al. v. Spectrum Security Services, Inc.* (2019) No. B256232, holding that
22 "Labor Code section 226.7 actions do not entitle employees to pursue the derivative penalties in
23 section 203 and 226."

24 24. Defendant also contended that Plaintiff's claims were not suitable for class
25 certification because individual inquiries would be required to establish, amongst other things, which
26 employees, if any, took meal periods of less than 30-minutes and why a particular employee received
27 a meal period of less than 30-minutes on a particular shift.

1 25. Based upon comprehensive and complete data obtained through informal discovery
2 and information exchange of documents, and factoring in claim certification probabilities and
3 liability probabilities, Class Counsel formulated a damages models to evaluate the claims in
4 preparation for mediation and in order to reach a realistic and reasonable resolution as further
5 detailed below.

6 26. Plaintiffs first allege that Defendant did not provide meal and rest break claims.
7 During the liability period, the Class Members worked approximately 28,743 shifts during the
8 applicable period. Based on an alleged 100% violation rate for the meal period claims and an alleged
9 50% violation rate for the rest period claims, as extrapolated from the pre-mediation sampling, the
10 maximum potential damages are \$200,971.05 for meal period violations and \$502,427.

11 27. However, Defendant vehemently opposed these claims based on the argument that
12 Plaintiffs' meal and rest period claims fall directly into the category of "individualized issues,"
13 claiming that its policies/practices were compliant, and the employees had ample latitude regarding
14 whether, when, and how they took their breaks. Therefore, Defendant asserted that a factfinder
15 would have to determine for each Class Member whether a meal or rest break was missed or late
16 and why, and why a break was noncompliant/nonexistent, because if it was by the employee's
17 choice, no liability attaches to the Defendant. Based on these arguments, Plaintiffs believe there is
18 a 50% risk that the Court would deny class certification on these meal period claims and a 50% risk
19 as to the rest period claims.

20 28. Defendant also argued that, even if certification were granted, it would defeat the
21 meal and rest period claims on the merits because Defendant utilized compliant meal and rest period
22 policies and practices and it would present sufficient evidence that the workers were properly
23 provided with all meal and rest periods in accordance with California law. Moreover, Defendant
24 argued that Plaintiffs would be unable to present sufficient evidence establishing the number of meal
25 and rest period violations in order to allow a factfinder to appropriately determine damages.
26 Plaintiffs acknowledged the risks and incorporated a further 50% reduction. Plaintiffs therefore
27 calculates the risk-adjusted value of the meal period claims to be **\$50,242** and rest period claims to
28 be **\$125,606**.

1 29. With respect to the waiting time penalty claim, there were approximately 116 Class
2 Members that separated from their employment with Defendant during the statutory period. As
3 such, the maximum potential penalty under Labor Code §§ 201–203 is \$437,978 (116 employees x
4 7.2 hours per day x average rate of \$17.48 x 30 days).

5 30. As it pertains to the waiting time penalty claim, Defendant argued that it would defeat
6 the waiting time penalty claim by arguing that the violations were not willful. Furthermore,
7 Defendant argued that it would defeat liability as to waiting time penalties arising out of the other
8 unpaid wage claims as well as unavailability of derivative claims for meal and rest violations.
9 Plaintiffs applied a 50% risk of defeat at the class certification stage, and an additional 50% risk of
10 defeat at the summary judgment stage or on the merits, resulting in the risk-adjusted value of
11 **\$109,494** for waiting time penalty claims.

12 31. Finally, Plaintiffs estimate that the maximum potential penalties for the wage
13 statement claims as \$233,750 (based on approximately 2,425 allegedly violative wage statements
14 issued during the Class Period). In calculating Defendant’s exposure, Plaintiffs gave Defendant the
15 benefit of assuming that Plaintiffs could only obtain the “initial” wage statement penalty of \$50 per
16 violation in potential wage statement penalties. (*Id.*; see also Lab. Code § 226(e) (providing for \$50
17 penalty for “initial” violations); *Amaral v. Cintas Corp.* No. 2, 163 Cal.App.4th 1157, 1207 (2008)
18 (finding that “initial” violation rate applies until the employer has been notified that it is violating a
19 Labor Code provision.)

20 32. In response to Plaintiffs’ wage statement claims, Defendant contended that any
21 alleged violations were not “knowing and intentional,” that Plaintiffs could not establish that they
22 or anyone else suffered “injury” as a result of any alleged wage statement violations, and that no
23 wage statement penalties can be recovered for failure to pay meal and rest period premium wages
24 pursuant to *Gustavo Naranjo, et al. v. Spectrum Security Services, Inc.*, holding that “section 226.7
25 “actions do not entitle employees to pursue the derivative penalties in section 203 and 226.” Further,
26 Defendant relied on its defenses to Plaintiffs’ underlying claims both on the merits and to class
27 certification. As such, Plaintiffs discounted the calculated maximum exposure by 50% for risk of
28 non-certification, and by an additional 50% for risk of being unsuccessful on the merits, to arrive at

1 an estimated total of **\$58,437**.

2 33. Plaintiffs also sought PAGA penalties for each violation for which they are available
3 and alleged that these penalties can be “stacked.” *See Gonzalez v. Corecivic of Tennessee, LLC*, No.
4 1:16-cv-01891-DAD-JLT, 2018 WL 4388425 (E.D. Cal. Sept. 12, 2018) (“‘stacking’ PAGA
5 penalties is not inappropriate under California law”). Assuming that a PAGA penalty is available in
6 the default amount of \$100 per pay period and is not reduced, the maximum potential PAGA penalty
7 would be **\$242,500** during the PAGA period. *See* Cal. Lab. Code. § 2699(f)(2).

8 34. However, this maximum figure fails to account for numerous unclear issues relating
9 to PAGA claims. First, it is unclear whether stacking is permissible and/or whether the court would
10 award penalties in such a way (especially for purely derivative penalties). Second, the maximum
11 figure fails to acknowledge that courts have wide latitude to reduce the amount of civil penalties
12 “based on the facts and circumstances of a particular case” and if “to do otherwise would result in
13 an award that is unjust, arbitrary and oppressive, or confiscatory.” Labor Code § 2699(h); *Cotter v.*
14 *Lyft, Inc.*, 193 F. Supp. 3d 1030, 1037 (N.D. Cal. 2016) (noting in the context of approving settlement
15 that a reduction in PAGA penalties would be “appropriate” based on the “unjust, arbitrary and
16 oppressive, or confiscatory” factors because (i) the employer did not “deliberately evad[e] a clear
17 obligation to provide legally required pay and benefits to employees,” (ii) the employer did not
18 “negligently fail to learn about its obligations under the wage and hour laws,” and (iii) the employer’s
19 obligations were “genuinely unclear” because “there is no straight answer to the question.”).

20 In sum when factoring in defenses and risks of ongoing litigation, Plaintiffs estimate the
21 risk-adjusted class recovery as follows:

22	• Labor Code §§ 201 – 203 Claims:	\$109,494
23	• Meal Period Claims:	\$50,242
24	• Rest Break Claims:	\$125,606
25	• Wage Statement Claims:	\$58,437
26	• PAGA Penalties	\$242,500
27	• <u>Total Risk-Adjusted Penalties and Damages:</u>	\$586,279

1 35. Given the realistic value of Plaintiff's claims, the \$500,000 Settlement Amount is an
2 excellent result for the Class considering that the Settlement Amount totals approximately 88% of
3 Plaintiffs' risk-adjusted value of the case. Preliminary approval is appropriate since the Settlement
4 will provide significant monetary relief to the Class.

5 36. The Settlement was the product of extensive arm's length negotiations between
6 counsel and was facilitated by an experienced wage-and-hour class action mediator. Though cordial
7 and professional, the Settlement negotiations were adversarial and non-collusive in nature. The
8 Settlement reached is the product of substantial effort by the Parties and their counsel. Although
9 Plaintiffs and Class Counsel believed that there was a possibility of certifying the claims, they
10 recognized the potential risk, expense, and complexity posed by litigation, such as unfavorable
11 decisions on class certification, summary judgment, at trial and/or on the damages awarded, and/or
12 on an appeal that can take several more years to litigate. In addition, if Defendant prevailed on any
13 of its defenses, the Class Members may not have received any substantial monetary recovery.

14 37. The Settlement will result in a fair payment to each Settlement Class Member based
15 on the number of Compensable Workweeks worked during the Class Period. As set forth
16 hereinabove, Plaintiffs and Class Counsel have diligently investigated the claims and defenses on
17 behalf of the Class Members and worked to achieve a resolution of the claims to maximize the
18 recovery by avoiding further expenditure of attorneys' fees and costs. After evaluating the significant
19 risks attendant with further litigation described above and weighing them against the benefits of a
20 known compromise and settlement as set forth in the Settlement Agreement, settlement on the terms
21 agreed to is believed to be in the best interest of Plaintiffs and the Class and is a fair and reasonable
22 resolution of the claims alleged.

23 38. Plaintiffs' counsel brought to bear a great deal of collective experience in negotiating
24 the settlement of this case. As detailed herein, Plaintiffs' counsel engaged in necessary informal
25 discovery, investigation, data and expert evaluation, making it possible to exercise informed
26 judgment throughout the settlement process, including significant document review (e.g., documents
27 pertaining to Defendant's policies and procedures, personnel documents, wage statements, time
28 records, among others) and conducted an extensive analysis and extrapolation of the sampling of

1 class-wide data provided by Defendant.

2 39. Based on our experience in other cases, including wage and hour matters, I believe
3 Joshua Falakassa and I are qualified to evaluate the class claims and viability of defenses in this
4 class action. In this case, the recovery for each Class Member is reasonable, fair and adequate, and
5 a settlement at this time is in the best interest of the Class. The Settlement provides each Class
6 Member with compensation for the alleged violations when viewed in relation to the costs and risks
7 inherent in obtaining class certification and proceeding to trial.

8 40. Plaintiffs' counsel, as well as Defendant's counsel, fully endorse the terms and
9 conditions of the Settlement as set forth in the abovementioned Settlement Agreement.

10 41. Of course, the Settlement Amount represents a compromise figure, taking into
11 account the various risks surrounding class certification and the merits of Defendant's asserted
12 defenses. Nevertheless, the Settlement provides for fair and adequate payments to the Class
13 Members, with no reversion to Defendant.

14 42. Plaintiffs each seeks a Service Awards in an amount not to exceed \$7,500.00, which
15 we believe is fair and warranted. Plaintiffs agreed to come forward in an effort to effectuate a policy
16 and practice change that benefitted all other Class Members, and to recover unpaid wages and
17 penalties. They assumed significant risk in bringing this litigation, namely, had they lost, they would
18 have been ordered to pay Defendant's costs.

19 43. Plaintiffs provided invaluable assistance to the investigation and prosecution of this
20 case, including providing factual background for the class and PAGA Complaint; reviewing the
21 litigation documents; providing information and documentation about Defendant's policies and
22 practices; participating in phone calls to discuss litigation and settlement strategy; and reviewing the
23 settlement documents. Plaintiffs agreed to participate in this case with no guarantee of personal
24 benefit. Plaintiff's comprehensive declaration setting forth all of the reasons why he believes that
25 the Service Award should be approved has been filed herewith.

26 44. As set forth above, I have handled upwards of 75 class and representative actions,
27 have been appointed as class counsel and have successfully litigated and resolved several class
28 actions, and many others remain pending.

1 45. When this case was taken on a contingency fee basis, with our firms agreeing to
2 assume responsibility for all litigation costs, the ultimate result was far from certain. In the course
3 of this litigation, we paid all costs including the filing fees, court costs, research/database fees,
4 mediation costs, and expert costs. There was never a guarantee that our firms would recoup these
5 expenditures.

6 46. It is our experience that attorneys' fee awards of one-third of a common fund
7 settlement are the standard in California. Defendant does not oppose this fee request. The fee is
8 further warranted because it is within the range of reasonableness typically awarded in class actions.
9 Our firm's costs will not exceed \$20,000 and will be based on the actual amount incurred at the time
10 of final approval.

