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LEONARDO ALDAPE
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9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 FOR THE COUNTY OF SAN MATEO
11

12 LEONARDO ALDAPE, on behalf of himself
and all others similarly situated,

13 *Plaintiff,*

14 vs.
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16 CEVA LOGISTICS U.S., INC., a Delaware
corporation; CEVA FREIGHT, LLC, a
Delaware corporation; CEVA FREIGHT
17 MANAGEMENT INTERNATIONAL
GROUP, INC., a Delaware corporation; and
18 DOES 1 through 50, inclusive,

19 *Defendants.*
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Case No. 20-CIV-04865

[Assigned for All Purposes to the Danny Y. Chou,
Department 22]

**DECLARATION OF SHAUN SETAREH IN
SUPPORT OF AMENDED MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: May 5, 2022
Time: 11:00 a.m.
Place: Department 22

Complaint Filed: November 6, 2020

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I, Shaun Setareh, declare as follows:

1. I am an attorney in good standing duly admitted to the State Bar of California, the principal attorney at Setareh Law Group, counsel of record for Plaintiff LEONARDO ALDAPE (“Plaintiff”) in this action against Defendants CEVA LOGISTICS U.S., INC., CEVA FREIGHT, LLC, and CEVA FREIGHT MANAGEMENT INTERNATIONAL GROUP, INC (collectively “Defendants”) (Plaintiff and Defendant, collectively, the “Parties”). This declaration is made in support of Plaintiff’s Motion for Preliminary Approval of the Class Action Settlement.

2. Except for those matters stated on information and belief, which I am informed and believe are true and correct, I have personal knowledge of all matters set forth herein. If called as a witness, I could and would competently testify thereto.

3. I received my undergraduate degree from UCLA in 1996 and my law degree from Loyola Law School in 1999. Since being admitted to the State Bar of California in 1999, I have actively practiced civil litigation for the entirety of that time period.

4. I, and the attorneys at Setareh Law Group, have been involved as lead class counsel, co-lead class counsel, and other levels of involvement in over 100 wage-and-hour, consumer, and antitrust class action cases. Recently, Setareh Law Group represented the plaintiff in a Ninth Circuit victory involving the standards for motions to remand under the Class Action Fairness Act. *Harris v. KM Industrial, Inc.*, 980 F.3d 694 (9th Cir. November 13, 2020). Setareh Law Group was also counsel of record in *Rodriguez v. U.S. Healthworks*, 813 Fed.Appx. 315 (9th Cir. 2020) in which the Ninth Circuit reversed the trial court's order granting summary judgment. I was lead counsel in *Troester v. Starbucks Corporation*, et al., before the California Supreme Court, Case No. S234969, in which the Court issued a landmark decision that clarified and rejected the application of the widely adopted federal *de minimis* doctrine to California's wage-hour laws. For my work on that case, I received the California Lawyer of the Year or "CLAY" award. I was also lead counsel in a landmark Ninth Circuit decision interpreting the Fair Credit Reporting Act, *Gilberg v. California Check Cashing Stores, LLC*, 913 F.3d 1169 (9th Cir. 2019). Setareh Law Group has prevailed in its four most recent Ninth Circuit appeals including the *Gilberg*, *Rodriguez*, and *Harris* cases cited above, as well as the Ninth Circuit opinion following the California

1 Supreme Court answering the Ninth Circuit's certified question. *Troester v. Starbucks Corp.*, 738 Fed.
2 Appx. 562 (9th Cir. 2018.) Three of the four cases resulted in reversals of the trial court decision, with the
3 remaining case (*Harris*) affirming a decision favorable to the Plaintiff. Setareh Law Group has more than
4 140 Westlaw citable opinions.

5 The following is a sampling of class actions in which I have been appointed as class counsel:

6 *Federal Cases*

7 a. *Cerdenia v. USA Truck, Inc.*, U.S. District Court, Central District of California,
8 Case No. 10-CV-1489-JVS (granted final approval in an action on behalf of truck drivers for
9 meal and rest period violations, off-the-clock pre- and post-shift work, and unauthorized wage
10 deductions).

11 b. *Fronza v. Staffmark*, U.S. District Court, Northern District of California, Case
12 No. 15-CV-02315-MEJ (granted final approval in a case involving alleged uncompensated
13 security checks for warehouse workers).

14 c. *Garcia v. Am. Gen. Fin. Mgmt. Corp.*, U.S. District Court, Central District of
15 California, Case No. 09-CV-1916 (granted final approval in a case filed on behalf of account
16 managers in case involving, among other things, alleged overtime miscalculations and meal and
17 rest period violations).

18 d. *Jones v. Shred-It USA, Inc.*, U.S. District Court, Central District of California,
19 Case No. 11-CV-00526 (granted final approval in a case brought on behalf of customer service
20 representatives and balers for alleged off-the-clock work and meal and rest period violations).

21 e. *O'Neill v. Genesis Logistics, Inc.*, U.S. District Court, Northern District of
22 California, Case No. 08-CV-4707 (granted final approval in a case involving claims for failure to
23 provide meal periods to employees who worked as drivers delivering goods to 7-11 stores
24 throughout California and failure to pay final wages in a timely manner to terminated
25 employees).

26 f. *Padilla v. UPS*, U.S. District Court, Central District of California, Case No. 08-
27 CV-1590 (granted final approval in a case involving claims for failure to provide meal periods to
28 part time employees engaged in sort operations and failure to pay final wages in a timely manner

1 to terminated employees).

2 g. *Pitre v. Wal-Mart Stores, Inc.*, U.S. District Court, Central District of California,
3 Case No. 17-cv-01281-DOC (granting class certification against Wal-Mart for a class of almost
4 5,000,000 in a Fair Credit Reporting Act action).

5 h. *Utne v. Home Depot U.S.A., Inc.*, U.S. District Court, Northern District of
6 California, Case No. 16-cv-01854-RS (granting class certification against Home Depot in
7 connection with uncompensated off-the-clock work occurring at the start of all employee shifts
8 and at the end of closing shifts).

9 i. *Vang v. Burlington Coat Factory Warehouse Corp.*, U.S. District Court, Central
10 District of California Case No. 09-CV-8061 (granted final approval in a case involving, among
11 other things, vacation pay forfeitures, failures to provide meal and rest periods, and failures to
12 pay overtime wages based on employee misclassification).

13 j. *Wilson v. TE Connectivity*, Northern District of California Case No. 3:14-cv-
14 04872-EDL (granted class certification through contested motion in case on behalf of
15 manufacturing facility employees subject to auto-deduction of meal breaks).

16 State Cases

17 k. *Alvarez v. Gary Grace Enterprises, LP*, Marin Superior Court, Case No. CIV
18 1002553 (granted final approval in a case on behalf of hair salon employees for overtime
19 miscalculation and related claims).

20 l. *Butler v. Lexxiom, Inc.*, San Bernardino Superior Court, Case No. CIVRS
21 1001579 (granted final approval in an action on behalf of debt resolution center employees
22 alleging, among other things, meal and rest period violations and overtime calculation errors).

23 m. *Calderon v. GreatCall, Inc.*, San Diego Superior Court, Case No. 37-2010-
24 00093743-CU-OE-CTL (granted final approval in a case on behalf of customer service
25 employees for, among other things, alleged meal and rest period violations and overtime
26 calculation errors).

27 n. *Douglas v. California Credit Union*, Los Angeles Superior Court, Case No.
28 BC445050 (granted final approval in a case on behalf of customer service representatives

1 alleging overtime miscalculation claims).

2 o. *Green v. Staples Contract and Commercial, Inc.*, Los Angeles Superior Court,
3 Case No. BC389789 (granted final approval in a case involving claims for unprovided meal and
4 rest periods, inaccurate wage statements, waiting time penalties, and unfair business practices on
5 behalf of truck drivers delivering Staples office supplies in California).

6 p. *Green v. Universal Music Group*, Los Angeles Superior Court, Case No.
7 BC374253 (granted final approval in a case involving misclassification claims of current or
8 former IT Support employees, including engineers, server analysts, desktop support, and
9 technical leads).

10 q. *Sandoval v. Rite Aid Corp.*, Los Angeles County Superior Court, Case No.
11 BC431249 (granted class certification through contested motion in case on behalf of former
12 pharmacy employees based on late final wage payments in violation of Labor Code §§ 201–203;
13 subsequently granted final approval of class action settlement).

14 r. *Spokes v. Lush Cosmetics, LLC*, Los Angeles Superior Court, Case No.
15 BC391397 (granted final approval in a case alleging failures to provide meal and rest periods and
16 failure to timely pay all final wages to California sales associates and key holders).

17 s. *Valencia v. SCIS Air Security Corp.*, Los Angeles Superior Court, Case No.
18 BC421485 (granted class certification through contested motion in case on behalf of former
19 security workers based on late final wage payments in violation of Labor Code §§ 201–203;
20 subsequently granted preliminary approval of proposed class action settlement).

21 5. As the above shows, I have substantial experience in wage-and-hour class action
22 litigation, including actions alleging failure to provide meal and/or rest periods, failure to pay wages,
23 failure to provide accurate wage statements, failure to provide timely final wage payments, and other
24 related claims. I am knowledgeable about the applicable law, have worked diligently to investigate and
25 identify the potential claims in this action, and will continue to commit my firm’s resources to further the
26 interests of the Class. I and my firm have no conflicts of interest with Plaintiff and with absent class
27 members.

28 ///

1 6. Plaintiff and Defendants engaged extensively in formal and informal discovery prior to
2 resolving the Action. Specifically, the Parties engaged in an informal, voluntary exchange of information
3 in the context of privileged settlement discussions to facilitate an early mediation. Defendants produced
4 substantial amount of data. Defendant produced Plaintiff's personnel file, information regarding the class
5 list and size, payroll records for the class containing thousands of data entries, and copies of its relevant
6 company written policies. These records were used to determine average compensation as well as the
7 average non-wage compensation not included in the regular rate for purposes of calculating overtime
8 wages; review of records establishing average pay throughout the Class Period; and other documents
9 relevant to the litigation. Plaintiff hired an expert to analyze the produced data with respect to potential
10 damages and penalties in preparation for mediation. From the data and other documents obtained from
11 Defendant pertaining to the Class and Defendant's policies, Plaintiff's expert was able to analyze the data
12 sampling, and Plaintiff was then able to thoroughly assess the merits of each claim.

13 7. After good-faith and arms-length negotiations on September 10, 2021 presided over by
14 Tripper Ortman, Esq., all Parties, represented by their respective counsel, recognized the substantial risk
15 of an adverse result in the Action, and shortly after, the Parties agreed to avoid further litigation by settling
16 and resolving all claims alleged against Defendants in Plaintiff's operative complaint to the fullest extent
17 permitted by law and without any admission of liability or wrongdoing by Defendant. Counsel believe the
18 proposed settlement is fair, reasonable, and adequate in light of the complexities of the case, the
19 uncertainties of further litigation, and that it represents a fair and reasonable recovery for the Settlement
20 Class. The Parties have not engaged in any collusion or improper negotiations. The Parties do not have
21 any agreements regarding the proposed Settlement that are not reflected in the Settlement. As part of that
22 agreement, the parties stipulated to remand the case back to this Court. On December 9, 2020, this
23 case was remanded in accordance with the stipulation.

24 8. At the time of mediation, Defendant provided certain data points that included payroll data
25 for the putative class during the relevant class period. This enabled Plaintiff's damages expert to review
26 the data and to prepare a comprehensive damage analysis for the purposes of mediation.

27 The following chart provides the estimated potential recovery on a class basis that Plaintiff
28 believes he could reasonably achieve *if he were to prevail on all his causes of action*:

Plaintiff's Estimated Potential Recovery		
Assumptions During Class Period (based on time/payroll data provided by Defendants) <u>Number of workweeks: 104,000</u> <u>Average Hourly Rate: \$19.02; Estimated Unpaid Hours (including overtime) Per Week: 0.5</u> <u>Estimated Number of Formerly Employed Class Members: 1,415</u> <u>Avg. Unused Vacation Accrual for Formerly Employed Class Members: 4 hours</u> <u>Pay periods within PAGA period: 58,072</u>		
Cause of Action	Estimated Potential Recovery	Calculations for Estimated Potential Recovery
Unpaid Wages and Overtime	\$989,040.00	0.5 hours a week x 104,000 weeks \$19.02
Meal and Rest Period Premiums	\$1,979,080.00	1 meal/rest violation a week x 104,000 weeks x \$19.02
Vested Vacation Hours Unpaid at Termination	\$107,653.20	4 accrued vacation hours x \$19.02 x 1,415 separated Class Members
Sub-Total Unpaid Wages	\$3,075,773.20	
Labor Code § 203 Penalties	\$6,520,320	8 hours x \$19.02 x 30 days x 1,415 separated employee Class Members
Labor Code § 226 Penalties	\$4,056,000	1,014 class members during the 1-year period x statutory maximum of \$4,000]
TOTAL	\$13,652,093.20	
PAGA Penalties	\$5,807,200	
<i>Total if PAGA included</i>	<i>\$19,459,293.20</i>	

9. Despite a total potential recovery of a little more than \$989,000 on his unpaid wages, non-penalty, class claims, and a little more than \$1.1 million on all class claims, including statutory penalties, Plaintiff recognizes the challenges he faces in certifying a class action and establishing liability on the wage and hour claims. Plaintiff estimates that his likelihood of prevailing on all his causes of action are extremely low and thus his likelihood of recovering \$13 million or anything close to that amount on behalf of a class is very unlikely. First, it is vital to note that the bulk of the class members, and their respective workweeks, are associated with the staffing agencies/companies to be released. Thus, it is likely that

1 Defendant would successfully argue that each staffing agency, and defendant, implemented separate and
2 distinct wage and hour policies and practices, creating a wealth of highly individualized inquiries, which
3 would ultimately defeat class certification. For those claims, if any, that are certified for class treatment,
4 Plaintiff must prevail at a trial on the merits. In addition to having to prove that Plaintiff and other workers
5 were not paid for all hours worked, Plaintiff must establish willfulness with respect to his waiting time
6 penalties claim under Labor Code Section 203.

7 With respect to the claims asserted on behalf of the settlement classes in this case, there are
8 significant risks that support the reduced compromise amount. These risks include, but are not limited to
9 the following:

10 (i) The risk that Plaintiff would be unable to establish liability for allegedly unpaid overtime
11 wages. *See Duran v. US Bank Nat'l Ass'n* (2014) 59 Cal.4th 1, 39 & fn. 33 (“*Duran*”), citing *Dilts v.*
12 *Penske Logistics* (S.D. Cal. 2014) *LLC* 2014 WL 205039 (dismissing certified off-the-clock claims based
13 on proof at trial). Defendants contend, e.g., that overtime was properly paid or not due or owing across
14 the putative Class as alleged by Plaintiff.

15 (ii) The risk that Plaintiff would not be able to prove liability for alleged failure to provide
16 compliant rest breaks; or that to establish liability for the failure to provide compliant rest breaks would
17 require an individualized inquiry that would prevent these issues from being resolved on a class and/or
18 collective basis. Plaintiff alleged employees were regularly not provided rest breaks. Defendants allege
19 that many employees took their rest breaks and that in order to prove whether each employee took their
20 meal periods and/or rest breaks would require an individualized inquiry that would prevent this issue from
21 being resolved on a class and/or collective basis.

22 (iii) The risk that Plaintiff would not recover waiting time and wage statement penalties
23 pursuant to Labor Code sections 203 and 226. For example, there is currently a split of authority as to
24 whether such penalties can be obtained based on failure to provide rest breaks. *See, e.g., Singletary v.*
25 *Teavana Corporation* (N.D. Cal. May 2, 2014) 2014 WL 1760884, *4 (noting that “the law in this area is
26 murky at best” and holding that section 203 penalties are not applicable to meal and rest break claims).
27 Plaintiff also might not prove that Defendant acted with the intent necessary for the alleged claims for
28 penalties under Labor Code sections 203 and 226. Specifically, section 203 requires that a plaintiff show

1 the employer committed a “willful” violation of the law in withholding wages. “A good faith dispute that
2 any wages are due will preclude imposition of waiting time penalties under Section 203.” 8 Cal. Code
3 Regs. § 13520. Similarly, penalties pursuant to section 226 require a “knowing and intentional” violation.
4 Defendant contends that it would present several good faith defenses that would preclude a finding of
5 willfulness under section 203. *See Choate v. Celite Corp.* (2013) 215 Cal. App.4th 1460 (reversing award
6 of section 203 penalties based on good faith defense where underlying wage claim presented issue of first
7 impression). Any such good faith dispute could preclude penalties.

8 (iv) The risk that Defendants challenged employment policies might not ultimately support
9 class certification or a class-wide liability finding, *see, Duran*, 59 Cal. 4th at 14 & fn. 28 (citing Court of
10 Appeal decisions favorable on class certification issue without expressing opinion as to ultimate viability
11 of proposition). Defendants have contended, for example, that they did not have a purported policy of not
12 paying required compensation, but rather a policy of paying compensation and of requiring employees to
13 report any unpaid compensable time, and that any failures to report by employees cannot be legally charged
14 to Defendants and, in any event, involve such highly individualized circumstances as to prevent class and
15 collective certification should this case be litigated. *See, e.g., Morillion v. Royal Packing Co.* (2000) 22
16 Cal. 4th 575, 585 (employer not required to pay employees for time spent performing work of which the
17 employer had no knowledge).

18 (v) For the same reasons, liability, damages recovery, and certification risks are heightened
19 given: (1) the risk that uncertainties pertaining to the ultimate legality of Defendants’ policies and practices
20 could preclude class-wide awards of statutory penalties under Labor Code section 226(e); (2) the risk that
21 individual differences between settlement Class Members could be construed as pertaining to liability, and
22 not solely to damages, *see, Duran*, 59 Cal.4th at 19; and (3) the risk that class or collective treatment could
23 be deemed improper as to one or more claims except for settlement purposes.

24 (vi) The risk that any civil penalties awarded under PAGA could be reduced by the Court in
25 its discretion could materially impact the recovery by the Classes, *see* Labor Code section 2699(e)(1).

26 (vii) The risk that lengthy appellate litigation could ensue as to both liability and certification
27 issues, with associated litigation risk and costs, further enhances the value of a confirmed settlement as
28 opposed to unpredictable litigation.

(viii) Although the PAGA penalties calculated by Plaintiff's expert amounts to an extravagant \$5,807,200, that amount is not likely to bear fruit in this case. Most significantly, the ultimate decision as to the amount of penalties is always up to the discretion of the Court. Labor Code § 2699(e)(2) states: "In any action by an aggrieved employee seeking recovery of a civil penalty available under subdivision (a) or (f), a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." Subdivision (a) states, "Notwithstanding any other provision of law, any provision of this code that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies, or employees, for a violation of this code, may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself and other current or former employees pursuant to the procedures specified in Section 2699.3." Subdivision (f) specifies the penalties in instances where the underlying statute does not specify any civil penalty. In other words, where the facts and circumstances of the particular case demonstrate that an unreduced award would be "unjust, arbitrary and oppressive, or confiscatory," the court (or arbitrator) may reduce the award so as to ameliorate any such finding.

In these respects, Defendants strongly deny any liability and the propriety of class certification for any reason other than settlement. Continued litigation of this lawsuit presented Plaintiff and Defendants with substantial legal risks that were (and continue to be) very difficult to assess.

In light of the uncertainties of protracted litigation, the Settlement amount reflects a fair and reasonable recovery for the Class Members. The Settlement amount is, of course, a compromise figure. By necessity, it took into account risks related to liability, damages, class action certification, and all the defenses asserted by Defendants as to all such matters. Moreover, each Class Member will be given the opportunity to opt out of the Settlement, allowing those who feel they have claims that are greater than the benefits they can receive under this Settlement to pursue their own claims.

10. Plaintiff is a typical class representative. Like Class Members, Plaintiff was an hourly non-exempt employee of Defendants in California. Plaintiff alleges that he and the putative class members was not paid all overtime owed due to Defendants' common security check processes and non-discretionary

1 and supplemental pay which was allegedly never factored into class members effective regular overtime
2 rates of pay; was not provided with compliant meal and rest breaks; was not paid all wages, including
3 accrued vacation wages upon separation of employment; and did not receive accurate wage statements.
4 Plaintiff has no conflict of interest with the Settlement Class Members and has agreed to place the Class's
5 interests above her own. Setareh Law Group also has no conflicts of interest with the Settlement Class
6 Members.

7 11. The requested service award of \$5,000 to Plaintiff is warranted. Plaintiff spent
8 considerable time speaking with his counsel, gathering documents, responding to discovery, participating
9 in mediation, and reviewing the Settlement. Plaintiff also took on the risk of facing intrusive discovery,
10 facing a potential costs award, and the risk that being involved in litigation would be viewed unfavorably
11 by potential employers.

12 12. A true and correct copy of the Joint Stipulation of Class Action Settlement Agreement
13 (the "Settlement") executed by the Parties is attached hereto as **Exhibit 1**.

14 13. A true and correct copy of the proposed Notice of Class Action and PAGA Settlement is
15 attached as **Exhibit 1** to the Settlement.

16 ***Actual Litigation Costs***

17 14. To date, Class Counsel has incurred actual litigation costs in the amount of \$23,331. A
18 true and correct copy of an itemization of costs in this action, prepared by the firm's bookkeeper at my
19 direction, is attached hereto as **Exhibit 2**.

20 ***Attorneys' Fees***

21 15. The amount of Class Counsel's fee request (one-third of the Gross Settlement Amount) is
22 reasonable as a percentage of the settlement fund. I have been awarded attorneys' fees equaling
23 approximately one-third of the fund in several recent wage and hour class actions, including, but not limited
24 to: *O'Brien v. Optima Network Services, Inc.*, San Bernardino County Superior Court, Case No.
25 CIVRS1107056 (one-third of settlement fund); *Noyd v. The Cristcat Group, et al.*, Los Angeles County
26 Superior Court, Case No. BC439558 (one-third of settlement fund); *Perez v. Southwest Dealer Services,*
27 *Inc.*, Los Angeles County Superior Court, Case No. BC439253 (one-third of settlement fund); *Alvarez v.*
28 *Gary Grace Enterprises, LP*, Marin County Superior Court, Case No. CIV1002553 (one-third of

1 settlement fund); *Calderon v. Greatcall, Inc.*, San Diego Superior Court, Case No. 37-2010-00093743-
2 CU-OE-CTL (one-third of settlement fund); *Butler v. Lexxiom, Inc.*, San Bernardino County Superior
3 Court, Case No. CIVRS1001579 (one-third of settlement fund); *Huynh v. Carefusion Resources, LLC, et*
4 *al*, San Diego County Superior Court, Case No. 37-2009-00103277-CU-OE-CTL (one-third of settlement
5 fund); *Stucker v. L'Oreal USA S/D, Inc.*, Los Angeles County Superior Court, Case No. BC456080 (one-
6 third of settlement fund); *Sandoval v. Thrifty Payless, Inc.*, Los Angeles County Superior Court, Case No.
7 BC431249 (one-third of settlement fund); *Tucker v. Maly's West, Inc.*, Los Angeles County Superior Court,
8 Case No. BC483920 (one-third of settlement fund); *Tiwari v. Merrill's Packaging*, San Mateo Superior
9 Court, Case No. 519070 (one-third of settlement fund); *Montgomery v. Del Monte Corp., et al*, Kings
10 County Case No. 13C0204 (one-third of settlement fund); *Adams v. Medical Staffing Network, et al*,
11 Sacramento County Case No. 34-2012-00137491-CU-OE-GDS (33% of gross settlement fund).