11 47. Subject to the Court's approval, the parties stipulated to Simpluris to serve as the
12 Settlement Administrator. Simpluris is experienced in administering class action settlements and
13 will no more than \$5,000.00 to administer this class action Settlement.

14 48. Plaintiffs have concurrently submitted the Settlement to the LWDA in accordance
15 with Labor Code Section 2699(1)(2). The proof of submission is attached hereto as **Exhibit "C"**.

16 49. For the foregoing reasons, it is respectfully requested that the Court grant preliminary
17 approval of the Settlement as being fair, reasonable, and in the best interests of the Class, as well as
18 preliminarily approve the requested attorneys' fees and costs, and service award to the Class
19 Representative.

20 50. The proposed Notice Packet and proposed plan for the Settlement Administrator to
21 mail the Notice Packet to the last known address of all Class Members complies with all the
22 requirements of California Rule of Court 3.79(f) and 3.766(b). The contents of the proposed Notice
23 Packet include (1) the material terms of the Settlement; (2) the proposed attorneys' fees and costs
24 and the Settlement Administration Costs; (3) details about the final fairness hearing and how Class
25 Members may elect to exclude themselves or make an objection; and (4) how Class Members can
26 obtain additional information.

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I declare under penalty of perjury under the laws of the state of California that the foregoing is true and correct on this 19th day of July 2021, at Los Angeles, California.

By: _____
Mehrdad Bokhour, Esq.

EXHIBIT “A”

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND
RELEASE OF CLAIMS

This Class Action and PAGA Settlement Agreement and Release of Claims is entered into by and between Plaintiffs Oscar Estrada and Pablo Calderon, individually and on behalf of all others similarly situated, and Defendant HHM Facility Management, LLC, and is approved by their respective counsel of record, subject to the terms and conditions hereof and the Court's approval.

A. Definitions

1. "Action" or "Lawsuit" means and refers to the cases entitled *Oscar Estrada v. HHM Facility Management, LLC*, Alameda County Superior Court Case No. RG20078429; and *Pablo Calderon v. HHM Facility Management, LLC*, Orange County Superior Court, Case No. 30-2020-01158108-CU-OE-CXC, which the parties will seek to consolidate into one action pending in the Alameda County Superior Court.

2. "Aggrieved Employees" include all persons who are or were previously employed by Defendant in California classified as a non-exempt employee, and those persons who claim they were misclassified as exempt employees by Defendant, from October 19, 2019, through August 1, 2021.

3. "Agreement," "Settlement Agreement," "Settlement," or "Stipulation" shall mean this Class Action Settlement Agreement and Release of Claims, including any attached Exhibits.

4. "Class Claims will include all claims that were pled in the operative First Amended Complaint or that could have been pled based on the facts alleged therein, including claims for unpaid wages (including failure to pay full, regular, and overtime wages and minimum wages), meal and rest break violations, failure to timely pay final wages, failure to pay split shift premium wages, failure to provide accurate itemized wage statements, failure to itemize sick leave on wage statements, failure to reimburse necessary business expenses, unfair and unlawful business practices, misclassification of employment, and failure to provide one day of rest in seven.

5. “Class Counsel” refers to Mehrdad Bokhour of Bokhour Law Group, P.C., Joshua Falakassa of Falakassa Law, P.C., and Marcus J. Bradley of Bradley/Grombacher LLP.

6. “Class Data” means a complete list that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator on one spreadsheet and shall include the Settlement Class Members’ full names; last known addresses; telephone numbers; Social Security Numbers; and dates of employment and/or number of Workweeks Worked as non-exempt employees of Defendant during the Class Period and the PAGA Period for each Settlement Class Member.

7. “Class Period” and “Class Release Period” shall mean October 19, 2016, through August 1, 2021.

8. “Class Representatives” or “Plaintiffs” means and refers to Oscar Estrada and Pablo Calderon.

9. “Complaint” refers to the First Amended Complaint to be filed in the Alameda County Superior Court action entitled *Estrada et al. v. HHM Facility Management, LLC*, Case No. RG20078429, and that will include all non-duplicative claims pled in *Pablo Calderon v. HHM Facility Management, LLC*, Orange County Superior Court, Case No. 30-2020-01158108-CU-OE-CXC, will add Pablo Calderon as a named class representative and will remove Julius Leonard as a Plaintiff.

10. “Court” means the California Superior Court, County of Alameda or any Court of competent jurisdiction.

11. “Defendant” means and refers to HHM Facility Management, LLC.

12. “Defendant’s Counsel” or “Defense Counsel” means and refers to David A. Wimmer and Lori Yankelevits of Swerdlow Florence Sanchez Swerdlow & Wimmer, a Law Corporation.

13. “Effective Date” means the latest of the following dates: sixty-one (61) calendar days following the date the Court enters an order granting final approval of the Settlement, assuming no appeal is filed; or if a timely appeal is filed, the date of final resolution of that appeal (including any requests for rehearing and/or petitions for *certiorari*), resulting in final

1 judicial approval of the Settlement.

2 14. "Final" means that the Settlement has been granted "Final Approval" by the
3 Court and the "Effective Date" has occurred.

4 15. "Final Approval" refers to the order of the Court granting final approval of this
5 Settlement Agreement and entering a judgment approving this Settlement on substantially the
6 same terms provided herein or as may be modified by subsequent agreement of the Parties or
7 order of the Court.

8 16. "Final Settlement Class" means, collectively, all Participating Class Members
9 and all Aggrieved Employees.

10 17. "Individual Settlement Amount" shall have the meaning ascribed to it in
11 Paragraph 50(d) below.

12 18. "Net Settlement Amount" shall have the meaning ascribed to it in Paragraph
13 50(c) below.

14 19. "Notice" means the notice of settlement of class action and PAGA Settlement
15 that will be sent to the Settlement Class Members.

16 20. "Notice Response Deadline" is 45 calendar days from the date the Notice is
17 mailed to the Settlement Class Members.

18 21. "Objecting Settlement Class Member" means a Settlement Class Member, other
19 than Plaintiffs, who submits a valid and timely objection to the terms of this Agreement with
20 respect to the Class Claims pursuant to Paragraph 73(a) below.

21 22. "PAGA" shall refer to the California Labor Code Private Attorneys General Act
22 of 2004, California Labor Code Sections 2698-2699.5.

23 23. "PAGA Claims" shall include any and all claims for civil penalties pursuant to
24 PAGA based on the allegations in the Complaint and/or the PAGA Notices, whether expressly
25 asserted in the Complaint, or arising from, or derivative of, the claims or allegations asserted in
26 the Complaint, broadly construed, including, but not limited to, claims for civil penalties based
27 on or arising from alleged violation by any Released Parties based on or arising from alleged
28 violations of California Labor Code Sections 201-204, 210, 218.5, 225.5, 226a, 226.3, 226.7,

1 510, 512, 551, 552, 558, 1174, 1197, 1197.1, 1199, 2678, *et seq.*

2 24. "PAGA Notices" shall refer to the notice sent by Plaintiff Estrada, by and
3 through counsel, on or about October 16, 2020, and the notice sent by Plaintiff Calderon on or
4 about August 31, 2020, to the LWDA and to Defendant, alleging that Defendant engaged in
5 violations of the California Labor Code and California Wage Orders.

6 25. "PAGA Period" and "PAGA Release Period" shall mean October 19, 2019,
7 through August 1, 2021, or the Preliminary Approval Date, whichever occurs first.

8 26. "Participating Class Member" means any and all Settlement Class Members who
9 are deemed to participate and receive an Individual Settlement Amount for the Class Claims and
10 who do not opt-out of the settlement of the Class Claims by submitting timely valid Requests
11 for Exclusion.

12 27. "Parties" or "Settling Parties" mean Plaintiffs, the Settlement Class Members,
13 the Aggrieved Employees, and Defendant, collectively.

14 28. "Preliminary Approval Date" means the date the Court preliminarily approves
15 the Settlement Agreement, and the exhibits thereto, and enters the Preliminary Approval Order.

16 29. "Preliminary Approval Order" means the judicial Order to be entered by the
17 Court, upon the application or motion of the Plaintiffs, preliminarily approving this Settlement
18 and providing for the issuance of the Notice to the Settlement Class Members, an opportunity to
19 opt out of settlement of the Class Claims , an opportunity to submit timely objections to the
20 terms of this Settlement related to the Class Claims, and setting a hearing on the fairness of the
21 terms of Settlement, including approval of attorneys' fees and costs. Defendant will not object
22 to Plaintiffs' motion for preliminary approval as long as it comports with the terms of this
23 Agreement.

24 30. "QSF" means the Qualified Settlement Fund set up by the Settlement
25 Administrator for the benefit of the Final Settlement Class, and from which the settlement
26 payments shall be made, and which is intended to be a fund that qualifies under Internal
27 Revenue Code Section 468.

1 31. “Release” shall mean the release and discharge of the Class Claims by Plaintiffs
2 and all of the Participating Class Members and the release and discharge of the PAGA Claims
3 by Plaintiffs and all of the Aggrieved Employees.

4 32. “Released Parties” shall refer to Defendant, its divisions, subsidiaries,
5 partnerships, parents, affiliated corporations, trusts, or other related entities, past and present,
6 and each of them, as well as its and their directors, officers, shareholders, partners, members,
7 representatives, executors, trustees, administrators, beneficiaries, assignees, successors, business
8 managers, agents, contractors, insurers, attorneys, and employees, past and present, and each of
9 them and their marital community.

10 33. “Request for Exclusion” shall have the meaning ascribed to it in Paragraph 73a
11 below.

12 34. “Service Payment” or “Service Award” means the amount approved by the Court
13 to be paid to the Class Representatives in addition to their Individual Settlement Amount as a
14 Participating Class Member.

15 35. “Settlement Administration Costs” means the costs payable from the Settlement
16 Amount to the Settlement Administrator for administering this Settlement, including, but not
17 limited to, printing, distributing, and tracking documents for this Settlement, translating the
18 class notice into Spanish, tax reporting, unclaimed property due diligence, reporting and
19 remittance obligations, distributing the Settlement Amount, and providing necessary reports and
20 declarations, as requested by the Parties. The Settlement Administration Costs shall be paid
21 from the Settlement Amount.

22 36. Settlement Administrator” means and refers to Simpluris agreed to by the
23 Parties, that will provide the Notice to the Class Members and distribute the settlement amounts
24 as described in this Agreement.

25 37. “Settlement Amount” or “Gross Settlement Amount” shall have the meaning
26 ascribed to it in Paragraph 49(a) below.

27 38. “Settlement Class Member” or “Class Member” refers to individual members of
28 the Settlement Class.

1 39. “Settlement Class” and “Settlement Class Members” refers to all persons who
2 are or were previously employed by Defendant in California classified as a non-exempt
3 employee during the Class Period. There also shall be a sub-class of Settlement Class Members
4 comprised of those Settlement Class Members who held the position of “Route Supervisor” and
5 who had been classified as an exempt employee, as alleged in *Calderon* action.

6 40. “Workweeks Worked” for each Settlement Class Member and Aggrieved
7 Employee means any workweek during the Class Period and/or the PAGA Period, as
8 applicable, in which the Settlement Class Member and/or Aggrieved Employee was employed
9 by Defendant as a non-exempt employee or allegedly improperly classified by Defendant as an
10 exempt employee in California and worked at least one shift during the workweek.

11 **B. General Terms**

12 41. On or about October 19, 2020, Plaintiffs Oscar Estrada and Julius Leonard filed a
13 class and PAGA representative action complaint in the Court against Defendant, including
14 allegations of: (1) meal period violations, (2) rest period violations, (3) failure to pay split shift
15 premiums, (4) waiting time penalties, (5) wage statement violations, (6), failure to indemnify all
16 necessary business expenditures (7) unfair competition, and (8) PAGA penalties based on the
17 foregoing Labor Code violations. On or about August 31, 2020, Plaintiff Pablo Calderon filed a
18 class action complaint in the Orange County Superior Court against Defendant, including
19 allegations of: (1) unlawful misclassification of non-exempt employees as exempt employees,
20 (2) meal period violations, (2) rest period violations, (3) failure to pay split shift premiums, (4)
21 waiting time penalties, (5) wage statement violations, (6), failure to indemnify all necessary
22 business expenditures (7) failure to provide one day of rest in seven, and (8) unfair competition.
23 The *Calderon* complaint was subsequently amended to include a claim for PAGA penalties
24 based on the foregoing Labor Code violations. On or about June 30, 2021, Plaintiffs will file a
25 First Amended Consolidated Class and PAGA Representative Action Complaint that will seek
26 to include all non-duplicative claims pled in *Calderon* action and will add Pablo Calderon as a
27 named class representative and remove Julius Leonard as a named class representative.
28

1 42. Defendant denies Plaintiffs' claims and allegations and contend that the Action is
2 not suitable for class certification and/or representative treatment.

3 43. The Class Representatives believe they can proceed with their representative and
4 class claims, that the Action is meritorious, and that class certification is appropriate.

5 44. The Parties have conducted a thorough investigation into the facts of the Action.
6 This includes conducting extensive exchange of informal discovery, including Defendant's
7 written policies and practices and the production of payroll and timekeeping records for
8 Settlement Class Members and Aggrieved Employees. Class Counsel is both knowledgeable
9 about and has done extensive research with respect to the applicable law and potential defenses
10 to the claims of the Settlement Class Members and Aggrieved Employees. Class Counsel has
11 diligently pursued an investigation of the Class Members' claims against Defendant. Based on
12 the foregoing data and on their own independent investigation and evaluation, Class Counsel is
13 of the opinion that the settlement with Defendant for the consideration and on the terms set forth
14 in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the
15 Settlement Class Members and Aggrieved Employees in light of all known facts and
16 circumstances, including the risk of significant delay and uncertainty associated with litigation,
17 various defenses asserted by Defendant, and numerous potential appellate issues.

18 45. On June 1, 2021, the Parties participated in mediation before Lynn Frank, Esq., a
19 highly experienced class action mediator. After a full-day mediation and the issuance of a
20 mediator's proposal, the Parties reached a settlement.

21 46. The Parties agree that neither the Parties' Settlement, this Agreement, nor the
22 acts to be performed or judgments to be entered pursuant to the terms of the Settlement and
23 Agreement, shall be construed as an admission by Defendant of any wrongdoing or violation of
24 any statute or law or liability on the claims or allegations in the Action.

25 47. Stipulation for Class Certification and Representative Treatment. For settlement
26 purposes only, Defendant will stipulate that the Settlement Class Members described herein
27 who do not Request Exclusion from the Settlement Class may be conditionally certified as a
28 settlement class and that the Aggrieved Employees are appropriate for representative treatment

1 for purposes of settlement. This stipulation to certification and representative treatment is in no
2 way an admission that class action certification and/or representative treatment is proper and
3 shall not be admissible in this or in any other action except for the sole purposes of enforcing
4 this Agreement. Should, for whatever reason, the Court fail to issue Final Approval, the Parties'
5 stipulation to class certification and representative treatment as part of the Settlement shall
6 become null and void *ab initio* and shall have no bearing on and shall not be admissible in
7 connection with the issue of whether or not class certification and/or representative treatment
8 would be appropriate in a non-settlement context. Defendant expressly reserves its rights and
9 declares that it will continue to oppose class certification, representative treatment, and the
10 substantive merits of the case should the Court fail to issue Final Approval. Plaintiffs expressly
11 reserve their rights and declare that they will continue to pursue class certification and
12 representative treatment and a trial should the Court fail to issue Final Approval.

13 **C. Terms of Settlement**

14 48. The financial terms of the Settlement are as follows:

15 (a) Gross Settlement Amount: The Parties agree to settle this Action for Five
16 Hundred Thousand Dollars (\$500,000) ("the Settlement Amount"). The Settlement Amount is
17 the maximum amount that will be paid by Defendant, and includes Individual Settlement
18 Amounts, attorneys' fees of Class Counsel, costs and expenses, the Service Payment to the
19 Class Representatives, all Settlement Administration Costs, and payment to the Labor
20 Workforce Development Agency (LWDA) for PAGA penalties. Defendant shall separately pay
21 the employers' share of applicable payroll taxes.

22 (b) The Settlement is based on Defendant's representation that there are
23 approximately 7,000 Workweeks Worked included in the Class Period. In the event that the
24 actual number of workweeks worked by all Settlement Class Members during this period
25 increases by 10% or more, then Defendant shall increase the QSF on a proportional basis in
26 excess of 10 percent (i.e., if there were an eleven percent (11%) increase in the number of
27 workweeks, then Defendant will increase the QSF by one percent (1%)).
28

1 (c) Net Settlement Amount: The “Net Settlement Amount” is defined as the
2 Settlement Amount less attorneys’ fees and litigation costs as approved and awarded by the
3 Court, the Service Payment to the Class Representatives as approved and awarded by the Court,
4 the Settlement Administration Costs, as approved and awarded by the Court, and the Fifty
5 Thousand Dollars (\$50,000.00) allocated to payment for PAGA penalties as described in
6 paragraph 44 below. In the event that the Court reduces the attorneys’ fees and litigation costs
7 or, Service Awards, Settlement Administration Costs, or either increases or decreases the
8 amount allocated to PAGA penalties, the Net Settlement Sum shall be increased or decreased
9 accordingly.

10 (d) Individual Settlement Amounts for the Settlement Class: The Settlement
11 Administrator will use the Class Data provided by Defendant to calculate each Participating
12 Class Member’s and Aggrieved Employee’s Individual Settlement Amounts based on the
13 following formula:

14 i. PAGA Amount: \$50,000 of the Gross Settlement Amount has been
15 designated to the PAGA claims. Twenty-five percent (25%) of the \$50,000, or \$12,500, shall
16 be paid out to Aggrieved Employees. Each Aggrieved Employee shall receive a portion of the
17 \$12,500 proportionate to the number of Workweeks Worked by the Aggrieved Employees
18 during the PAGA Period compared to the total number of Workweeks Worked by all Aggrieved
19 Employees during the PAGA Period. Aggrieved Employees shall have their settlement amount
20 for the Released PAGA claims paid one hundred percent (100%) as civil penalties for which no
21 taxes will be withheld and for which a Form 1099 will be issued by the Settlement
22 Administrator.

23 ii. Class Amount: The Net Settlement Amount shall be allocated to each
24 Participating Class Member based on his or her proportionate Workweeks Worked during the
25 Class Period. This is determined by multiplying the Net Settlement Amount by a fraction, the
26 numerator which is the Participating Class Member’s total Workweeks Worked during the Class
27 Period, and the denominator of which is the total Workweeks Worked by all Participating Class
28 Members during the Class Period. Workweeks Worked by Route Supervisors will count as 1.5

workweeks. Each Settlement Class Member's respective designation and calculation of total pay periods worked and estimated, pre-tax share of the Net Settlement Amount shall be identified in the Notice. If there are any timely submitted Requests for Exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Amounts for each Participating Class Member so that the amount actually distributed to Participating Class Members equals 100% of the Net Settlement Amount allocated toward Released Class Claims.

(e) Allocation of Individual Settlement Amounts: The Individual Settlement Amounts will be allocated for tax purposes based on the allegations in the Action as follows: twenty (20%) percent will be paid as wages subject to withholding of all applicable local, state, and federal taxes; and eighty percent (80%) will be paid as interest and as civil penalties (pursuant to, e.g., California Labor Code sections 203, 226) from which no taxes will be withheld. The Settlement Administrator will issue to each Participating Class Member an Internal Revenue Service Form W-2 and comparable state forms with respect to the wage allocation and a Form 1099 with respect to the civil penalties and interest allocations.

(f) Service Payment to Class Representatives: The amount awarded to the Class Representatives as a Service Payment will be set by the Court in its discretion, not to exceed \$7,500 each, if both Class Representatives do not opt-out of the Settlement as to the Class Claims, and do not take any action, directly or indirectly, to undercut this settlement. Defendant agrees not to oppose this request. The Service Payment to Class Representatives will be paid out of the Gross Settlement Amount. The Class Representatives will be issued IRS Form 1099 in connection with this payment. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on this payment. The Parties agree that any amount awarded by the Court as the Service Payment to Plaintiffs less than the requested amount shall not be a basis for Plaintiffs or Class Counsel to void this Stipulation. Should the Court approve a lesser amount for the Service Payment, the difference shall be added to the Net Settlement Amount to be distributed to the Participating Class Members and/or Aggrieved Employees. In the event of any appeal of the amount of the service awards (if any) approved by the Court, if, after the exhaustion of any such appellate review, additional amounts not awarded to Class

Representatives shall be added to the Net Settlement Amount to be distributed to the Participating Class Members and/or Aggrieved Employees.

(g) Attorneys' Fees and Costs: Defendant agrees to not oppose a request by Class Counsel to the Court for an award of attorneys' fees of one-third (33.33%) of the Settlement Amount, plus reasonable litigation costs not to exceed \$20,000 ("Attorney's Fees and Cost Award"). For purposes of this Settlement, Defendant agrees not to oppose any contention by Class Counsel that attorneys' fees should be based on the common fund theory. The Attorney's Fee and Cost Award shall be paid from the Gross Settlement Amount, and except for this award, Defendant shall have no further obligation to pay any attorneys' fees, costs or expenses to Class Counsel. Should the Court approve a lesser amount than what is sought by Class Counsel, the difference shall be added to the Net Settlement Amount to be distributed to the Participating Class Members. Any Court order awarding less than the amount sought by Class Counsel shall not be grounds to rescind the Settlement Agreement or otherwise void the Settlement. In the event of any appeal of the amount of the awards of attorneys' fees and costs (if any) approved by the Court, final funding and administration of the portion of the attorneys' fees and/or costs award in dispute will be segregated and stayed pending the exhaustion of appellate review. If, after the exhaustion of any such appellate review, additional amounts not awarded to as attorneys' fees and costs shall be added to the Net Settlement Amount to be distributed to the Participating Class Members and/or Aggrieved Employees. The Settlement Administrator shall issue to Class Counsel an IRS Form 1099 reflecting the amount of attorneys' fees and costs awarded by the Court. Class Counsel agrees that any allocation of fees between or among Class Counsel and any other attorney representing or claiming to represent the Class Members shall be the sole responsibility of Class Counsel.

(h) Settlement Administration Costs: The fees and other charges of the Settlement Administrator will be paid from the Gross Settlement Amount, not to exceed \$5,000 subject to Court approval, unless approved by all Parties and the Court.

(i) PAGA Penalties: The Parties agree that \$50,000 is allocated to PAGA Penalties and is to be paid from the Gross Settlement Amount, subject to Court approval. Of this amount,

1 \$37,500 (75%) shall be paid to the LWDA in satisfaction of Plaintiffs' claims for civil penalties
2 under the Private Attorney General Act of 2004 ("PAGA") and \$12,500 (25%) will be included
3 in the Individual Settlement Amounts, payable to the Aggrieved Employees as set forth in
4 Paragraph 49(d).

5 (j) Tax Liability: Class Counsel, Defendant and Defendant's Counsel make no
6 representations as to the tax treatment or legal effect of Settlement Amounts called for
7 hereunder, and Plaintiffs and the Settlement Class Members are not relying on any statement or
8 representation by Class Counsel, Defendant, or Defendant's Counsel in this regard. Plaintiffs
9 and Final Settlement Class Members understand and agree that they will be solely responsible
10 for the payment of any taxes and penalties assessed on their respective Settlement Amounts
11 described herein. Income tax withholding will also be made pursuant to applicable federal, state
12 and/or local withholding codes or regulations. Forms W-2 and/or Forms 1099 will be distributed
13 at times and in the manner required by the Internal Revenue Code of 1986 (the "Code") and
14 consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other
15 applicable tax law, are changed after the date of this Agreement, the processes set forth in this
16 Section may be modified in a manner to bring Defendant into compliance with any such
17 changes.