12 ***Settlement Administrator***

13 16. The Parties propose Simpluris, Inc. ("Simpluris") as the administrator in this matter.
14 Simpluris is an experienced class action settlement administrator. Based on my experience, \$10,000 for
15 4,678 class members (the class size to date provided by Defendant based upon its personnel records) is
16 reasonable for a settlement with a class of this size, and it is estimated that the costs of settlement
17 administration shall not, in any event, exceed \$10,000.

18 ***LWDA Notice***

19 17. On April 21, 2022, David Keledjian, an attorney at Setareh Law Group, uploaded copies
20 of the Settlement and the Motion for Preliminary Approval of Class Action Settlement and Certification of
21 Settlement Class to the California Labor Workforce and Development Agency ("LWDA"). A true and
22 correct copy of the email from the LWDA confirming the submission is attached hereto as **Exhibit 3**.

23 ***The Parties***

24 18. Defendants are a logistics company. Defendants employ individuals in a variety of
25 different positions to perform various functions necessary to operate and maintain shipping of goods.
26 Plaintiff worked for Defendants as a non-exempt, hourly employee during the class period. Defendants
27 also utilizes the services of individuals employed by third party staffing agencies Staffmark Holdings, Inc.
28 and Randstad Inhouse Services, LLC.

19. Attached as **Exhibit 4** is a true and correct copy of the Class Action Settlement Agreement in the prior and related matter entitled *Fronza v. Staffmark Holdings, Inc.*, N.D. Cal. Case No.: 3:15-cv-02315.

20. Attached as **Exhibit 5** is a true and correct copy of the November 27, 2017 Order Granting Preliminary Approval of the Class Action Settlement Agreement in the prior and related matter entitled *Fronza v. Staffmark Holdings, Inc.*, N.D. Cal. Case No.: 3:15-cv-02315.

21. Attached as **Exhibit 6** is a true and correct copy of the Class Action Settlement Agreement in the prior and related matter entitled *Bell v. CEVA Logistics, U.S., Inc.*, C.D. Cal. Case No.: 5:19-cv-00352.

I declare under the penalty of perjury of the laws of the State of California that the foregoing is true and correct to the best of my knowledge. Executed this 21st day of April 2022 in Beverly Hills, California.

/s/ Shaun Setareh
Shaun Setareh

EXHIBIT 1

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CEVA FREIGHT MANAGEMENT INTERNATIONAL GROUP, INC

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN MATEO

LEONARDO ALDAPE, on behalf of himself
and all others similarly situated,

Plaintiff,

vs.

CEVA LOGISTICS U.S., INC., a Delaware
corporation; CEVA FREIGHT, LLC, a
Delaware corporation; CEVA FREIGHT
MANAGEMENT INTERNATIONAL
GROUP, INC., a Delaware corporation; and
DOES 1 through 50, inclusive,

Defendants.

Case No. 20-CIV-04865

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

Complaint Filed: November 6, 2020

1 This Joint Stipulation of Class Action and PAGA Settlement and Release of Claims
2 (“Settlement Agreement” or “Agreement”) is made and entered into by and between Plaintiff
3 LEONARDO ALDAPE (“Plaintiff” or “Class Representative”), individually and on behalf of all
4 putative class members and as a proxy/agent for the State of California on behalf of all “aggrieved
5 employees”, and Defendants CEVA LOGISTICS U.S., INC. CEVA FREIGHT, LLC, and CEVA
6 FREIGHT MANAGEMENT INTERNATIONAL GROUP, INC (collectively “Defendants”) (both
7 collectively referred to herein as the “Parties.”)

8 RECITALS

9 On November 6, 2020, Plaintiff filed a class action complaint in the San Mateo
10 County Superior Court, alleging violation of Labor Code Sections 201, 202, 203, 204, 223, 226,
11 226.7, 227.3, 510, 512, 1194, 1194.2, 1197, 1197.1, 1198, and 2802, Business & Professions Code
12 section 17200, *et seq.*, and the IWC Wage Orders. On October 14, 2020, plaintiff gave notice to
13 LWDA in advance of seeking penalties under the California Private Attorney General Act, Labor
14 Code § 2699, *et seq.*, (“PAGA”). Plaintiff alleges that Defendants failed to pay its non-exempt
15 employees’ and/or individuals employed by third party staffing companies who performed work for
16 Defendants in the state of California, specifically Randstad Inhouse Services, LLC and/or its related
17 corporate entities and Staffmark Holdings, Inc. and/or its related corporate entities including
18 Staffmark Investments, LLC, owed wages, minimum wages, overtime wages, wages for all hours
19 worked, and vacation wages; non-exempt employees of Defendants and/or individuals employed by
20 the listed third party staffing companies were deprived of meal and rest periods and were not paid
21 one additional hour of pay at their regular rate of pay when a meal or rest period was missed;
22 employees were not reimbursed for business expenses incurred during the discharge of their duties
23 to Defendants; non-exempt employees of Defendants and/or individuals employed by the listed
24 third party staffing companies did not receive all wages due them at termination of employment;
25 non-exempt employees of Defendants and/or individuals employed by the listed third party staffing
26 companies did not receive complete and accurate wage statements; Defendants did not keep
27 complete and accurate payroll records; and Plaintiff seeks restitution under the Unfair Competition
28 Law (“UCL”) and penalties under PAGA for the alleged Labor Code violations.

1 Defendants deny all of Plaintiff's material allegations. Specifically, Defendants
2 deny that Plaintiff and putative class members are entitled to additional wages, including any
3 minimum wages, overtime wages or vacation wages. Defendants deny that Plaintiff and putative
4 class members and aggrieved employees were deprived of meal and rest periods, aver that they had
5 meal and rest break policies and procedures in place to ensure compliance with California law, and
6 aver that that Plaintiff and putative class members and aggrieved employees were not impeded from
7 taking their lawful rest and meal periods. Defendants also contend that that Plaintiff and putative
8 class members and aggrieved employees were at all times lawfully provided with required meal
9 periods and authorized and permitted to take lawful rest breaks and/or were otherwise lawfully paid
10 any applicable premiums owed. Defendants further aver that Plaintiff's claims are not amenable to
11 class treatment because common issues do not predominate. Defendants additionally contend that
12 they did not willfully fail to pay any wages due at the time of termination and that waiting time
13 penalties are not available for alleged meal and rest period violations. Defendants also believe that
14 the wage statement claims will fail because there was no knowing and intentional violation and that
15 the derivative wage statement claim will fail for the reasons stated above. Defendants believe that
16 the claim for failure to maintain complete and accurate payroll records will fail, because it keeps
17 complete payroll and timekeeping records as required by law. Defendants believe that the claims
18 related to the calculation of the regular rate of pay and all claims related to the alleged failure to pay
19 minimum wages and overtime will fail. Defendants assert there are no legitimate Labor Code
20 violations to support PAGA penalties or a claim under the UCL.

21 The Parties engaged in formal discovery and informal, voluntary exchange of
22 information in the context of privileged settlement discussions to facilitate mediation. Defendants
23 produced pertinent time records, pay records, and data, as well as various policy documents,
24 pertaining to both Plaintiff and the putative class, in response to formal discovery requests and
25 pursuant to the mediation privilege and/or settlement communication.

26 On September 10, 2021, the Parties participated in a full-day mediation before
27 experienced mediator Tripper Ortman. During the mediation, the Parties had a full day of
28 productive negotiations and were able to reach an agreement on a class-wide and representative

settlement. During the mediation, each party, represented by its respective counsel, recognized the risk of an adverse result in the Action and agreed to settle the Action and all other matters covered by this Agreement pursuant to the terms and conditions of this Agreement.

Based on their own thorough, independent investigation and evaluation of this case, Class Counsel (as defined in paragraph 10 below) are of the opinion that the settlement with Defendants for the consideration and on the terms set forth in this Agreement is fair, reasonable, adequate, and in the best interest of the Settlement Class (as defined in paragraph 5 below) in light of all known facts and circumstances, including the risk of significant costs and delay, the risk of non-certification of the Class, the defenses asserted by Defendants, the risks of adverse determinations on the merits, and numerous potential appellate issues. Although Defendants contend they have no liability in this case, Defendants' counsel shares Class Counsel's belief that the Agreement represents a fair, reasonable and adequate settlement given the respective risks associated with the Action.

This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendants that Plaintiff's claims in the Action have merit or that it has any liability to Plaintiff or the Class on those claims or the State, or as an admission by Plaintiff that Defendants' defenses raised in the Action have merit. This Agreement is intended to fully, finally, and forever compromise, release, resolve, discharge, and settle the released claims subject to the terms and conditions set forth in this Agreement. The Parties further represent and agree that the certification of the Class as defined in this Agreement is made solely for the purposes of Settlement and shall have no bearing, validity, enforceability or admissibility in the Action or for any other purpose in the event Settlement in this Action is denied by the Court.

AGREEMENT

Subject to the approval of the Court, the Parties agree as follows:

1. **“Action”** shall mean the civil action commenced on November 6, 2020, by Plaintiff against Defendants in the Superior Court of California, County of San Mateo, Case No.: 20-CV-04865, entitled: “*Leonardo Aldape v. CEVA Logistics U.S., Inc., et al.*”

1 2. **“Court”** shall mean the Superior Court for the County of San Mateo.

2 3. **“Settlement”** shall mean the disposition of the Action and all related claims effectuated
3 by this Agreement.

4 4. **“Class Period”** shall mean the period of time from November 6, 2016, through
5 September 24, 2021.

6 5. **“Class,” “Class Members,” or “Settlement Class”** shall mean: (1) all non-exempt
7 employees of Defendants CEVA Logistics, U.S., Inc. CEVA Freight, LLC, and CEVA Freight
8 Management International Group, Inc. (collectively "Defendants") employed in the state of
9 California between the period of February 1, 2020 to September 24, 2021; (2) all non-exempt
10 employees of third party staffing agency Staffmark Holdings, Inc. and/or its related corporate
11 entities including Staffmark Investments, LLC ("Staffmark"), who performed work for Defendants
12 in California between the period of November 28, 2017 to September 24, 2021; and (3) all
13 additional non-exempt employees of third party staffing agencies, including but not limited to
14 Randstad Inhouse Services, LLC and/or its related corporate entities ("Randstad"), who performed
15 work for Defendants in California between the period of November 6, 2016 to September 24, 2021.

16 6. **“Participating Class Member”** shall mean a Class Member who does not timely Opt-Out
17 pursuant to Paragraph 34 and who is therefore entitled to a share of the Net Class Settlement as set
18 forth in Paragraph 20.

19 7. **“PAGA Period”** shall mean the period of time from November 6, 2019 through
20 September 24, 2021.