18 (k) CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS AGREEMENT
19 (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH
20 PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN
21 "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF
22 THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE
23 BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER
24 ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH
25 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
26 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
27 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
28 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS

OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

49. "Non-Reversionary" Settlement. This is a "non-reversionary" settlement. Under no circumstances will any portion of the Settlement Amount revert to Defendant. Final Settlement Class Members will not have to make a claim in order to receive an Individual Settlement Amount. Distributions, in the form of Individual Settlement Amounts, will be made directly to each Final Settlement Class Member. The Settlement Administrator shall be responsible for accurately and timely reporting any remittance obligations with respect to unclaimed funds as a result of a Final Settlement Class Member not cashing an Individual Settlement Amount by the check cashing deadline, as set forth herein.

50. Class Counsel and Plaintiffs believe that the Settlement is fair and reasonable, and adequate, and will so represent same to the Court.

D. Release by Plaintiffs and the Final Settlement Class

51. Upon the Effective Date of this Settlement, Plaintiffs and each Participating Class Member, for themselves and for their respective spouses, domestic partners, marital community, children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, assigns, and

representatives, will forever completely release and discharge the Released Parties from the Released Class Claims for the Class Release Period.

52. Each Participating Class Member will be deemed to have made the foregoing Release as if by manually signing it.

53. Upon the Effective Date of this Settlement, Plaintiffs, the LWDA, and each Aggrieved Employee, for themselves and for their respective spouses, domestic partners, marital community, children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, assigns, and representatives, will forever completely release and discharge the Released Parties from the Released PAGA Claims for the PAGA Release Period.

54. Each Aggrieved Employee and the LWDA will be deemed to have made the foregoing Release as if by manually signing it.

55. Plaintiffs and Defendant intend that the Settlement described in this Agreement will release and preclude any further claim, whether by lawsuit, administrative claim or action, arbitration, demand, or other action of any kind, by each and all of the Participating Class Members to obtain a recovery based on, arising out of, and/or related to any and all of the Released Class Claims. The Settlement Class Members shall be so notified in the Notice. This paragraph does not apply to any Settlement Class Member who timely and validly opts out of the Settlement.

56. Plaintiffs and Defendant intend that the Settlement described in this Agreement will release and preclude any further claim, whether by lawsuit, administrative claim or action, arbitration, demand, or other action of any kind, by each and all of the Aggrieved Employees and the LWDA to obtain a recovery based on, arising out of, and/or related to any and all of the Released PAGA Claims. The Aggrieved Employees and the LWDA shall be so notified in the Notice.

57. Class Representatives, on behalf of themselves and the Participating Settlement Class Members, acknowledge and agree that the claims for unpaid wages and unreimbursed expenses in the Action, misclassification claims, and untimely payment of wages in the Action,

are disputed, and that the payments set forth herein constitute payment of all sums allegedly due to them. Class Representatives, on behalf of themselves and the Participating Settlement Class Members, acknowledge and agree that California Labor Code Section 206.5 is not applicable to the Parties hereto. Section 206.5 provides in pertinent part as follows:

An employer shall not require the execution of any release of any claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made.

E. Release by Class Representatives

58. As a material inducement to Defendant to enter into this Settlement Agreement, in addition to the Class Representatives' release of the Released Class Claims and Released PAGA Claims, as discussed in Paragraphs 52 and 54 above, Class Representatives do hereby, for themselves and for their respective spouses, domestic partners, marital community, children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, assigns, and representatives, forever completely release and discharge the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, contracts, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including for back wages, statutory penalties, civil penalties, liquidated damages, exemplary damages, interest, attorneys' fees, and costs) of any nature whatsoever, from the beginning of time through the execution of this Stipulation, whether known or unknown, suspected or unsuspected, concealed or hidden, including but not limited to all claims arising out of, based upon, or relating to Class Representatives' employment with Defendant or the remuneration for or termination of such employment (collectively, the "Class Representatives' Claims").

59. Without limiting the generality of the foregoing, Class Representatives also expressly release all claims or rights against Released Parties arising out of or relating to alleged violations of any contracts, express or implied (including but not limited to any contract of employment); any contract or covenant of good faith and fair dealing (express or implied); any tort, including but not limited to, negligence, fraud, misrepresentation and violation of

California Labor Code section 970, negligent infliction of emotional distress, intentional infliction of emotional distress, defamation, “retaliation” claims and claims for violation of public policy, any claim for improper or unauthorized wage deductions, failure to pay the applicable wage, unpaid wages, unpaid vacation benefits, penalties, liquidated damages, other damages, overtime, and alleged “off the clock” work under federal and state law, including, but not limited to, California Labor Code Sections 204 and 558, waiting time penalties pursuant to California Labor Section 203, damages or penalties pursuant to California Labor Code Section 226, meal period and rest break payments and penalties pursuant to California Labor Code Sections 226.7 and 512, failure to provide itemized wage statements pursuant to California Labor Code Section 226, statutory or civil penalties pursuant to California Labor Code Sections 210, failure to indemnify for business expenses pursuant to Labor Code section 2802, failure to provide one day of rest in seven pursuant to California Labor Code Sections 551 and 552, unfair competition and unfair business practices pursuant to Business and Professions Code Section 17200 et seq., interest and costs pursuant to California Civil Code Section 3287 and California Labor Code Section 218.6, statutory or common law rights to attorneys’ fees and costs, including those pursuant to California Labor Code Section 1194 *et seq.*; claims under the Private Attorneys General Act of 2004, Labor Code section 2699 *et seq.*, and the alleged violation or breach of any other state or federal statute, rule and or regulation; including all applicable Industrial Welfare Commission Wage Orders, and all similar causes of action, including but not limited to, any claim for restitution, equitable relief, interest, penalties, costs or attorneys’ fees in connection with any of the foregoing, negligent infliction of emotional distress, intentional infliction of emotional distress, and defamation; any “wrongful discharge,” “constructive discharge,” and “retaliation” claims; any claims relating to any breach of public policy; any legal restrictions on Defendant’s right to discharge employees; and any federal, state, or other governmental statute, regulation, or ordinance, including, without limitation: (1) Title VII of the Civil Rights Act of 1964 (race, color, religion, sex, and national origin discrimination or harassment, including retaliation for reporting discrimination or harassment); (2) 42 U.S.C. § 1981 (discrimination); (3) Equal Pay Act, 29 U.S.C. § 209(d)(1) and California

1 Labor Code 1197.5 (equal pay); (4) Americans with Disabilities Act, 42 U.S.C. § 12100 et seq.
2 (disability discrimination); (5) Family and Medical Leave Act, 29 U.S.C. § 2601 et
3 seq. (family/medical leave); (6) California Fair Employment and Housing Act, Cal. Government
4 Code § 12900 et seq. (discrimination or harassment in employment and/or housing, including
5 discrimination or harassment based on race, religious creed, color, national origin, ancestry,
6 disability, marital status, sex (including pregnancy), or age, including retaliation for reporting
7 discrimination or harassment); (7) California Family Rights Act, Cal. Government Code §
8 12945.1 et seq. (family/medical leave); (8) California Labor Code, including Section 1720 et
9 seq., or any Industrial Welfare Commission Wage Order; (9) Executive Order 11246 (race,
10 color, religion, sex, and national origin discrimination or harassment); (10) Executive Order
11 11141 (age discrimination); (11) Sections 503 and 504 of the Rehabilitation Act of 1973
12 (handicap discrimination); (12) the Fair Labor Standards Act; (13) Employee Retirement
13 Income Security Act, 29 U.S.C. § 1000 et seq. (employee benefits); (14) the California Civil
14 Code; (15) the California Labor Code; (16) the California Constitution; (17) the National Labor
15 Relations Act; and (18) any other federal, state, or local statute or legislation.

16 60. Class Representatives expressly waive and relinquish all rights and benefits
17 afforded by Section 1542 of the Civil Code of the State of California and do so understanding
18 and acknowledging the significance of the waiver of Section 1542. Section 1542 of the Civil
19 Code of the State of California states:

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

26 Notwithstanding the provisions of Section 1542, and for the purpose of implementing a
27 full and complete release and discharge of all parties, Class Representatives and Class Counsel
28 expressly acknowledge that this Settlement Agreement is intended to include in its effect,

without limitation, all claims that Class Representatives knew of, as well as all claims that they do not know or suspect to exist in their favor against the Released Parties, or any of them, for the time period from the beginning of time to the execution of this Settlement Agreement, and that this Settlement Agreement contemplates the extinguishment of any such Class Representatives' claims.

F. Interim Stay of Proceedings

61. Pending completion of all of the prerequisites necessary to effectuate this Settlement, the Parties agree, subject to Court approval, to a stay of all proceedings in the Action except such as are necessary to effectuate the Settlement, including amending the operative complaint.

G. Notice Process

62. Appointment of Settlement Administrator. The Parties have agreed to the appointment of the Settlement Administrator to perform the duties of a settlement administrator, including mailing the Notice, using standard devices to obtain forwarding addresses, independently reviewing and verifying documentation associated with any claims or opt-out requests, resolving any disputes regarding the calculation or application of the formula for determining the Individual Settlement Amounts, drafting and mailing the settlement checks to Final Settlement Class Members, issuing W-2 and 1099 Tax Forms, reporting to taxing authorities, unclaimed funds due diligence, reporting and remittance obligations, and performing such other tasks as set forth herein or as the Parties mutually agree or that the Court orders.

63. Disputes Regarding Settlement Administration. Any and all disputes relating to administration of the Settlement by the Settlement Administrator (except for disputes regarding Class Data) shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Settlement Agreement, until Plaintiffs and Defendant notify the Court that all payments and obligations contemplated by this Settlement Agreement have been fully carried out. Prior to presenting any issue to the Court, counsel for the Parties will confer in good faith to resolve the dispute without the necessity of Court intervention. The

1 Settlement Administrator shall also be responsible for issuing to Plaintiffs, Final Settlement
2 Class Members, and Class Counsel any W-2, 1099, or other Tax Forms as may be required by
3 law for all amounts paid pursuant to this Agreement. The Settlement Administrator shall also
4 be responsible for setting up all necessary tax accounts and forwarding all payroll taxes and
5 penalties to the appropriate government authorities.

6 64. Class Data. Within fifteen (15) days after entry of the Preliminary Approval
7 Order, Defendant shall provide the Class Data to the Settlement Administrator. The Settlement
8 Administrator will run a check of the Class Members' addresses against those on file with the
9 U.S. Postal Service's National Change of Address List. The Class Data provided to the
10 Settlement Administrator will not be provided to Class Counsel and it will remain confidential,
11 it shall be used solely to administer the Settlement, and it will not be used or disclosed to
12 anyone, except as required by applicable tax authorities, pursuant to Defendant's express
13 written consent, or by order of the Court. The Claims Administrator will be required to sign
14 and provide to Defendant a Certification Regarding Confidential Discovery Materials and to be
15 bound by a Stipulated Protective Order as entered by the Court.

16 65. Notice. The Notice, as approved by the Court, shall be sent by the Settlement
17 Administrator to the Settlement Class Members, by first class mail, in English and Spanish,
18 within ten (10) calendar days following the Settlement Administrator's receipt of the Class
19 Data. The Settlement Administrator shall use standard devices, including a skip trace, to obtain
20 forwarding addresses of Settlement Class Members if any envelopes are returned.

21 66. Returned Notices. The Settlement Administrator will take steps to ensure that
22 the Notice is received by all Settlement Class Members, including utilization of the National
23 Change of Address Database maintained by the United States Postal Service to review the
24 accuracy of and, if possible, update a mailing address. Notices will be re-mailed to any
25 Settlement Class Member for whom an updated address is located within ten (10) calendar days
26 following both the Settlement Administrator learning of the failed mailing and its receipt of the
27 updated address. The Notice shall be identical to the original Notice, except that it shall notify
28 the Settlement Class Member that the exclusion (opt-out) request or objection must be returned

1 by the later of the Notice Response Deadline or fifteen (15) days after the remailing of the
2 Notice.

3 67. Presumption Regarding Receipt of Notice. It will be conclusively presumed that
4 if an envelope has not been returned within thirty (30) days of the mailing that the Settlement
5 Class Member received the Notice.

6 68. Disputes Regarding Class Data. Settlement Class Members are deemed to
7 participate in the Settlement, unless they opt-out. The Notice will inform Settlement Class
8 Members of his/her estimated Individual Settlement Amount and the number of Weeks Worked
9 during the Class Period and during the PAGA Period. Settlement Class Members may dispute
10 their Weeks Worked if they feel they were employed more workweeks in the Class Period in
11 California than Defendant's records show by timely submitting evidence to the Settlement
12 Administrator. Defendant's records will be presumed determinative absent reliable evidence to
13 rebut Defendant's records, but the Settlement Administrator will evaluate the evidence
14 submitted by the Settlement Class Member and provide the evidence submitted to Class
15 Counsel and Defense Counsel who agree to meet and confer in good faith about the evidence to
16 determine the Class Member's actual number of Workweeks Worked and estimated Individual
17 Settlement Amount. If Class Counsel and Defense Counsel are unable to agree, they agree to
18 submit the dispute to the Settlement Administrator to render a final decision. Settlement Class
19 Members will have until the Notice Response Deadline to dispute Workweeks Worked, object
20 or opt out, unless extended by the Court. In the event that the Settlement Administrator
21 increases the number of Workweeks Worked for any Settlement Class Member, then the
22 Settlement Administrator will recalculate the Participating Class Members' Individual
23 Settlement Amounts; accordingly, in no event will Defendant be required to increase the Gross
24 Settlement Amount.

25 69. Declaration of Due Diligence. The Settlement Administrator shall provide
26 counsel for the Parties, at least twenty-five (25) days prior to the final approval hearing, a
27 declaration of due diligence and proof of mailing with regard to the mailing of the Notice.
28

1 70. Settlement Class Members' Rights. Each Settlement Class Member will be fully
2 advised of the Settlement, the ability to object to the provisions in the Settlement related to the
3 Class Claims, and the ability to opt-out or request exclusion from the Class Claims provisions of
4 the Settlement. The Notice will inform the Settlement Class Members of the Court-established
5 deadlines for filing objections or requesting exclusion from the Class Claims provisions of the
6 Settlement in accordance with the following guidelines:

7 (a) Requests for Exclusion from Participating Settlement Class. Any
8 Settlement Class Member, other than Plaintiff, may request to be excluded from the
9 Participating Settlement Class by submitting a "Request for Exclusion" to the Settlement
10 Administrator, postmarked on or before the Notice Response Deadline. The Request for
11 Exclusion should state:

12 "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS
13 IN THE ESTRADA ET AL. V. HHM FACILITY MANAGEMENT
14 LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE
15 EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT
16 RECEIVE ANY MONEY FROM THE SETTLEMENT OF THE
 CLASS CLAIMS IN THIS LAWSUIT."

17 Any Request for Exclusion must include the full name, address, telephone number, last
18 four digits of the social security number or date of birth, and signature of the Settlement Class
19 Member requesting exclusion. The Request for Exclusion must be returned by mail to the
20 Settlement Administrator at the specified address. Any such Request must be made in
21 accordance with the terms set forth in the Notice. A Request for Exclusion will be timely only
22 if postmarked by the Notice Response Deadline, unless the Parties otherwise agree in writing.
23 Any Settlement Class Member who timely requests exclusion in compliance with these
24 requirements: (i) will not have any rights under this Agreement with respect to the Class
25 Claims, including the right to object, appeal or comment on the Settlement; (ii) will not be
26 entitled to receive any payments under this Agreement with respect to Class Claims; and (iii)
27 will not be bound by this Agreement, or the Judgment with respect to the Class Claims.

28 (b) Binding Effect on Final Settlement Class Members. Except for those
Settlement Class Members who exclude themselves in compliance with the procedures set forth

1 above, all Settlement Class Members will: (i) be deemed to be Final Settlement Class Members
2 for all purposes under this Agreement; (ii) will be bound by the terms and conditions of this
3 Agreement, the Judgment, and the releases set forth herein; and (iii) except as otherwise
4 provided herein, will be deemed to have waived all objections and oppositions to the fairness,
5 reasonableness, and adequacy of the Settlement.

6 (c) Objections to Settlement of Class Claims. Any Settlement Class
7 Member, other than Plaintiffs, may object to the terms of this Agreement with respect to the
8 Class Claims. To object, a Settlement Class Member shall inform the Settlement Administrator,
9 in writing, of his or her objection, which must be postmarked by the Notice Response Deadline
10 at the address set forth in the Notice. Such objection shall include the full name, address,
11 telephone number, dates of employment with Defendant of the Objecting Settlement Class
12 Member, the case name and number, the basis for the objection, including any legal support and
13 each specific reason in support of the objection, as well as any documentation or evidence in
14 support thereof, and, if the Objecting Settlement Class Member is represented by counsel, the
15 name and address of his or her counsel. If any Objecting Settlement Class Member wishes to
16 speak at the Final Approval Hearing with respect to the Class Claims, that Objecting Settlement
17 Class Member's written submission should include a request to be heard, and the Court will
18 determine whether Objecting Settlement Class Members will be permitted to speak. The
19 Settlement Administrator shall provide objections, if any, to Class Counsel and Defense
20 Counsel within three (3) days of receipt, and the Settlement Administrator shall attach the same
21 to its declaration of due diligence it files with the Court prior to the Final Approval Hearing.
22 Any Participating Class Member who files an objection remains eligible to receive monetary
23 compensation from the Settlement. Plaintiffs and Defendant shall not be responsible for any
24 fees, costs, or expenses incurred by any Class Member and/or his or her counsel related to any
25 objections to the Settlement. Submitting an objection does not preserve the right to appeal a
26 final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely
27 and properly intervening or filing a motion to vacate the judgment under Code of Civil
28 Procedure § 663. Settlement Class Members and Aggrieved Employees may not object to or

1 opt-out of the Settlement with respect to the PAGA Claims.

2 (d) Failure to Object. Any Settlement Class Member who desires to object
3 with respect to the Class Claims, but fails to timely submit a written objection waives any right
4 to object, will be foreclosed from making any objection to this Settlement. Any Settlement
5 Class Member who does not timely and properly become a party of record by intervening or
6 filing a motion to vacate the judgment waives any and all rights to appeal from the Judgment,
7 including all rights to any post-judgment proceeding and appellate proceeding, such as a motion
8 to vacate judgment, motion for new trial, a motion under California Code of Civil Procedure
9 section 473, and extraordinary writs.

10 (e) Responses to Objections. Counsel for the Parties may file a response to
11 any objections submitted by Objecting Settlement Class Members at least five (5) court days
12 before the date of the Final Approval Hearing.

13 71. Settlement Class Members will have until the Notice Response Deadline to
14 object or submit a Request for Exclusion to the Settlement Administrator by U.S. Mail. The
15 Settlement Administrator shall disclose jointly to Class Counsel and Defendant's counsel what
16 objections or Requests for Exclusion were timely submitted on a weekly basis, and upon the
17 request of Class Counsel or Defense Counsel.

18 72. Funding of the Settlement Amount. Defendant shall make a one-time deposit
19 into the QSF of the Settlement Amount, as described in Paragraph 44(a) that is necessary to
20 make all payments required under this Settlement, within ten (10) days after the Effective Date,
21 plus Defendant shall separately pay its share of employer payroll taxes as calculated and
22 directed by the Settlement Administrator.

23 73. Distribution of Funds. No later than ten (10) calendar days after deposit of the
24 payment into the QSF, the Settlement Administrator will mail the payments to the Participating
25 Class Members, the payment for the attorneys' fees and costs to Class Counsel, any Service
26 Payment to the Class Representatives, the payment to the LWDA for PAGA penalties, and will
27 pay itself the Settlement Administration Costs.

1 74. Deadline for Cashing Settlement Checks. Final Settlement Class Members shall
2 have 180 calendar days after mailing by the Settlement Administrator to cash their settlement
3 checks. If any Final Settlement Class Member's check is not cashed within that period, the
4 check will be void and a stop-payment will be issued, and the Settlement Administrator shall
5 issue the unclaimed funds to the California State Controller's Office in the name of the Class
6 Member. The release will be binding upon all Final Settlement Class Members who do not cash
7 their checks within the 180-day period. In the event that any settlement check is returned to the
8 Settlement Administrator within 180 days of mailing, the Settlement Administrator will, within
9 five (5) business days of receipt of the returned settlement check, perform a skip trace to locate
10 the individual. If a new address is located by these means, the Administrator will have ten (10)
11 business days to re-issue the check and will notify Defense Counsel and Class Counsel that a re-
12 issued check has been sent. Neither Defendant, Defense Counsel, Class Counsel, Plaintiffs, nor
13 the Settlement Administrator will have any liability for lost or stolen settlement checks, forged
14 signatures on settlement checks, or unauthorized negotiation of settlement checks. Without
15 limiting the foregoing, in the event a Final Settlement Class Member notifies the Settlement
16 Administrator that he or she believes that a settlement check has been lost or stolen, the
17 Settlement Administrator shall immediately stop payment on such check. If the check in
18 question has not been negotiated prior to the stop payment order, the Settlement Administrator
19 will issue a replacement check.

20 75. No person shall have any claim against Defendant (or its designee), Defendant's
21 Counsel, Plaintiffs, Class Counsel, or the Settlement Administrator based on mailings,
22 distributions, payments or reports made in accordance with or pursuant to this Agreement. This
23 provision does not, however, prevent a Party from seeking enforcement of this Agreement.

24 76. Without prejudice to any other remedies, the Settlement Administrator shall
25 agree to be responsible for any breach of its obligations (whether committed by the Settlement
26 Administrator or its agents) and to indemnify and hold the Parties and their counsel harmless
27 from and against all liabilities, claims, causes of action, costs and expenses (including legal fees
28 and expenses) arising out of any breach committed by the Settlement Administrator or its

agents.

H. Duties of the Parties Prior to the Court's Approval

77. Upon completion of confirmatory discovery, Plaintiffs will move the Court for Preliminary Approval of this Settlement and entry of the Preliminary Approval Order accomplishing the following:

(a) Scheduling the Final Approval Hearing on the issue of whether this Settlement should be finally approved as fair, reasonable and adequate as to the Class Members and a hearing on fees, costs and the Service Payment;

(b) Approving as to form and content the proposed Notice;

(c) Directing the mailing of the Notice by first class mail to the Settlement Class Members;

(d) Preliminarily approving this Settlement; and

(e) Preliminarily certifying the class for purposes of this Settlement.

78. Reallocation of Settlement Proceeds. In the event the Court fails, on its first hearing, to approve this Agreement because the amount of the PAGA penalties is not adequate, then the Parties shall cooperate in good faith to reallocate the total settlement proceeds, within this Agreement, in order to try to achieve Final Approval of the Agreement upon any subsequent Court hearings.

I. Duties of the Parties Following Court's Final Approval

79. In connection with the Final Approval Hearing provided for in this Settlement Agreement, Class Counsel shall submit a proposed Final Approval Order:

(a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;

(b) Approving Class Counsel's application for an award of attorneys' fees and reimbursement of litigation costs and expenses, the Service Payment to the Class Representative, and the payment to the Settlement Administrator for costs of administering the settlement; and

(c) Entering judgment approving settlement, thereby permanently barring all Participating Class Members from prosecuting any Released Class Claims against any of the Released Parties and permanently barring all Aggrieved Employees and the LWDA from prosecuting any Released PAGA Claims against any of the Released Parties.

J. Voiding the Agreement

80. If the Court fails or refuses to issue the Final Approval Order or fails to approve any material condition of this Settlement Agreement which effects a fundamental change of the Settlement, the entire Settlement Agreement shall be rendered voidable and unenforceable as to all Parties herein at the option of either Party.