21 8. **“PAGA Employee(s)”** shall mean those Class Members who were employed during the
22 PAGA Period and who received at least one or more paychecks on one or more payroll periods
23 during the PAGA Period as an alleged “aggrieved employee.”

24 9. **“PAGA Settlement Amount”** shall mean the total amount approved by the Court to
25 settle the PAGA claims, including the payment to the LWDA, which will be paid on a *pro rata*
26 basis to the PAGA Employees after the payment to the LWDA, even if the Employee opts-out of
27 being a Class Member.

28 10. **“Class Counsel”** as appointed by the Court shall mean the attorneys representing

1 Plaintiff and the Class in the Action: Shaun Setareh and David Keledjian of the Setareh Law Group.

2 11. **“Defense Counsel”** shall mean the attorneys representing Defendants in the Action:
3 Shannon Nakabayashi, Conor J. Dale and Lynsey D. Johnson of Jackson Lewis P.C.

4 12. **“Claims Administrator”** shall mean Simpluris or other third-party settlement
5 administrator proposed by the Parties and appointed by the Court to administer the Settlement.

6 13. **“Preliminary Approval of the Settlement”** shall mean the Court’s preliminary
7 approval of the Settlement without material change.

8 14. **“Final Approval Hearing”** shall mean the hearing to be conducted by the Court
9 pursuant to California Rules of Court, Rule 3.769(a), to determine whether to approve finally, and
10 implement the terms of, this Agreement pursuant to a Judgment (the “Judgment”).

11 15. **“Judgment”** shall mean the Order of Final Approval of Settlement and Judgment
12 entered by the Court pursuant to California Rules of Court, Rule 3.769(h), that the Parties anticipate
13 will be entered following a Final Approval Hearing on the Settlement in this Action. The Court
14 shall retain jurisdiction to enforce the terms of the Settlement following entry of the Judgment.

15 16. **“Effective Date”** shall mean the date by which this Agreement is approved by the Court
16 by entry of the Judgment and the Judgment becomes Final. The Judgment becomes “Final” when
17 the later of the following events occurs: (a) the first court day after the period for filing any appeal,
18 writ, or other appellate proceeding relating to the Settlement has elapsed without any appeal, writ,
19 or other appellate proceeding having been filed; (b) any appeal, writ, or other appellate proceeding
20 opposing the Settlement has been dismissed finally and conclusively with no right by any appellant
21 or objector to pursue further remedies or relief; or (c) any appeal, writ, or other appellate proceeding
22 has upheld the Judgment with no right by any appellant or objector to pursue further remedies or
23 relief. In this regard, it is the intention of the Parties that the Settlement shall not become effective
24 until the Court’s Judgment granting final approval of the Settlement is completely final, and no
25 further recourse exists by any Class Member, appellant or objector who seeks to contest the
26 Settlement. The occurrence of the Effective Date is a prerequisite to any obligation of Defendant to
27 pay any funds into the Settlement Account, as set forth herein.

28 17. **Certification for Settlement Purposes.** Solely for the purposes of effectuating this

1 Settlement, and subject to Court approval, the Parties hereby stipulate to the conditional
2 certification of the following Settlement Class:

3 **All non-exempt employees of Defendants CEVA Logistics, U.S., Inc. CEVA**
4 **Freight, LLC, and CEVA Freight Management International Group, Inc.**
5 **employed in the state of California between the period of February 1, 2020 to**
6 **September 24, 2021; all non-exempt employees of third party staffing agency**
7 **Staffmark Holdings, Inc. and/or its related corporate entities including**
8 **Staffmark Investments, LLC who performed work for CEVA Logistics, U.S.,**
9 **Inc. CEVA Freight, LLC, and CEVA Freight Management International**
10 **Group, Inc. in California between the period of November 28, 2017 to**
11 **September 24, 2021; and all non-exempt employees of any additional third**
12 **party staffing agencies, including but not limited to Randstad Inhouse**
13 **Services, LLC and/or its related corporate entities who performed work for**
14 **CEVA Logistics, U.S., Inc. CEVA Freight, LLC, and CEVA Freight**
15 **Management International Group, Inc. in California between the period of**
16 **November 6, 2016 to September 24, 2021.**

17 The Parties agree that if for any reason the Settlement is not preliminarily and finally approved, the
18 conditional certification of the Settlement Class will be of no force or effect, does not constitute an
19 admission by Defendants that class certification is proper, and will not be deemed admissible in this
20 or any other proceeding, and that the Parties will litigate the issue of class certification.

21 18. **“Gross Settlement Amount”** In consideration for the Settlement and the release of
22 claims set forth below, Defendants agree to pay on a non-reversionary basis after the Effective Date
23 (*i.e.*, no portion will revert to Defendants under any circumstance) a maximum of Three-Million
24 Eight-Hundred Fifty-Thousand Dollars and No Cents (\$3,850,000.00), excluding the employer’s
25 share of payroll taxes (“the Gross Settlement Amount” or “GSA”), pursuant to the terms of this
26 Agreement. It is understood by the Parties that the employer's share of payroll taxes shall not be
27 paid from the Gross Settlement Amount and shall remain the sole responsibility of Defendants. The
28 GSA is the maximum total amount that Defendants shall be required to pay for all claims of the
Plaintiff and Class Members that are alleged, or that could have been brought, in the Action arising
from the allegations made therein, and also including the enhancement payment to the Class
Representative, all amounts payable to the Labor and Workforce Development Agency (“LWDA”)
and the PAGA Employees as PAGA penalties, all Court-approved attorneys’ fees of Class Counsel,
all Court-approved costs and expenses incurred or advanced by Class Counsel related to the Action,

1 the fees and costs of the Claims Administrator, but excluding employer's share of payroll taxes on
2 the wage portion of the individual settlement payments distributed to the Class Members.

3 19. **"Net Settlement Amount"** The Net Settlement Amount ("NSA") shall mean the GSA
4 payable by Defendant pursuant to this Settlement, less the following sums set forth in subsections
5 "a" through "e" of this paragraph 19:

6 A. **Class Counsel Fees Payment.** Class Counsel will apply to the Court for an
7 award of not more than One-Million Two-Hundred Eighty-Three Thousand, Three-Hundred Thirty-
8 Three Dollars and 33/100 Cents (\$1,283,333.33) (which is one-third of the GSA) as their Class
9 Counsel Fees Payment. Defendants will not oppose a Class Counsel Fees Payment request to be
10 paid from the GSA. The Claims Administrator will pay the amount approved by the Court from the
11 GSA. Withholding and deductions will not be taken from the Class Counsel Fees Payment and one
12 or more Forms 1099 will be issued to Class Counsel with respect to that payment.

13 B. **Class Counsel Litigation Expenses Payment.** Class Counsel will apply to
14 the Court for an award of not more than Twenty-Thousand Dollars and No Cents (\$20,000.00) to
15 compensate them for, out of pocket costs and expenses actually incurred in connection with the
16 Action. Defendant will not oppose a Class Counsel Litigation Expenses Payment request of not
17 more than \$20,000.00 to be paid from the GSA. The Claims Administrator will pay the amount
18 approved by the Court from the GSA (but not more than \$20,000.00 in Class Counsel Litigation
19 Expenses.) Withholding and deductions will not be taken from the Class Counsel Litigation
20 Expenses Payment and one or more Forms 1099 will be issued to Class Counsel with respect to that
21 payment.

22 C. **Class Representative Payment.** Plaintiff will apply to the Court for an
23 award of not more than Five-Thousand Dollars and No Cents (\$5,000.00) as his Class
24 Representative Payment, made in his capacity as Class Representative to compensate him for
25 initiating the Action, performing work in support of the Action, and undertaking the risk of liability
26 for attorneys' fees and expenses in the event he was unsuccessful in the prosecution of the Action,
27 and as further consideration for the release of all claims. Defendant will not oppose a Class
28 Representative Payment of not more than \$5,000.00. The Claims Administrator will pay the Class

1 Representative Payment approved by the Court from the GSA. Payroll taxes, withholdings, and
2 deductions will not be taken from the Class Representative Payment, and instead a Form 1099 will
3 be issued to Plaintiff with respect to that payment. Plaintiff agrees to assume all responsibility and
4 liability for the payment of taxes due on the Class Representative Payment.

5 **D. Payment to Claims Administrator.** The Claims Administrator will be paid
6 from the GSA its reasonable fees and expenses as approved by the Court in an amount currently
7 estimated to not exceed Ten-Thousand Dollars and Zero Cents(\$10,000.00).

8 **E. Payment of the PAGA Settlement Amount.** Plaintiff will apply to the
9 Court for approval of a settlement of claims under PAGA in the amount of One-Hundred Thousand
10 Dollars and No Cents (\$100,000.00) the “PAGA Settlement Amount”), of which a payment from
11 the GSA to the LWDA will be made in the amount of Seventy-Five Thousand Dollars and No Cents
12 (\$75,000.00), which is 75% of the PAGA Settlement Amount. Twenty-Five Thousand Dollars and
13 No Cents (\$25,000.00), which is 25% of the PAGA Settlement Amount, will be paid to the PAGA
14 Employees who worked for Defendant in California during the PAGA Period pursuant to the
15 formula set forth in paragraph 20 below, even if the Employee opts-out of the Class Settlement.
16 Defendant will not oppose a PAGA settlement in this amount.

17 **20. Allocation of NSA and Calculation of Settlement and PAGA Shares.** Subject to the
18 terms and conditions of this Agreement, the Claims Administrator will calculate a Settlement Share
19 (as defined below) from the NSA for each Participating Class Member plus, if applicable, a PAGA
20 Share (as defined below) for each PAGA Employee. The Settlement Share for each Participating
21 Class Member and the PAGA Share for each PAGA Employee will be calculated as follows,
22 understanding that the formulas below do not constitute an admission by Defendants, and are
23 intended only to provide a practical means to simplify and administer the claims process:

24 **A. Allocation.** Each Settlement Share is allocated thirty percent (30%) to wages
25 (for which employment taxes will be deducted and W-2s issued), and a combined thirty-five percent
26 (35%) to interest and thirty-five percent (35%) to penalties (70% total, for which no taxes will be
27 deducted and 1099s will be issued). Each PAGA Share will be allocated one-hundred percent
28 (100%) to penalties (for which no taxes will be deducted and 1099s will be issued).

1 **B. Settlement Share Calculation.** The Claims Administrator shall assign to
2 each Participating Class Member a "Settlement Ratio," which shall be a fractional number
3 comprised of (i) that Participating Class Member's Individual Work Weeks during the Class Period
4 as the numerator, and (ii) the aggregate total of all Participating Class Members' Individual Work
5 Weeks during the Class Period as the denominator. The Claims Administrator shall assign to each
6 Participating Class Member the "**Settlement Share**" which shall be calculated by multiplying that
7 Participating Class Member's Settlement Ratio by the amount allocated to the Class Members from
8 the NSA.

9 **C. PAGA Share Calculation.** The Claims Administrator shall assign to each
10 PAGA Employee a "PAGA Settlement Ratio," which shall be a fractional number comprised of (i)
11 that PAGA Employee's Individual Payroll Periods worked during the PAGA Period as the
12 numerator, and (ii) the aggregate total of all PAGA Employees' Individual Payroll Periods worked
13 during the PAGA Period as the denominator. The Claims Administrator shall assign to each PAGA
14 Employee the "**PAGA Share**" which shall be calculated by multiplying that PAGA Employee's
15 PAGA Settlement Ratio by the amount allocated to the PAGA Employees from the PAGA
16 Settlement Amount after payment to the LWDA.