81. If ten percent (10%) or more of the Settlement Class Members timely submit a Request for Exclusion, Defendant shall have the option of terminating or modifying this Agreement without prejudice to its pre-settlement positions and defenses in the Action. If Defendant exercises such option, under this paragraph it shall be relieved of any obligation to pay the Settlement Amount or any other obligations from the Settlement by giving notice to Plaintiffs' Counsel and the Settlement Administrator within ten (10) days of the Notice Response Deadline. If Defendant exercises its option under this paragraph, Defendant shall be solely responsible for all Settlement Administration Costs incurred.

82. If the Settlement is voided or fails for any reason, Plaintiffs and Defendant will have no further obligations under the Settlement, including any obligation by Defendant to pay the Settlement Amount, or any amounts that otherwise would have been owed under this Settlement.

83. If the Settlement is voided or fails for any reason, any costs incurred by the Settlement Administrator shall be borne equally by Defendant and Plaintiffs, unless otherwise specified in this Agreement.

K. Other Terms

84. Full and Complete Defense. This Agreement may be pleaded by any Released Party as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit or other proceeding that has been or may be instituted, prosecuted or attempted,

1 asserting any Released Claim.

2 85. Waiver. The waiver by one Party of any breach of this Agreement by another
3 Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

4 86. No Publicity. Communications regarding this Settlement prior to the Final
5 Approval Date shall be limited to Court-Approved Notices in the Action. After the Final
6 Approval Date, Class Counsel and the Class Representatives agree that they will not make any
7 direct or indirect comment or publication of the Settlement or of Defendant in terms of
8 affirmative or responsive media statements/comments, press releases or conferences, website
9 postings or content, social media postings or content, other Internet postings or content,
10 subscribed email messages, newsletters, disseminated updates, mass mailings, or any other
11 comment or publication to the press, media, or public at large. Nothing herein shall be
12 construed to prevent Class Counsel from the public filing of motions or other case materials in
13 the Action related to seeking and obtaining Court approval of this Settlement and the related
14 awards of attorneys' fees and costs, or to communications with Settlement Class Members or
15 their representatives about this Settlement, including through the posting of Court-filed
16 documents on Class Counsel's websites for access solely by the Settlement Class Members, or
17 to prevent the Parties or their representatives from communicating with financial or legal
18 advisors regarding the Settlement. In response to any media inquiry, Class Counsel may state
19 only that the Action has been settled on terms mutually agreeable to the Parties.

20 87. No Defamatory Statements. Plaintiffs will not make, or encourage anyone else
21 to make, any defamatory or maliciously false statements or remarks about Defendant, any of its
22 employees, and/or any of its services; this restriction includes, but is not limited to, Plaintiffs
23 not making any such statements or remarks on Yelp, Glassdoor, LinkedIn, Facebook, other
24 social media, and other online forums.

25 88. Parties' Authority. The signatories hereto represent that they are fully authorized
26 to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions
27 hereof.
28

1 89. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to
2 accomplish the terms of this Settlement Agreement, including but not limited to, execution of
3 such documents and to take such other action as may reasonably be necessary to implement the
4 terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their
5 best efforts, including all efforts contemplated by this Settlement Agreement and any other
6 efforts that may become necessary by order of the Court, or otherwise, to effectuate this
7 Settlement Agreement and the terms set forth herein. As soon as practicable after execution of
8 this Settlement Agreement, Class Counsel shall, with the assistance and cooperation of
9 Defendant and Defendant's Counsel, take all necessary steps to secure the Court's preliminary
10 and final approval of the settlement, and the final entry of judgment.

11 90. No Prior Assignments. The Parties hereto represent, covenant, and warrant that
12 they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign,
13 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action,
14 cause of action or rights released and discharged by this Settlement Agreement.

15 91. No Admission. Defendant denies any and all liability to Plaintiffs and/or any
16 Settlement Class Member in this Action, as to any and all causes of action that were asserted or
17 that might have been asserted in this Action. Nonetheless, Defendant wishes to settle and
18 compromise the matters at issue in the Complaint to avoid further substantial expense and the
19 inconvenience and distraction of protracted and burdensome litigation. Defendant also has
20 taken into account the uncertainty and risks inherent in litigation, and without conceding any
21 infirmity in the defenses that they have asserted or could assert against Plaintiffs, have
22 determined that it is desirable and beneficial that Plaintiffs' claims be settled in the manner and
23 upon the terms and conditions set forth in this Agreement.

24 92. Inadmissibility of Agreement. Whether or not the Court issues the Final
25 Approval Order, nothing contained herein, nor the consummation of this Settlement Agreement,
26 is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing
27 on the part of Defendant or any of the other Released Parties. Each of the Parties hereto has
28 entered into this Settlement Agreement with the intention of avoiding further disputes and

litigation with the attendant inconvenience and expenses. This Settlement Agreement is a settlement document, and it, along with all related documents such as the notices, and motions for preliminary and final approval, shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to approve the settlement, and/or interpret or enforce this Settlement Agreement. The stipulation for class certification as part of this Settlement Agreement is for settlement purposes only and if, for any reason the settlement is not approved, the stipulation will be of no force or effect.

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

To the Settlement Class Members and Aggrieved Employees:

Mehrdad Bokhour
mehrdad@bokhourlaw.com
 1901 Avenue of the Stars, Suite 450
 Los Angeles, California 90067
 Tel: (310) 975-1493; Fax: (310) 675-0861

Joshua Falakassa
josh@falakassalaw.com
 1901 Avenue of the Stars, Suite 450
 Los Angeles, California 90067
 Tel: (818) 456-6168; Fax: (888) 505-0868

Marcus J. Bradley
mbradley@bradleygrombacher.com
 31365 Oak Crest Drive, Suite 240
 Westlake Village, California 91361
 Tel: (805) 270-7100; Fax: (805) 27-7589

To Defendant:

David A. Wimmer
dwimmer@swerdlowlaw.com
 Lori M. Yankelevits
lyankelevits@swerdlowlaw.com
 9401 Wilshire Blvd, Suite 828
 Beverly Hills, California 90212
 Tel: (310) 288-3980; Fax: (310) 733-1727

1 94. Construction. The Parties hereto agree that the terms and conditions of this
2 Settlement Agreement are the result of lengthy, intensive arms' length negotiations between the
3 Parties and that this Settlement Agreement shall not be construed in favor of or against any
4 Party by reason of the extent to which any Party or her or its counsel participated in the drafting
5 of this Settlement Agreement. Plaintiffs and Defendant expressly waive the common-law and
6 statutory rule of construction that ambiguities should be construed against the drafter of an
7 agreement and further agree, covenant, and represent that the language in all parts of this
8 Agreement shall be in all cases construed as a whole, according to its fair meaning.

9 95. Captions and Interpretations. Paragraph titles or captions contained herein are
10 inserted as a matter of convenience and for reference, and in no way define, limit, extend, or
11 describe the scope of this Settlement Agreement or any provision hereof. Each term of this
12 Settlement Agreement is contractual and not merely a recital.

13 96. Modification. This Settlement Agreement may not be changed, altered, or
14 modified, except in writing and signed by the Parties hereto, and approved by the Court. This
15 Settlement Agreement may not be discharged except by performance in accordance with its
16 terms or by a writing signed by all of the Parties hereto.

17 97. Dispute Resolution. Prior to instituting legal action to enforce the provisions of
18 this Agreement or to declare rights and/or obligations under this Agreement, a Party shall
19 provide written notice to the other Party and allow an opportunity to cure the alleged
20 deficiencies, and Plaintiffs and Defendant agree to seek the help of the mediator identified in
21 this Agreement to resolve any dispute they are unable to resolve informally. During this period,
22 the Parties shall bear their own attorneys' fees and costs. This provision shall not apply to any
23 legal action or other proceeding instituted by any person or entity other than Plaintiffs or
24 Defendant.

25
26 98. Court Retains Jurisdiction. The Parties agree that upon the entry of judgment of
27 dismissal pursuant to the terms of this Agreement, that, pursuant to Code of Civil Procedure
28 Section 664.6, the Court shall retain exclusive and continuing equity jurisdiction of this Action

1 over all Parties to interpret, enforce, and effectuate the terms, conditions, intents and obligations
2 of this Agreement.

3 99. Enforceability. Pursuant to California Evidence Code Section 1123(a) and (b),
4 this Agreement is intended by the Parties to be, and shall be, enforceable, binding and
5 admissible in a court of law.

6 100. Choice of Law. This Settlement Agreement shall be governed by and construed,
7 enforced and administered in accordance with the laws of the State of California, without regard
8 to its conflicts-of-law rules.

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

14 102. Binding On Assigns. This Settlement Agreement shall be binding upon and inure
15 to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators,
16 successors, and assigns.

17 103. Signatures of All Class Members Unnecessary to be Binding. It is agreed that,
18 because the members of the Settlement Class are numerous, it is impossible or impractical to
19 have each Final Class Member execute this Settlement Agreement. The Notice will advise all
20 Settlement Class Members of the binding nature of the releases provided herein and such shall
21 have the same force and effect as if this Settlement Agreement were executed by each Final
22 Settlement Class Member.

23 104. Counterparts. This Settlement Agreement may be executed in counterparts, and
24 when each Party has signed and delivered at least one such counterpart, each counterpart shall
25 be deemed an original, and, when taken together with other signed counterparts, shall constitute
26 one fully signed Settlement Agreement, which shall be binding upon and effective as to all
27 Parties. Electronic signatures shall have the same force and effect as an original.
28

APPROVAL AND EXECUTION BY PARTIES:

Dated: July __, 2021 **CLASS REPRESENTATIVES:**

Oscar Estrada

7/16/2021

DocuSigned by:
Pablo Calderon
74E149253C67430...
Pablo Calderon

Dated: July __, 2021 **DEFENDANT:**

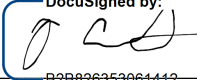
HHM FACILITY MANAGEMENT, LLC

By _____
Title _____

APPROVAL AND EXECUTION BY PARTIES:

Dated: July __, 2021
7/14/2021

CLASS REPRESENTATIVES:

DocuSigned by:

B2B026353061412...
Oscar Estrada

Pablo Calderon

Dated: July __, 2021

DEFENDANT:

HHM FACILITY MANAGEMENT, LLC

By _____
Title _____

1 **APPROVAL AND EXECUTION BY PARTIES:**

2 Dated: July __, 2021

CLASS REPRESENTATIVES:

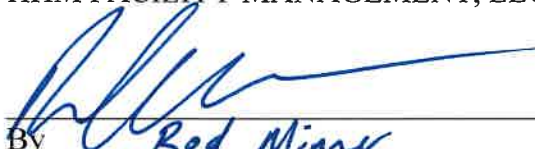
3
4 _____
5 Oscar Estrada

6
7 _____
8 Pablo Calderon

9 Dated: July 15, 2021

DEFENDANT:

10 HHM FACILITY MANAGEMENT, LLC

11 

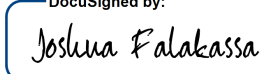
12 By _____
13 Title CEO

APPROVED AS TO FORM:

Dated: July __, 2021
7/14/2021

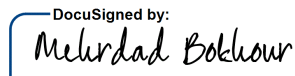
CLASS COUNSEL:

FALAKASSA LAW, P.C.

DocuSigned by:

15A628B2C5A149C
Joshua Falakassa
Attorneys for Plaintiffs

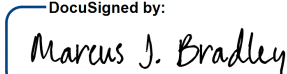
Dated: July __, 2021
7/14/2021

BOKHOUR LAW GROUP, P.C.

DocuSigned by:

D8D3643F271940F...
Mehrdad Bokhour
Attorneys for Plaintiffs

Dated: July __, 2021
7/15/2021

BRADLEY/GROMBACHER

DocuSigned by:

4EC77CC0440240A...
Marcus Bradley
Attorneys for Plaintiffs

Dated: July __, 2021

DEFENDANT'S COUNSEL:

**SWERDLOW FLORENCE SANCHEZ SWERDLOW
& WIMMER**

David A. Wimmer
Lori M. Yankelevits
Attorneys for Defendant, HHM Facility Management,
LLC

1 **APPROVED AS TO FORM:**

2 Dated: July __, 2021

CLASS COUNSEL:

3 **FALAKASSA LAW, P.C.**

4
5
6 Joshua Falakassa
Attorneys for Plaintiffs

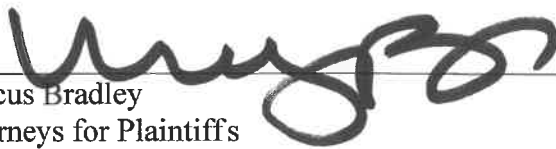
7
8 Dated: July __, 2021

BOKHOUR LAW GROUP, P.C.