17 **21. Settlement and PAGA Share Worksheet.** Upon calculation of the Participating Class
18 Members' Settlement Share and PAGA Share, the Claims Administrator shall furnish to Class
19 Counsel and Defense Counsel a worksheet containing a list of the Participating Class Members
20 identified by ID Number with their corresponding Individual Work Weeks and Settlement Shares
21 and Individual Payroll Periods and PAGA Shares.

22 **22. Taxes and Withholdings.** Each Settlement Share is intended, in part, to settle the Class
23 Members' claims for unpaid wages. Each Participating Class Member shall be individually
24 responsible for the employee's share of applicable payroll tax withholdings and deductions.
25 Accordingly, each Settlement Share allocated to wages will be reduced by applicable payroll tax
26 withholdings and deductions, and the Claims Administrator will issue a Form W-2 to each
27 Participating Class Member for this wage portion amount.

28 **23. Number of Class Members and Work Weeks.** As of the approximate date of this

1 Agreement, Defendant certifies that the number of identified Work Weeks worked by Class
2 Members during the Class Period is 104,000 and the total number of Class Members is 4,678. If
3 either the total number of Class Members, or the total number of Work Weeks, as stated herein,
4 increases by more than ten percent (10%), then the Gross Settlement Amount shall be augmented by
5 Defendants in proportion to the amount by which the total number of Class Members increased
6 above 10%, or the total number Work Weeks increased above 10%, whichever greater.

7 **24. Release of Class Claims by Class Members Including Plaintiff.** Upon the entry of an
8 order by the Court granting final approval of this Settlement, and except as to such rights or claims
9 as may be created by this Agreement, the Settlement Class (including Plaintiff) and each
10 Participating Class Member who has not properly submitted a timely and valid request to “opt-out”
11 or be excluded from the Action, and without the need to manually sign a release document, in
12 exchange for the consideration recited in this Agreement (whether later received or not), on behalf
13 of himself or herself and on behalf of his/her current, former, and future heirs, executors,
14 administrators, attorneys, agents, successors and assigns, shall hereby fully, finally and forever
15 waive, release, relinquish and discharge Defendants and each of their past and current parents,
16 subsidiaries, affiliates, trusts, trust funds, investors and related entities or companies, and each of its
17 and their respective owners, partners, members, shareholders, officers, directors, employees, agents,
18 managing agents, attorneys, representatives, fiduciaries, trustees, insurers and other service
19 providers, and their respective predecessors, successors, and assigns (collectively hereinafter the
20 “Releasees”), from all class claims alleged or which could have been alleged based on the facts in
21 the operative complaint which occurred during the Class Period, including but not limited to claims
22 for: (1) failure to provide meal periods pursuant to Labor Code §§ 204, 223, 226.7, 512, and 1198;
23 (2) failure to provide rest periods pursuant to Labor Code §§ 204, 223, 226.7, and 1198; (3) failure
24 to pay hourly and overtime wages pursuant to Labor Code §§ 204, 218.6, 223, 510, 1194, 1194.2,
25 1197, and 1198; (4) failure to pay vacation wages pursuant to Labor Code § 227.3; (5) failure to
26 indemnify expenses pursuant to Labor Code §§ 452, 2802; (6) failure to provide accurate wages
27 statements pursuant to Labor Code §§ 226; (7) failure to timely pay final wages pursuant to Labor
28 Code §§ 201-203; and (7) claims for recovery under Business and Professions Code §§ 17200 *et*

1 *seq.* The release of claims includes any claims by Participating Class Member against Staffmark
2 Holdings, Inc. and/or its related corporate entities including Staffmark Investments, LLC and/or
3 Randstad Inhouse Services, LLC and/or its related corporate entities to the extent that any of the
4 released claims as to Defendants would apply to Staffmark Holdings, Inc. and/or its related
5 corporate entities including Staffmark Investments, LLC and/or Randstad Inhouse Services, LLC
6 and/or its related corporate entities. The release expressly excludes all other claims, including
7 claims for vested benefits, wrongful termination, unemployment insurance, disability, social
8 security, workers' compensation, and class claims outside of the Class Period and PAGA claims
9 outside of the PAGA period. Plaintiff will send a letter to the LWDA to provide notice of this
10 Settlement.

11 **25. Release of PAGA Claims by Plaintiff and the PAGA Employees.** Plaintiff, in his
12 capacity as proxy for the State of California and/or the LWDA, and as a private attorney general
13 acting on behalf of himself and the PAGA Employees, and each of the PAGA Employees, shall be
14 deemed to have, and by operation of the Order of Final Approval of Settlement and Judgment
15 entered by the Court shall have, fully, finally and forever released, relinquished and discharged the
16 Releasees from all claims arising during the PAGA Period seeking civil penalties under the Private
17 Attorneys General Act, California Labor Code section 2698, *et seq.*, that Plaintiff in his capacity as
18 proxy for the State of California and/or the LWDA, to the maximum extent permitted by law, and as
19 a private attorney general acting on behalf of himself and the PAGA Employees, asserted or could
20 reasonably have asserted based on the facts alleged in the Action and/or the LWDA letter, including
21 but not limited to all such claims arising under the California Labor Code (including, but not limited
22 to, sections 200, 201, 202, 203, 204, 210, 212, 215, 216, 218.6, 223, 225, 226, 226.6, 226.7, 227.3,
23 354, 408, 510, 512, 553, 558, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, 2698 and 2699,
24 *et seq.*, as alleged in the Complaint) and the wage orders of the California Industrial Welfare
25 Commission and any other Labor Code section or Wage Order based the facts alleged in the Action.
26 Collectively, these claims shall be referred to as the “**PAGA Released Claims.**” This release shall
27 release all PAGA Released Claims by or on behalf of Plaintiff and all PAGA Employees through
28 the end of the PAGA Period and for the entire PAGA Period regardless of whether Plaintiff and/or a

1 PAGA Employee negotiates their/his/her settlement checks sent pursuant to this Settlement and
2 regardless of whether any such PAGA Employee opts out and excludes himself or herself from the
3 Settlement. The PAGA Release Claims includes any PAGA claims against Staffmark Holdings,
4 Inc. and/or its related corporate entities including Staffmark Investments, LLC and/or Randstad
5 Inhouse Services, LLC and/or its related corporate entities to the extent that any of the released
6 PAGA claims as to Defendants would apply to Staffmark Holdings, Inc. and/or its related corporate
7 entities including Staffmark Investments, LLC and/or Randstad Inhouse Services, LLC and/or its
8 related corporate entities.

9 **26. Plaintiff's General Release of All Claims.** Solely with respect to the named Plaintiff,
10 and in consideration of this Agreement, Plaintiff, on his own behalf and on behalf of his respective
11 heirs, successors, assigns, does hereby fully, finally and forever waive, release, acquit and forever
12 discharge Defendants and the Releasees from any and all known and unknown claims Plaintiff has
13 or may have against Defendants and the Releasees of every nature or description whatsoever as of
14 the date of this Agreement. This General Release of claims includes, but is not limited to, the
15 Released Claims and the PAGA Released Claims as well as any and all known or unknown claims
16 based on contract, tort, public policy, wrongful termination, intentional infliction of emotional
17 distress, fraud, defamation, invasion of privacy or any other common law claims, and any and all
18 claims based on any federal, state or local law, statute, regulation or ordinance, including, but not
19 limited to, claims arising under, as amended, the Americans With Disabilities Act, the Equal Pay
20 Act, the Employee Retirement Income Security Act, the Worker Adjustment and Retraining
21 Notification Act, Title VII of the Civil Rights Act of 1964, the Civil Rights Acts of 1866, 1871 and
22 1991, including Section 1981 of the Civil Rights Act, the Family and Medical Leave Act, the
23 California Family Rights Act, the California Fair Employment and Housing Act, and any similar
24 federal, state or local law, statute, regulation or ordinance relating to employment, discrimination,
25 harassment, retaliation, whistleblowing, protected leaves of absence, reasonable accommodation
26 and/or any other rights afforded to employees on any other basis protected by law.

27 A. **Preservation and Exclusion of Claims Under the FCRA:** Nothing in this
28 agreement is intended to, or shall be construed to, release any claims by either Plaintiff or Class

Members under the Fair Credit Reporting Act, 15 U.S.C. 1681, et seq. (the “FCRA”), which are expressly preserved by, and excluded from the release of, this Agreement.

27. Plaintiff’s Waiver of Unknown Claims. With the exception of the FCRA claims described in Paragraph 26(a) above, Plaintiff waives all rights and benefits afforded by Section 1542 of the Civil Code of the State of California, and does so understanding the significance of that waiver, which states:

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

28. Waiver and Release by Class Counsel. As of the date the Judgment becomes Final, and except as otherwise provided by this Agreement, Class Counsel and any counsel associated with Class Counsel hereby waive any claim to costs and attorneys’ fees and expenses against Defendants or the Releasees arising from or related to the Action, including but not limited to claims based on the California Labor Code, the California Civil Code, the California Code of Civil Procedure, or any other statute or law (the “Class Counsel Released Claims”). Class Counsel further understands and agrees that the fees, costs and expenses provided in this Agreement are intended to cover all fees, costs and expenses incurred by Class Counsel relating to the Action, including any fees and costs incurred post-judgment relating to the administration of the Settlement and/or relating to any appeal, writ or other proceeding. However, nothing in this Agreement is intended, or shall be construed, to limit Class Counsel’s recovery for attorneys’ fee and costs in connection with any claims arising out of the FCRA, which are expressly preserved by, and excluded from the release of, this Agreement.

29. California Labor Code Sections 206 and 206.5 Do Not Apply. The Parties agree that this Settlement involves the settlement of highly contested and disputed claims, such that the provisions of California Labor Code sections 206 and 206.5 are not applicable to this Settlement or the Releases required by this Agreement.

30. Motion for Preliminary Approval of Settlement by the Court. Class Counsel will

1 move the Court for an order granting Preliminary Approval of the Settlement (the “Motion for
2 Preliminary Approval”) and conditionally certifying the Class for settlement purposes only,
3 appointing the Claims Administrator, appointing Class Counsel, setting a date for the Final
4 Approval Hearing, and approving the Class Notice. Defense Counsel shall have the right to review
5 and approve the Motion for Preliminary Approval prior to filing. Prior to the hearing on the Motion
6 for Preliminary Approval, Class Counsel will submit an Order approved by Defense Counsel to,
7 among other things, Grant Preliminary Approval of Settlement, Approval of Notice to Class and
8 Setting Hearing for Final Approval of Settlement. Counsel for the Parties, with approval from the
9 Court, may change the date of the Final Approval Hearing without any further notice to the Class
10 Members. Should the Court decline to preliminarily approve all material aspects of the Settlement,
11 or order material changes to the Settlement to which the Parties do not agree, either Party shall have
12 the right to terminate the Agreement by providing written notice of termination to the other Party
13 and upon such termination the Settlement will be null and void and the Parties will have no further
14 obligations under it; provided, however, that prior to terminating the Agreement the Parties agree to
15 first meet and confer in good faith to address and attempt to resolve the Court’s concerns.