9
10
11 Mehrdad Bokhour
Attorneys for Plaintiffs

12 Dated: July **16**, 2021

BRADLEY/GROMBACHER

13
14
15 
16 Marcus Bradley
Attorneys for Plaintiffs

17 Dated: July __, 2021

DEFENDANT'S COUNSEL:

18 **SWERDLOW FLORENCE SANCHEZ SWERDLOW**
19 **& WIMMER**

20
21
22 David A. Wimmer
Lori M. Yankelevits
23 Attorneys for Defendant, HHM Facility Management,
24 LLC
25
26
27
28

1 **APPROVED AS TO FORM:**

2 Dated: July ___, 2021

CLASS COUNSEL:

FALAKASSA LAW, P.C.

3
4
5
6 Joshua Falakassa
7 Attorneys for Plaintiffs

8 Dated: July ___, 2021

BOKHOUR LAW GROUP, P.C.

9
10
11 Mehrdad Bokhour
12 Attorneys for Plaintiffs

13 Dated: July ___, 2021

BRADLEY/GROMBACHER

14
15 Marcus Bradley
16 Attorneys for Plaintiffs

17 Dated: July 16, 2021

DEFENDANT'S COUNSEL:

18
19 **SWERDLOW FLORENCE SANCHEZ SWERDLOW
& WIMMER**

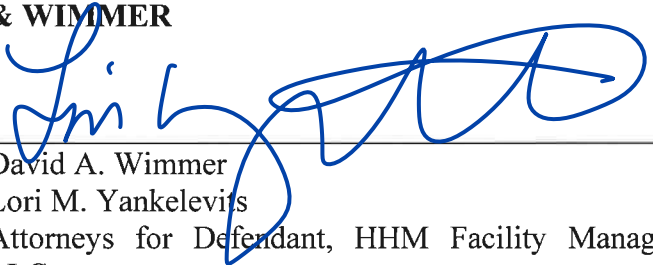
20
21 
22 David A. Wimmer
23 Lori M. Yankelevits
24 Attorneys for Defendant, HHM Facility Management,
25 LLC
26
27
28

EXHIBIT “B”

NOTICE OF SETTLEMENT OF CLASS ACTION
Estrada et al. v. HHM Facility Management, LLC
Superior Court of the State of California, County of Alameda
Case No. RG20078429

To: All current and former non-exempt employees employed by HHM Facility Management, LLC (the “Company”) in California at any time from October 19, 2016, through August 1, 2021, and all current and former Route Supervisors who were classified as exempt employees in California at any time from October 19, 2016, through August 1, 2021. (the “Class”):

THIS NOTICE is of a proposed settlement of a class action lawsuit, and an announcement of a court hearing that you may choose to attend. Your rights may be affected by the legal proceedings in this action. The Court will conduct a hearing on [REDACTED], 2021, to address whether the proposed settlement should be approved (“Final Approval Hearing”). You may be entitled to receive a payment under the terms of this class action settlement contained in the Settlement Agreement.

[IDENTIFYING INFORMATION]

You have been identified as a Class Member in the above lawsuit. Under the terms of the proposed settlement, you are estimated to receive approximately \$**INSERT AMOUNT** as your share of the Net Settlement Amount should the Court grant the settlement in full. Please note that this is only an estimate. Your actual share of the Net Settlement Amount may be more or less than this estimate. Your estimate is based on the number of weeks you worked at the Company in California between October 19, 2016, through August 1, 2021 (the “Class Period”). Your options and eligibility requirements for receiving payments are described below.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT (SEE SECTION VIII FOR MORE DETAILS)	
DO NOTHING	Receive a settlement payment and give up your right to sue on the Released Class Claims described in Section III. This settlement does <u>not</u> require a claims process to receive a payment. Therefore, there is <u>no</u> claim form for you to complete should you wish to receive payment. You are automatically included and eligible to receive a payment once the Court approves the settlement.
EXCLUDE YOURSELF	You may “opt-out” of the Class Claims in this case including any right to a settlement payment for the Class Claims. If you choose to opt-out, you must submit a Request for Exclusion from the Settlement Class by [REDACTED], 2021 (see Section VI). All persons who validly and timely opt-out of the Settlement of the Class Claims will <u>not</u> receive any settlement payment for those claims and will preserve Released Class Claims described in Section IV subject to applicable statutes of limitations. You still will receive a payment as part of the civil penalties paid pursuant to the California Private Attorneys General Act of 2004 (“PAGA”) and will release your claims for such civil penalties.
OBJECT	Write to the Court and Settlement Administrator about why you do not like the Settlement of the Class Claims by completing and submitting an Objection by [REDACTED], 2021 (see Section VI).
GO TO A HEARING	Ask to speak in Court about the fairness of the Settlement of the Class Claims.

I. Why should I read this Notice?

The Court has granted preliminary approval of a proposed settlement (the “Settlement”) in *Estrada et al. v. HHM Facility Management, LLC*, Alameda County Superior Court Case No. RG20078429 (the “Lawsuit”). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

The Company’s records show that you were employed in California as a non-exempt employee (meaning you were paid hourly or otherwise eligible for overtime pay) and/or you were classified as an exempt Route Supervisor in California at some point between October 19, 2016, through August 1, 2021 (“Class Period”). The Court ordered this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

NO ACTION NEEDS TO BE TAKEN TO RECEIVE MONEY UNDER THE SETTLEMENT: If you were employed by Company as a non-exempt employee in California during the Class Period or you were classified as an exempt Route Supervisor in California during the Class Period, you are automatically included in the Settlement and do not need to take any further action to receive a payment. The purpose of this Notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the proposed Settlement, and to discuss your rights and options in connection with the Lawsuit and the Settlement.

II. What is this lawsuit about?

On October 19, 2020, Plaintiff and Class Representative Oscar Estrada, through his attorneys (“Class Counsel”), filed a class action and representative action complaint against the Company for wage and hour violations on behalf of all current and former non-exempt employees who were employed by the Company in California at any time since October 19, 2016. Similarly, on or about August 31, 2020, Plaintiff and Class Representative Pablo Calderon, through his attorneys (“Class Counsel”), filed a class action and representative action complaint against the Company for wage and hour violations on behalf of all current and former Route Supervisors who were classified as exempt employees and who were employed by the Company in California at any time since August 31, 2016. Plaintiffs have since filed a consolidated complaint (the “Lawsuit”) that alleges that the Company violated various Labor Code sections by failing to pay wages for all hours worked, as well as failing to provide all required meal and rest breaks, failing to timely pay final wages, failing to provide accurate and complete wage statements, failure to properly classify Route Supervisors as non-exempt employees, failure to pay for all necessary business expenses, failure to itemize sick leave of wage statements, and failure to provide one day of rest in seven during the Claim Period. The Lawsuit also sought equitable relief under the Unfair Competition Law. All of these claims are called the “Class Claims.” The Lawsuit also sought, also on behalf of the California Labor Workforce Development Agency (“LWDA”), civil penalties pursuant to PAGA. The civil penalty claims are called “PAGA Claims” and the relevant period for PAGA claims is October 19, 2019, to August 1, 2021 (“PAGA Claim Period”).

The Company denies these allegations and contends that it has done nothing wrong. The Company denies that it owes any wages, expenses, restitution, penalties, or other damages. The Company also denies that class certification and representative treatment is appropriate. Accordingly, this class Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of the Company, by whom all liability is expressly denied.

The Court has not ruled on the merits of Plaintiffs’ claims. And, by approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case if it went to trial. However, to avoid additional expense, inconvenience, and risks of continued litigation, the Company and Plaintiffs have concluded that it is in their respective best interests and the interests of the Settlement Class to settle the Lawsuit on the terms summarized in this Notice. After the Company provided extensive information to Class Counsel, the Settlement was reached following an arm’s length mediation with a respected and experienced mediator. In these negotiations, both sides recognized the substantial risk of the Court deciding against them at trial and determined that the Proposed Settlement was a good option to resolve the disputed claims.

The Class Representatives and Class Counsel support this Settlement. Among the reasons for their support are the defenses to liability potentially available to the Company, the risk of denial of class certification, the inherent risk of trial on the merits, and the delays and uncertainties associated with litigation.

If you are still employed by the Company, this Settlement will not affect your employment. California law strictly prohibits unlawful retaliation. Further, the Company will not take any adverse action against or otherwise target, retaliate, or discriminate against any Class Member because of the Class Member's participation or decision not to participate in this Settlement. If a Class Member does not participate as to the Class Claims, his/her share of the Class Claims will be paid to those who do participate.

III. Who are the attorneys?

Attorneys for the Class Members:

Mehrdad Bokhour
mehrdad@bokhourlaw.com
1901 Avenue of the Stars, Suite 450
Los Angeles, California 90067
Tel: (310) 975-1493; Fax: (310) 675-0861

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Marcus J. Bradley
mbradley@bradleygrombacher.com
31365 Oak Crest Drive, Suite 240
Westlake Village, California 91361
Tel: (805) 270-7100; Fax: (805) 270-7589

IV. What are the terms of the Settlement?

On [PA DATE], the Court certified a class, for settlement purposes only, of all non-exempt employees employed by the Company in California at any time from October 19, 2016, through August 1, 2021, and all Route Supervisors employed by the Company in California and classified as exempt at any time from October 19, 2016, and August 1, 2021 (the "Settlement Class"). Individuals who do not opt out of the Settlement Class, pursuant to the procedures set forth in this Notice, ("Class Members") will be mailed Settlement checks and in exchange be bound by the Settlement and release of certain wage and penalty claims against the Company.

Without admitting any wrongdoing, the Company has agreed to pay \$500,000 (the "Settlement Amount") in U.S. dollars to fully resolve all claims in the Lawsuit, which includes payments for Individual Settlement Payments to eligible Class Members, attorneys' fees and costs, Settlement Administration Costs, civil penalties to the LWDA and to all Aggrieved Employees, and a Class Representative Service Payment.

The Parties agreed to the following payments from the Settlement Amount:

Settlement Administration Costs. The Court has approved Simpluris to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. Under the Settlement, a maximum of \$5,000 will be paid from the Settlement Amount to pay the Settlement Administration Costs.

Civil Penalties to the California Labor Workforce and Development Agency. \$50,000 of the Settlement Amount will be allocated to Plaintiffs; PAGA Claims. Of this amount, \$37,500 will be paid to the LWDA in satisfaction of the claims for civil penalties under PAGA, and the remaining \$12,500 will be included in the Net Settlement Amounts to be divided between all Class Members regardless of their receipt of payments for settlement of the Class Claims. You do not have the right to opt-out or exclude yourself from receiving the civil penalties paid to pursuant to the PAGA. You will receive your allocated portion of this payment and will be bound by the release of all such PAGA Claims without regard to your selected option discussed in Section VI., below.

Service Payment to Settlement Class Representatives. Class Counsel will ask the Court to award each Class Representative a Service Payment in the amount of \$7,500 to compensate them for service and extra work provided on behalf of the Class Members. The Class Representatives also will receive their individual shares of the Settlement as a Class Member.

Attorneys' Fees and Expenses. Class Counsel, which includes three firms (Falakassa Law, P.C., Bokhour Law Group, P.C., and Bradley/Grombacher), have been prosecuting the Lawsuit on behalf of the Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Settlement Amount. Class Members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for fees of one-third (\$166,666.67) of the common fund Settlement Amount as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through finalization of the Settlement. Class Counsel also will ask for reimbursement of up to \$20,000 for the costs Class Counsel incurred in connection with the Lawsuit.