16 **31. Notice of Settlement to the LWDA.** Pursuant to PAGA, at the same time that Plaintiff
17 files the Motion for Preliminary Approval with the Superior Court, Plaintiff will also submit the
18 required notice of PAGA settlement to the LWDA along with a copy of this Agreement, and Class
19 Counsel will take all reasonable steps necessary to timely notify the LWDA of the settlement of the
20 PAGA claims, per the requirements set forth in Labor Code section 2699(1)(2), including the
21 submission of the [Proposed] Final Order Approving Settlement to the LWDA at the time of filing
22 the Motion for Final Approval of the Settlement. The Parties will cooperate fully in requesting the
23 settlement of the PAGA claims and entry of a final judgment by the Court, and Class Counsel will
24 timely notify the LWDA of the final judgment pursuant to Labor Code section 2699(1)(3). It is the
25 intent of the Parties that upon entry of the Final Judgment, all claims for PAGA penalties as alleged
26 in the Action during the PAGA Period shall be deemed settled and resolved, including with respect
27 to any members of the Class who elected to opt-out of the Action.

28 **32. Duties of the Claims Administrator.** The Parties have agreed to the appointment of

1 Simpluris (the "Claims Administrator"), or such other independent administrator as the Court might
2 approve, to provide all reasonable and necessary services to effectuate the Settlement, including to
3 mail the Notice, to independently review and verify documentation associated with any submitted
4 objections, disputes or opt-out requests, to provide weekly reports of such to counsel for the Parties,
5 to compute and pay the appropriate sums from the GSA, and to perform such other duties as are
6 reasonable and customary for a third-party claims administrator. The Claims Administrator's
7 estimate of its costs/fees for the administration of the settlement is \$10,000.00. The actual fees and
8 costs of the Claims Administrator, which will be paid out of the GSA, will not be known until all
9 claims are administered, and will be subject to final Court approval.

10 **33. List of Class Members.** Within forty five (45) days after the Court grants Preliminary
11 Approval of the Settlement, Defendants shall provide to the Claims Administrator:

12 A. A confidential and password protected electronic database with the full
13 names of all Class Members, last known mailing address, Social Security number and Defendants'
14 employee identification number ("Class Members' Data").

15 B. Corresponding to each Class Member's name, Defendants shall provide a
16 figure indicating the total number of Work Weeks during the Class Period in which that Class
17 Member performed any work for Defendants as an hourly, non-exempt employee and the total
18 number of payroll periods during the PAGA Period that each PAGA Employee received a
19 paycheck. That number of Work Weeks shall be referred to as that Class Member's "Individual
20 Work Weeks" and that number of payroll periods shall be referred to as that PAGA Employee's
21 "Individual Payroll Periods." If any of the Class Members' Data are unavailable to Defendants,
22 Defendant will so inform Class Counsel and the Parties will make their best efforts to reconstruct or
23 otherwise agree upon the Class Members' Data prior to when it must be submitted to the Claims
24 Administrator. Class Members' Data will otherwise remain strictly confidential and will not be
25 disclosed to anyone, except as necessary to applicable taxing authorities, or pursuant to Defendants'
26 express written authorization or by order of the Court.

27 **34. Notice to Class Members.** Upon receipt of the Names and addresses, the Administrator
28 will run the same through the NCOA database to obtain current address information. The Claims

1 Administrator will prepare for each Class Member to be sent by first-class mail a notice packet
2 containing a Notice of Pendency of Class Action Settlement, Proposed Settlement Amount for each
3 Class Member, and Hearing Date for Final Court Approval, along with other relevant information
4 (the “Notice”) in the form attached hereto as **Exhibit “1”** and approved by the Court. The Notice
5 will be prepared in English and Spanish.

6 A. **Mailing of Class Notice.** Within fifteen (15) business days after receiving
7 the Class Members’ Data, or as soon thereafter as it can do so after approval of the Notice by
8 counsel for the Parties, the Claims Administrator will mail the Class Notice to all identified Class
9 Members via first-class U.S. mail using the mailing address information provided by Defendants,
10 unless modified by any updated address information that the Claims Administrator obtains in the
11 course of administration of the Settlement.

12 B. **Returned Class Notice.** If a Class Notice is returned because of an incorrect
13 address, the Claims Administrator will promptly, and not later than ten (10) days from receipt of the
14 returned Notice, search for a more current address for the Class Member and re-mail the Class
15 Notice to the Class Member. The Claims Administrator will use the Class Members’ Data and
16 otherwise work with Defendants’ Counsel and Class Counsel to find a more current address. The
17 Claims Administrator will be responsible for taking reasonable steps, consistent with its agreed-
18 upon job parameters, court orders, and fee, to trace the mailing address of any Class Member for
19 whom a Class Notice is returned by the U.S. Postal Service as undeliverable. These reasonable
20 steps shall include the tracking of all undelivered mail; performing address searches for all mail
21 returned without a forwarding address; and promptly re-mailing to Class Members for whom new
22 addresses are found. If the Class Notice is re-mailed, the Claims Administrator will note for its own
23 records and notify Class Counsel and Defendants’ Counsel of the date and address of each such re-
24 mailing as part of a weekly status report provided to the Parties.

25 **35. Request for Exclusion from Settlement.** Other than with respect to the PAGA related
26 claims, a Class Member may request to be excluded from the effect of this Agreement, including
27 the Released Claims and the payment of the individual Settlement Share under this Agreement, by
28 timely mailing a letter to the Claims Administrator via U.S. Mail, stating that the Class Member

1 wants to be excluded from this Action. This opt-out letter must include the Class Member's name,
2 address, telephone number, and signature. To be valid and timely, the request to be excluded must
3 be postmarked by no later than the date specified in the Class Notice, which shall be sixty (60) days
4 from the initial mailing of the Class Notice by the Claims Administrator. Emailing forms will not
5 be deemed sufficient. A Class Member who properly submits a valid and timely request to be
6 excluded from the Action shall not receive any payment of his or her individual Settlement Share in
7 connection with this Agreement or this Action except for his or her individual PAGA Share from
8 the PAGA Settlement Amount, if applicable, and shall not be bound by or receive any benefit of
9 this Agreement, other than the effect of the PAGA Released Claims. Such excluded Class Member
10 also shall have no standing to object to the Settlement. Once Preliminary Approval is granted an
11 Opt-Out may be approved only by the Court or by stipulation of the Parties pursuant to the terms of
12 this paragraph. The Claims Administrator has *no authority* to accept or reject an invalid or untimely
13 opt-out or to make any representations to any person regarding whether an opt-out will be accepted
14 or rejected. Reliance on such unauthorized representations will not be deemed sufficient to
15 overcome failure to timely and properly opt-out.

16 A request for exclusion must be mailed to the Claims Administrator as follows (who shall transmit
17 the request for exclusion to counsel for the Parties) as follows:

18 To Claims Administrator

To Class Counsel:

To Defense Counsel:

19 Simpluris.
20 Claims Administrator
3194-C Airport Loop Drive
Costa Mesa, CA 92626

Shaun Setareh, Esq.
David Keledjian, Esq.
Setareh Law Group
9665 Wilshire Blvd.,
Ste. 430
Beverly Hills, CA 90212

Shannon Nakabayashi, Esq.
Conor J. Dale, Esq.
Lynsey D. Johnson, Esq.
Jackson Lewis P.C.
50 California Street, 9th Floor
San Francisco, California
94111-4615

23 **36. Objections to Settlement.** The Class Notice will provide that any Participating Class
24 Member who does not request exclusion from the Action and who wishes to object to the
25 Settlement may submit an objection to the Settlement in writing to the Claims Administrator (a
26 **“Written Objection”**) which sets forth the grounds for the objection and the other information
27 required by this paragraph and paragraph 37. The Written Objection must be faxed or mailed
28 (postmarked) to the Claims Administrator on or before the end of the 60-day Notice Period. The

1 Claims Administrator shall promptly transmit all Written Objections to counsel for the Parties.
2 However, any Class Member who opts-out of the Settlement shall not be permitted to object and
3 any such objections shall not be considered by the Court.

4 37. The Written Objection must state the objecting Participating Class Member's full name,
5 address and telephone number, the written basis for each specific objection in clear and concise
6 terms and any legal support for the objection and must be signed by the Participating Class Member
7 or by a legal representative of the Participating Class Member. If Written Objections have been
8 submitted by the deadline, it is not necessary for the Participating Class Member or counsel to
9 appear at the Final Approval hearing in order for the Court to consider the Written Objection.
10 However, even if a Participating Class Member does not timely submit a Written Objection, he/she
11 or his/her counsel may still appear at the Final Approval Hearing at his/her own expense to orally
12 present any objections. Any Participating Class Member who does not submit a Written Objection
13 in the manner and by the deadline specified above, and who fails to appear at the Final Approval
14 Hearing to orally present an objection for the first time, will be deemed to have waived any
15 objections and will be foreclosed from making any objections after the Final Approval Hearing,
16 whether by appeal, writ or other proceeding. If the objecting Participating Class Member does not
17 formally intervene in the action and/or the Court rejects the Participating Class Member's objection,
18 the Participating Class Member will still be bound by the terms of this Agreement.

19 38. **Disputed Class Member Settlement Shares.** If a Participating Class Member disputes
20 the number of Work Weeks or Payroll Periods used to determine his/her Settlement Share, the
21 Participating Class Member may produce evidence to the Claims Administrator for the Class Period
22 stating the basis of his or her disagreement and submitting supporting documentation. In order for
23 the dispute to be considered, he/she must follow the directions on the Class Notice. To be valid and
24 timely, all disputes and supporting documents must be postmarked by no later than the date
25 specified in the Class Notice, which shall be sixty (60) days from the initial mailing of the Class
26 Notice by the Claims Administrator. Defendants' employment records will be presumed to be
27 correct unless proven otherwise by the Participating Class Member. The Claims Administrator will
28 notify the Parties of any disputes, and if the Parties cannot mutually agree, the Claims Administrator

1 will make a determination of the number of Work Weeks and/or Payroll Periods to be attributed to
2 the Participating Class Member and shall notify the Class Member and the Parties of its decision.
3 The decision of the Claims Administrator shall be final, binding and non-appealable.

4 **39. Report.** On a weekly basis during the 60-day Notice Period, the Claims Administrator
5 will provide the Parties with a complete and accurate list of all Class Members who sent timely
6 requests to be excluded from the Action and all Participating Class Members who objected to the
7 settlement or disputed their settlement allocation. No later than seven (7) days after the deadline for
8 submission of the requests for exclusion, objections and disputes, the Claims Administrator will
9 provide the Parties with a final report of all such information.

10 **40. Declaration of Claims Administrator.** Not later than sixteen (16) court days prior to
11 the Final Approval Hearing, the Claims Administrator will provide the Parties for filing with the
12 Court a declaration of due diligence setting forth its compliance with its obligations under this
13 Agreement. Prior to the Final Approval Hearing, the Claims Administrator will supplement its
14 declaration of due diligence if any material changes occur from the date of the filing of its prior
15 declaration.

16 **41. No Solicitation of Objection; Right to Void.** Neither the Parties, nor their respective
17 counsel, will directly or indirectly solicit or otherwise encourage any Class Member to seek
18 exclusion from the Settlement, object to the Settlement, or to appeal from the Judgment. If five
19 percent (5%) or more of the Class Members submit a valid request to be excluded from the
20 Settlement, then Defendants shall have the unilateral right to void this Settlement. Defendants may
21 do so by giving notice to Class Counsel and the Court of its election to void the Settlement not later
22 than seven (7) days before the Final Approval Hearing. No sums shall be payable by Defendants if
23 this Agreement is voided as provided for herein with one exception: Defendants agree to pay any
24 fees owing to the Claims Administrator for services rendered in the event Defendants exercise their
25 right to void the Settlement.

26 **42. Additional Briefing and Final Approval.** Plaintiff will timely file with the Court a
27 motion for final approval of the Settlement, including the PAGA settlement, and payment of the
28 Claims Administrator's reasonable fees and expenses, with a memorandum in support of their

1 motion; and Plaintiff and Class Counsel will serve on Defendants and file with the Court a motion
2 for awards of the Class Representative Payment, the Class Counsel Fees Payment, and the Class
3 Counsel Litigation Expenses Payment pursuant to this Settlement, and memoranda in support of
4 their motions. Defense Counsel shall have the right to review and reasonably approve all such
5 motions and supporting documents prior to filing.

6 **43. Right to Respond to Objections.** Before the Final Approval Hearing, the Parties shall
7 be entitled to file and serve a response to any Class Member's objection to the Settlement and/or
8 reply in support of their motion for final approval of the Settlement, and payment of the Claims
9 Administrator's reasonable fees and expenses to the extent that any opposition to the motion is
10 filed; and Plaintiff and Class Counsel may file replies in support of their motions for the Class
11 Representative Payment, the Class Counsel Fees Payment, and the Class Counsel Litigation
12 Expenses Payment.

13 **44. Right to Void Settlement Agreement.** If the Court ultimately does not grant final
14 approval of the Settlement or grants final approval conditioned on any material change to the
15 Settlement that is not agreed to by the Parties, then either Party will have the unilateral right to void
16 the Settlement in its entirety by providing written notice of such termination to the other Party and
17 to the Court within ten (10) days of the Court's ruling on the Settlement; provided, however, that
18 prior to terminating the Agreement the Parties agree to first meet and confer in good faith to address
19 and attempt to resolve the Court's concerns. Upon written notice of any such termination by either
20 Party, the Settlement will be null and void and the Parties will have no further obligations under the
21 Settlement, including any obligation by Defendants to pay the GSA, NSA or any amounts that
22 otherwise would have been payable under this Agreement, except that the Party voiding the
23 Settlement will be responsible to pay the Claims Administrator's reasonable fees and expenses
24 incurred as of the date that the Party exercises the right to void the Settlement under this paragraph.
25 However, an award by the Court of a lesser amount than that sought by Plaintiff and Class Counsel
26 for the Class Representative Payment, the Class Counsel Fees Payment, or the Class Counsel
27 Litigation Expenses Payment, will not constitute a material modification to the Settlement within
28 the meaning of this paragraph and shall not render the Settlement voidable.

1 **45. Final Judgment.** Upon final approval of the Settlement by the Court at or after the
2 Final Approval Hearing, the Parties will present for the Court's approval a [Proposed] Final Order
3 and Judgment approving the Settlement pursuant to California Rules of Court, Rule 3.769(a) and a
4 Judgment pursuant to California Rules of Court, Rule 3.769(h) for entry by the Court, consistent
5 with the terms of the Settlement as approved by the Court. The Final Order and Judgment shall also
6 permanently enjoin and forever bar all Class Members (other than those who have submitted timely
7 and valid requests to be excluded from the Action as provided in this Agreement) from prosecuting
8 against Defendants and the Releasees any claims within the scope of the Releases contained in this
9 Agreement.

10 **46. Continuing Jurisdiction.** After entry of the Judgment, the Court will have continuing
11 jurisdiction over the Action and the Settlement solely for purposes of (a) enforcing this Agreement,
12 (b) addressing settlement administration matters, and (c) addressing such post-Judgment matters as
13 may be appropriate under court rules or applicable law. It is the intent of the Parties that the
14 Judgment entered by the Court upon final approval of the Settlement shall have *res judicata* effect
15 and shall be final and binding upon Plaintiff and all Class Members regarding all of the Class
16 Members' Released Claims and PAGA Released Claims.

17 **47. Waiver of Right to Appeal.** Plaintiff, Class Counsel, Class Members who did not
18 timely submit an objection to the Settlement, Defendants, and Defense Counsel, hereby waive,
19 except as provided for in this Agreement or prohibited by law, any and all rights to appeal from the
20 Judgment, including with respect to the amount of the Class Representative Payment or the Class
21 Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment, and including all rights
22 to any post-judgment proceeding and appellate proceeding, such as a motion to vacate judgment,
23 any extraordinary writ, and any appeal. The waiver of appeal does not include any waiver of the
24 right to oppose any appeal, appellate proceedings or post-judgment proceedings. If an appeal is
25 taken from the Judgment, the time for consummation of the Settlement (including making any
26 payments under the Settlement) will be suspended until the appeal is fully and finally resolved and
27 the Judgment, consistent with the terms of this Agreement, becomes Final.

28 **48. Vacating, Reversal, or Material Modification of Judgment on Appeal or Review.** If,

1 after a notice of appeal, a petition for review, or a petition for *certiorari*, or any other motion,
2 petition, writ, application, or appeal, the reviewing court vacates, reverses, or modifies the
3 Judgment such that there is a material modification to the Settlement, and that court's decision is
4 not completely reversed and the Judgment is not fully affirmed on review by a higher court, then
5 either Plaintiff or Defendants will have the unilateral right to void the Settlement, which the Party
6 must do by giving written notice to the other Parties, the reviewing court, and the Court, not later
7 than fourteen (14) days after the reviewing court's decision vacating, reversing, or materially
8 modifying the Judgment becomes final; provided, however, that prior to terminating the Agreement
9 the Parties agree to first meet and confer in good faith to address and attempt to resolve the Court's
10 concerns. The Party exercising its right to unilaterally void the Settlement pursuant to this
11 provision agrees to pay any fees owing to the Claims Administrator for services rendered. An order
12 vacating, reversing or modifying the Court's award of the Class Representative Payment or the
13 Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment will not constitute
14 a vacation, reversal, or material modification of the Judgment within the meaning of this paragraph,
15 and shall not render the Settlement voidable.

16 **49. Establishment of Settlement Account.** The Claims Administrator will establish an
17 account (the "Settlement Account") for the purpose of administering the funds described in this
18 Stipulation of Settlement. Within thirty (30) calendar days of the "Effective Date" of the Settlement
19 as defined in Paragraph 16 above, Defendant shall pay into the Settlement Account (via wire
20 transfer) the Gross Settlement Amount as defined in Paragraph 18 above.

21 **50. Qualified Settlement Fund.** The Settlement Account established by the Claims
22 Administrator shall be a "Qualified Settlement Fund" within the meaning of Section 468B of the
23 Internal Revenue Code of 1986, as amended, and Treas. Reg. Section 1.468B-1, et seq., and shall be
24 administered by the Claims Administrator pursuant to the final terms of the Settlement as approved
25 by the Court. The Claims Administrator shall request and obtain from the IRS an appropriate Tax
26 ID for the Settlement Account. The Claims Administrator shall serve as a Trustee of the Settlement
27 Account and shall act as a fiduciary with respect to the handling, management and distribution of
28 the Settlement Account, including the handling of all tax-related issues, reporting and payments.

1 The Claims Administrator shall act in a manner necessary to qualify and maintain the Settlement
2 Account as a “Qualified Settlement Fund” and the Parties shall cooperate to ensure such treatment
3 and shall not take a position in any filing or before any tax authority inconsistent with such
4 treatment.

5 **51. Minimum Settlement Payment Amounts.** In the event that an individual Class
6 Member’s Settlement Share as calculated based on the total number of Work Weeks is less than
7 Five Dollars (\$5.00), the Class Member shall receive a Settlement Share equal to Five Dollars
8 (\$5.00) and the other Settlement Shares shall be adjusted accordingly on a *pro rata* basis. In the
9 event that an individual PAGA Employee’s PAGA Share as calculated based on the total number of
10 Payroll Periods is less than Five Dollars (\$5.00), the PAGA Employee shall receive a PAGA Share
11 equal to Five Dollars (\$5.00) and the other PAGA Shares shall be adjusted accordingly on a *pro*
12 *rata* basis.

13 **52. Payment of Settlement Shares.** Within five (5) business days after receipt of the Gross
14 Settlement Amount from Defendants, the Settlement Administrator will pay each of the following:
15 (a) to Plaintiff, the Class Representative Payment; (b) to Class Counsel, the Class Counsel Fees
16 Payment and Expenses Payment; (c) to the LWDA, the LWDA Payment; and (d) to the Claims
17 Administrator, its reasonable fees and expenses as approved by the Court. The Claims
18 Administrator shall then calculate and pay the Settlement Shares, from the Settlement Account, to
19 all Class Members as defined in Paragraph 5 and shall pay the PAGA Shares, from the Settlement
20 Account, to all PAGA Employees as defined in Paragraph 8. The Claims Administrator shall
21 provide such calculations in writing to Class Counsel (names and personal information redacted)
22 and Defense Counsel not later than ten (10) business days after receipt of the GSA for final
23 approval by counsel. The Claims Administrator shall pay each Settlement Share and PAGA Share
24 by sending a check in the appropriate amount to the Class Member at the address indicated in the
25 list of Class Member names and addresses provided by Defendants, or as subsequently determined
26 by the Claims Administrator to be the correct address. Such payment shall be sent by the Claims
27 Administrator via U.S. Mail within fifteen (15) business days of its receipt from Defendants of the
28 Gross Settlement Amount.

1 **53. Uncashed Settlement Share Checks.** Any checks issued by the Claims Administrator
2 to Class Members (including those who timely and validly opted-out and are only receiving a
3 PAGA Share) shall be negotiable for one hundred and eighty (180) calendar days. If a check is
4 returned to the Claims Administrator, the Claims Administrator will make all reasonable efforts to
5 re-mail it to the Class Member at his or her correct address. If any Class Member's settlement
6 check is not cashed within 120 days after its mailing, the Settlement Administrator will send the
7 Class Member a letter or postcard informing him or her that unless the check is cashed in the next
8 60 days, it will expire and become non-negotiable, and offering to replace the check if it was lost or
9 misplaced but not cashed. Those funds represented by checks returned as undeliverable and those
10 checks remaining un-cashed for more than 180 days after issuance will be voided (collectively, the
11 "Voided Settlement Checks") and the equivalent amount will be sent to the Controller of the State
12 of California, in the name of that Class Member, to be held pursuant to the Unclaimed Property Law
13 for the benefit of the Class Member until such time as they claim their property, as allowed by law.
14 The Parties agree this disposition results in no "unpaid residue" under California Civil Procedure
15 Code § 384 (b), as the entire Net Settlement Amount will be paid to Settlement Class members,
16 whether or not all checks are cashed. Because no unpaid residue will exist, Defendant will not be
17 required to pay any interest on the uncashed checks.

18 **54. Final Report by Claims Administrator to Court.** Within ten (10) days after final
19 disbursement of all funds from the Settlement Account, the Claims Administrator will serve on the
20 Parties for filing with the Court a declaration providing a final summary report on the disbursements
21 of all funds from the Settlement Account.