Calculation of Individual Settlement Payments to Class Members. After deducting the amounts above, the balance will form the Net Settlement Amount for distribution to the participating Class Members (who are the Class Members who do not opt-out). The Net Settlement Amount will total approximately \$ [REDACTED]. Compensable work weeks will be all Workweeks worked by the Settlement Class Members during the Class Period at the Company in California. For Route Supervisors who were classified as exempt during the Class Period, those workweeks in which they were so classified will be counted as 1.5 workweeks. The dollars per compensable Workweek will be calculated by dividing the total Workweeks worked by all Settlement Class Members during the Class Period into the Net Settlement Amount to determine a per work week value ("Workweek Value"). The Workweek Value will be multiplied by the number of Workweeks worked by each Settlement Class Member during the Class Period to determine the distribution, prior to legal deductions, for each Settlement Class Member. If any individual in the Settlement Class opts-out of the Settlement, his/her Individual Settlement Amount will be distributed to all Participating Class Members (i.e., those who do not opt-out).

For each Settlement Class Member, the Workweeks worked at the Company during the Class Period will be calculated from Company's records. The Company's records indicate that you worked for [TOTAL WORKWEEKS] Workweeks as a non-exempt employee in California during the Class Period of October 19, 2016, through August 1, 2021 [and [TOTAL WORKWEEKS] as an exempt Route Supervisor during the Class Period]. If you disagree with this number, you may submit evidence to the Settlement Administrator on or before [REDACTED], 2021, with documentation to establish the number of weeks you claim to have actually worked for Company in California between October 19, 2016, through August 1, 2021. **DOCUMENTATION SENT TO THE SETTLEMENT ADMINSTRATOR WILL NOT BE RETURNED OR PRESERVED; DO NOT SEND ORIGINALS.** The Parties and Administrator will evaluate the evidence submitted by the Settlement Class member and discuss in good faith how many Workweeks should be credited to each Settlement Class member. If the Parties are unable to agree, the Settlement Administrator will render a final decision.

Payments to Class Members. After the Court grants Final Approval of the Settlement and Judgment is entered, settlement checks will be mailed to all Class Members. For those Aggrieved Employees who requested to be excluded from the settlement of the Class Claims, their settlement checks will be for their share of PAGA civil penalties only for release of the PAGA Claims, and they will not include any payment for settlement of the Class Claims. Class Members will have 180 days from the issuance of the last check to cash all of the checks. In the event that any Class Member fails to timely cash a settlement check, a stop payment will be placed on the check and the funds will be paid to the California State Controller's Office in the name of the Class Member, so that the Class Member can attempt to collect the funds at a later date.

Allocation and Taxes. Twenty percent (20%) of the Settlement Amount distributed to each participating Class Member will be considered and reported as "wages" (W-2 reporting). The remaining eighty percent (80%) of the Settlement Amount will be distributed to each participating Class Member as "interest" and civil "penalties" (Form 1099 reporting). The Settlement Administrator shall take all usual and customary deductions from the Settlement payments that are distributed as wages, including, but not limited to, state and federal tax withholding, disability premiums, and unemployment insurance premiums. There will be no deduction taken from the interest or non-wage penalty distribution; however, it will be reported on IRS Form 1099 as income. Aggrieved Employees who receive only a payment for PAGA Claims shall have their settlement amount paid one hundred percent (100%) as civil penalties for which no taxes shall be withheld and for which payment will be reported on IRS Form 1099. Class Members are responsible for the proper income tax treatment of the Settlement Amounts. The Settlement Administrator, Company and its counsel, and Class Counsel cannot provide tax advice and make no representations as to the tax treatment or legal effect of the Individual Settlement Payments. Participating Class Members will be solely responsible for the payment of any taxes and penalties assessed on their Individual Settlement Payments. Accordingly, Class Members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release of Class Claims. Once the Court approves the proposed Settlement, enters Judgment and the Company funds the Settlement Amount, then the Settlement Agreement will bind all participating Class Members who have not opted out of the Settlement, and will bar them from bringing the Class Claims against the Company as described below. Specifically, after Final Approval by the Court, the Settlement Class Members will fully release and discharge the Company, its divisions, subsidiaries, partnerships, parents, affiliated corporations, trusts, or other related entities, past and present, and each of them, as well as its and their directors, officers, shareholders, partners, members, representatives, executors, trustees, administrators, beneficiaries, assignees, successors, business managers, agents, contractors, insurers, attorneys, and employees, past and present, and each of them and their marital community, of all claims, demands, rights, liabilities, and causes of action that were or could have been pleaded under local, state or federal law arising out of, relating to, or based on any facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions, or failures to act pleaded in the First Amended Complaint against Defendant for the duration of the Class Period, including but not limited to claims that were pled in the operative First Amended Complaint or that could have been pled based on the facts alleged therein, including claims for unpaid wages (including failure to pay full, regular, and overtime wages and minimum wages), meal and rest break violations, failure to timely pay final wages, failure to pay split shift premium wages, failure to provide accurate itemized wage statements, failure to itemize sick leave on wage statements, failure to reimburse necessary business expenses, unfair and unlawful business practices, misclassification of employment, and failure to provide one day of rest in seven from October 19, 2016, through August 1, 2021 ("Release Period").

Release of PAGA Claims. Also upon the Court's approval of the Settlement, entry of judgment, and the Company's funding of the Settlement Amount, the Settlement Agreement will bind all Aggrieved Employees, which includes all Class Members regardless if they requested to be excluded from the settlement of the Class Claims, and will bar them from bringing PAGA claims against the Company, its divisions, subsidiaries, partnerships, parents, affiliated corporations, trusts, or other related entities, past and present, and each of them, as well as its and their directors, officers, shareholders, partners, members, representatives, executors, trustees, administrators, beneficiaries, assignees, successors, business managers, agents, contractors, insurers, attorneys, and employees, past and present, and each of them and their marital community, of all claims, demands, rights, liabilities, and causes of action pursuant to PAGA that were or could have been pleaded in the Lawsuit against

Defendant or alleged in Plaintiffs' letters to the LWDA, including but not limited to claims for civil penalties based on or arising from alleged violation by Defendant of California Labor Code Sections 201-204, 210, 218.5, 225.5, 226a, 226.3, 226.7, 510, 512, 551, 552, 558, 1174, 1197, 1197.1, 1199, 2678, et seq., and the California Wage Orders, whether known or unknown, suspected or unsuspected, concealed or hidden, which Plaintiffs and any Aggrieved Employee have or had at any time during the PAGA Claim Period.

Waiver of Labor Code Section 206.5(e). Class Members who do not opt out will be deemed to have acknowledged and agreed that their claims for wages and/or penalties in the Lawsuit are disputed, and that the Individual Settlement Payments constitute payment of all sums allegedly due to them. Class Members will be deemed to have acknowledged and agreed that California Labor Code Section 206.5 is not applicable to the Individual Settlement Payments. That section provides in pertinent part as follows:

“No employer shall require the execution of any release of any claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of such wages has been made.”

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

V. How can I claim money from the settlement?

You are automatically included as a Settlement Class Member to receive an Individual Settlement Payment, provided that you do not exercise your right to opt-out as explained below, and do not have to take any further action. It is the responsibility of all Class Members to ensure that the Settlement Administrator has your current address on file, or you may not receive important information or an Individual Settlement Amount.

VI. What other options do I have?

- A. **Do Nothing and Participate in the Settlement.** Under the Settlement, you will automatically receive an Individual Settlement Payment unless you exclude yourself from the settlement by following the exclusion procedure set forth below. If you disagree with the number of Weeks Worked, as described in this Notice, you may dispute the allocation of the Settlement without excluding yourself or objecting, as described below.

If you are a current employee, your decision as to whether or not to participate in this Settlement will not be considered by the Company and the Company will not take any adverse employment action against you based on your participation in the Settlement.

- B. **Exclude Yourself from the Class Claims in the Settlement.** If you **do not** wish to take part in the Class Claims in the Settlement, you may exclude yourself by sending to the Settlement Administrator a “Request for Exclusion from Class Claims in the Class Action Settlement” letter/card postmarked no later than [REDACTED], 2021 with your full name, address, telephone number, last four digits of your social security number or your date of birth, and signature. The Request for Exclusion should state:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN ESTRADA ET AL. V. HHM FACILITY MANAGEMENT LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THE CLASS CLAIMS IN THIS LAWSUIT.”

Send the Request for Exclusion directly to the Settlement Administrator, [ADDRESS], postmarked no later than [REDACTED], 2021. Any person who files a timely Request for Exclusion from the Class Action Settlement, upon receipt: (1) will not have any rights under this Settlement with respect to the Class Claims, including the right to object, appeal or comment on the Settlement; (2) will not be entitled to receive any payments under this Settlement with respect to the Class Claims; and (3) will not be bound by this Settlement, or the Judgment, with respect to the Class Claims. You still will be bound by this Settlement with respect to the release of the PAGA Claims.

- C. **Object to Settlement.** You also have the right to object to the terms of the Settlement with respect to the Class Claims. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement with respect to the Class Claims. If you wish to object to the Class Claims portion of the proposed Settlement, or any portion of it, you must submit a written objection stating your full name, address, telephone number, dates of employment at Company, the case name and number, the name and address of your attorney(s) if you are represented, each specific reason in support of your objection, and any legal support for each objection. You must also include any documentation or evidence in support of the objection, if any. Objections must be in writing and must be mailed to the Settlement Administrator, [ADDRESS], by no later than [REDACTED], 2021 for your objection to be considered. Objections that do not include all required information, or that are not submitted timely, will not be considered. **You need not object to the Settlement if you only dispute the number of Weeks Worked.**

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing scheduled for [REDACTED], 2021, at 3:00 p.m. in Department 23 of the Alameda County Superior Court, located at 1221 Oak Street, Oakland, CA 94612. You have the right to appear either in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before [REDACTED], 2021. All objections or other correspondence must state the name and number of the case. If you wish to appear at the Final Approval hearing, please contact Class Counsel or the Settlement Administrator in advance of the scheduled hearing to ensure that the hearing has not been continued by the Court.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as participating Class Members who do not object. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

VII. What is the effect of the settlement?

Released Rights and Claims. The Settlement is intended to settle all claims against the Released Parties that were asserted or could have been asserted in the Lawsuit regarding the alleged violations of wage and hour laws. If you were employed by the Company in California at any time during the Class Period and do not elect to exclude yourself from the Settlement Class, you will be deemed to have entered into this Release and to have released the above-described Released Claims. If the Settlement is not approved by the Court or does not become final for some other reason, the Lawsuit may continue, and the releases will not take effect.

VIII. What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement, and Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Service Payment to the Class Representative on [REDACTED], 2021 at 8:30 a.m. in Department 23 of the Alameda County Superior Court, located at 1221 Oak Street, Oakland, CA 94612. To confirm the date and

location of the hearing, please visit the Court website below and enter the case number: 34-2020-34-2020-00291534:

<https://publicrecords.alameda.courts.ca.gov/PRS/home/>

You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

IX. How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Stipulation for Class Action Settlement and Release of Claims (the Settlement Agreement) at Office of the Clerk, Alameda County Superior Court, located at 1221 Oak Street, Oakland, CA 94612, during regular court hours. You may also contact Class Counsel or the Settlement Administrator using the contact information listed above for more information.

X. Court's Social Distancing Guidelines.

Please be advised that the Court has imposed social distancing guidelines for attendance at hearings and reviewing court files. Based on current conditions, including but not limited to, the spread of COVID-19 disease, the state of emergency having been declared by Governor Gavin Newsom, the need for social distancing, Class Members are encouraged to contact the Judicial Assistant in Department 23 for further instructions regarding remote appearances.

X. Reminder as to time limits.

Class Members do not have to take any further action to participate in the Settlement. The deadline for submitting a Request for Exclusion as to the Class Claims is [REDACTED], 2021. The deadline for mailing an objection to the Settlement Administrator as to the Class Claims is [REDACTED], 2021. These deadlines will be strictly enforced.

**PLEASE DO NOT CALL OR WRITE THE COURT
FOR INFORMATION ABOUT THIS SETTLEMENT**

EXHIBIT “C”