22 **55. Non-Publicity Provision.** The Parties and their counsel agree that they will not issue
23 any press releases, initiate any contact with the press, hold any press conference, respond to any
24 press inquiry, or have any communication with the press about the fact, amount or terms of the
25 Settlement. If the Parties are contacted by the press or other third party regarding the Settlement, the
26 Parties shall be limited in their response to informing the initiating contactor that the Parties have
27 mutually agreed to a settlement and the initiating contactor should refer to the public records filed
28 with the Court for more information. In addition, the Parties and their counsel agree that they will

1 not engage in any advertising or distribute any marketing materials relating to the Settlement of this
2 case in any manner that identifies the Defendants, including but not limited to any postings on any
3 websites maintained by Class Counsel or any other websites, internet blogs, chatrooms or social
4 media sites. Neither Plaintiff nor Class Counsel will discuss the terms or the fact of the Settlement
5 with third parties other than (1) their immediate family members, (2) their respective accountants or
6 lawyers as necessary for tax purposes; or (3) other Class Members, but such communications to
7 Class Members must be consistent with the Court-approved Class Notice being mailed by the
8 Claims Administrator. Plaintiff and Class Counsel agree not to publish any of the terms or
9 conditions of this Settlement in any manner that identifies Defendants. However, Class Counsel
10 may identify this Settlement in other matters to demonstrate their adequacy as counsel in such other
11 matters, and Defendants may inform their employees that Defendants encourages all Class
12 Members to participate in the Settlement and that opting-out will not save the Defendants any
13 money. However, nothing herein shall prohibit Defendants or their counsel from making any
14 necessary disclosures to any government regulators, or its auditors, insurers, accountants or
15 financial institutions for legitimate business reasons, or to any putative class member asserting any
16 similar claim and/or to such counsel to notify them of this Settlement. This provision also does not
17 limit or restrict the ability of Class Counsel to file this Agreement with the Court or the LWDA in
18 connection with the settlement approval process.

19 **56. No Effect on Other Benefits.** The Settlement Shares will not result in any additional
20 employee benefit payments (such as pension, ERISA, 401(k), vacation or bonus) and shall not have
21 any effect on the eligibility for, or calculation of, any past or future employee benefits, vesting,
22 credits, or hours of service, including but not limited to with respect to any employee pension,
23 401(k), health and welfare, profit-sharing, stock option, vacation, PTO, paid sick, bonus or other
24 benefit plan or program of any kind. Plaintiff and Class Members are deemed to have waived all
25 such claims, whether known or unknown by them, as part of their release of claims under this
26 Agreement.

27 **57. No Admission of Liability.** Defendants deny that they engaged in any unlawful
28 activity, failed to comply with the law in any respect, or have any liability to anyone under the

1 claims asserted in the Action. This Agreement is entered into solely for the purpose of
2 compromising highly disputed claims. Nothing in this Agreement is intended or will be construed
3 as an admission of liability or wrongdoing by Defendants, or an admission by Plaintiff that any of
4 his claims was non-meritorious or any defense asserted by Defendants was meritorious. This
5 Settlement and the fact that Plaintiff and Defendants were willing to settle the Action will have no
6 bearing on, and will not be admissible in connection with, any litigation (other than solely in
7 connection with the Settlement).

8 **58. No Admission of Class Certification.** Defendants have agreed not to contest the
9 certification of the Class for the sole purpose of effectuating this Settlement. Should the Settlement
10 be voided by any Party pursuant to this Agreement, or not approved by the Court, or should the
11 Judgment not become Final, the certification of the Class for settlement purposes will be deemed
12 null and void; and the fact that Defendants were willing not to contest class certification as part of
13 the Settlement will have no bearing on, and will not be admissible in connection with, the issue of
14 whether the Class should be certified in a non-settlement context in the Action or any other action.

15 **59. Improper Use of Settlement.** Whether or not the Settlement becomes final, this
16 Stipulation of Settlement, and all documents filed with the Court pursuant to this Agreement, are
17 settlement documents and shall, pursuant to California Evidence Code section 1152 and Federal
18 Rule of Evidence 408(a), be inadmissible in evidence for any purpose in this Action or in any other
19 civil, criminal or administrative action or proceeding of any kind. The preceding sentence shall not
20 apply to an action or proceeding to approve, interpret, or enforce this Stipulation of Settlement.

21 **60. Integrated Agreement.** After this Agreement is signed and delivered by all Parties and
22 their counsel, this Agreement and its exhibits will constitute the entire agreement between the
23 Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties,
24 covenants, or inducements have been made to any Party concerning this Agreement or its exhibits
25 other than the representations, warranties, covenants, and inducements expressly stated in this
26 Agreement and its exhibits.

27 **61. Modification.** This Stipulation of Settlement may not be changed, altered, or modified,
28 except in a writing signed by the Parties hereto and approved by the Court. This Stipulation of

1 Settlement may not be discharged except by performance in accordance with its terms or by a
2 writing signed by all of the Parties hereto.

3 **62. Attorney Authorization.** Class Counsel and Defense Counsel warrant and represent
4 that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action
5 required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms,
6 and to execute any other documents required to effectuate the terms of this Agreement. The Parties
7 and their counsel will cooperate with each other and use their best efforts to effect the
8 implementation of the Settlement. In the event the Parties are unable to reach agreement on the
9 form or content of any document needed to implement the Agreement, or on any supplemental
10 provisions that may become necessary to effectuate the terms of this Agreement, the Parties will
11 seek the assistance of the Court, and in all cases, all such documents, supplemental provisions and
12 assistance of the court will be consistent with this Agreement.

13 **63. No Tax Advice.** The Parties and their counsel make no representations as to the tax
14 treatment or legal effect of the payments specified herein, and Class Members are not relying on
15 any statement or representation by the Parties, Class Counsel, or Defense Counsel in this regard.
16 Plaintiff, Class Members and Class Counsel understand and agree that they shall be solely
17 responsible for the payment of all applicable taxes and any penalties and interest assessed on the
18 payments specified herein, other than those amounts to be withheld and paid by the Claims
19 Administrator, and shall hold, as applicable, the Parties, Class Counsel, and/or Defense Counsel
20 free and harmless from and against any claims resulting from the tax treatment of such payments in
21 this Agreement, including the treatment of such payments as not being subject to withholding or
22 deduction for payroll and employment taxes.

23 **64. Agreement Binding on Successors.** This Agreement will be binding upon, and inure to
24 the benefit of, the successors and assigns of each of the Parties.

25 **65. Applicable Law.** All terms and conditions of this Agreement and its exhibits will be
26 governed by and interpreted according to the laws of the State of California, without giving effect to
27 any conflict of law principles or choice of law principles.

28 **66. Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation

1 of this Agreement. This Agreement will not be construed against any Party on the basis that the
2 Party was the drafter or participated in the drafting.

3 **67. Fair Settlement.** The Parties and their respective counsel believe and warrant that this
4 Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this
5 Agreement through arms-length negotiations, with the assistance of an experienced mediator, after
6 considering all relevant factors, current and potential.

7 **68. Headings.** The descriptive heading of any section or paragraph of this Agreement is
8 inserted for convenience of reference only and does not constitute a part of this Agreement.

9 **69. Notice.** All notices, demands or other communications given under this Agreement will
10 be in writing and deemed to have been duly given as of the third business day after mailing by
11 United States mail, addressed as follows:

12 To Class Counsel:

13 Shaun Setareh, Esq.
14 David Keledjian, Esq.
15 Setareh Law Group
16 9665 Wilshire Blvd., Ste. 430
17 Beverly Hills, CA 90212

12 To Defense Counsel:

13 Conor J. Dale, Esq.
14 Lynsey D. Johnson, Esq.
15 Jackson Lewis P.C.
16 50 California Street, 9th Floor
17 San Francisco, California 94111-4615

18 **70. Execution in Counterpart.** This Agreement may be executed in one or more
19 counterparts. All executed counterparts and each of them will be deemed to be one and the same
20 instrument provided that counsel for the Parties will exchange between themselves original signed
21 counterparts. Facsimile, PDF and electronic signatures will be presumptive evidence of execution
22 of the original, which shall be produced on reasonable request. Any executed counterpart will be
23 admissible to prove the existence and contents of this Agreement.

24 **71. No Assignments.** The Parties hereto represent, covenant, and warrant that they have not
25 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
26 encumber to any person or entity any portion of any liability, claim, demand, action, cause of
27 action, or rights herein released and discharged.

28 **72. Class Counsel Signatories.** It is agreed that, because the members of the
Settlement Class are so numerous, it is impossible or impractical to have each such Class Member

1 execute this Stipulation of Settlement. The Notice will advise all Class Members of the binding
2 nature of the release, and such shall have the same force and effect as if this Stipulation of
3 Settlement were executed by each Member of the Settlement Class.

4
5
6 DATED: 01/20/2022

Leonardo Aldape

Plaintiff, LEONARDO ALDAPE

8
9 DATED: _____

Defendant, CEVA LOGISTICS, U.S., INC.

By: _____

12
13 DATED: _____

Defendant, CEVA FREIGHT, LLC,

By: _____

16
17 DATED: _____

Defendant, CEVA FREIGHT
MANAGEMENT INTERNATIONAL
GROUP, INC.

By: _____

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24 **APPROVED AS TO FORM AND CONTENT**

THE SETAREH LAW GROUP

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27 DATED: 01/20/2022

Shaun Setareh

Shaun Setareh
David Keledjian

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Counsel for Plaintiff

JACKSON LEWIS P.C.

DATED: _____

Shannon Nakabayashi, Esq.
Conor J. Dale, Esq
Lynsey D. Johnson, Esq.

Counsel for Defendants

4873-9846-5795, v. 19

United States mail, addressed as follows:

To Class Counsel:

Shaun Setareh, Esq.
David Keledjian, Esq.
Setareh Law Group
9665 Wilshire Blvd., Ste. 430
Beverly Hills, CA 90212

To Defense Counsel:

Conor J. Dale, Esq.
Lynsey D. Johnson, Esq.
Jackson Lewis P.C.
50 California Street, 9th Floor
San Francisco, California 94111-4615

70. **Execution in Counterpart.** This Agreement may be executed in one or more counterparts. All executed counterparts and each of them will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile, PDF and electronic signatures will be presumptive evidence of execution of the original, which shall be produced on reasonable request. Any executed counterpart will be admissible to prove the existence and contents of this Agreement.

71. **No Assignments.** The Parties hereto represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights herein released and discharged.

72. **Class Counsel Signatories.** It is agreed that, because the members of the Settlement Class are so numerous, it is impossible or impractical to have each such Class Member execute this Stipulation of Settlement. The Notice will advise all Class Members of the binding nature of the release, and such shall have the same force and effect as if this Stipulation of Settlement were executed by each Member of the Settlement Class.

DATED: _____

Plaintiff, LEONARDO ALDAPE

DATED: 20 January 2022 | 10:42 AM PST

DocuSigned by:
Charissa Sebasta
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Defendant, CEVA LOGISTICS, U.S., INC.

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By: Charissa Sebesta Legal Counsel

DATED: 20 January 2022 | 10:42 AM PST

DocuSigned by:
Charissa Sebesta
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Defendant, CEVA FREIGHT, LLC,

By: Charissa Sebesta Legal Counsel

DATED: 20 January 2022 | 10:42 AM PST

DocuSigned by:
Charissa Sebesta
E2A020B0B6FD4D7...

Defendant, CEVA FREIGHT
MANAGEMENT INTERNATIONAL
GROUP, INC.

By: Charissa Sebesta Legal Counsel

APPROVED AS TO FORM AND CONTENT

THE SETAREH LAW GROUP

DATED: _____

Shaun Setareh
David Keledjian
Counsel for Plaintiff

JACKSON LEWIS P.C.

DATED: 1.24.22



Shannon Nakabayashi, Esq.
Conor J. Dale, Esq.
Lynsey D. Johnson, Esq.
Counsel for Defendants



Verification Complete

The document has been officially verified.

Job Status	✓ Signed & Verified
Job Name	CEVA -- 2022 01-19 PLD Joint Stip. of Class Action & PAGA Settlement
Sender Name	Wendy Sarabia
Job Key	FA7294B8-C819-4E0B-9C0C-ABA811BEBE9C

Recipient 1 Leonardo Aldape leonardoaldape0@gmail.com (323) 702-5137	IP Address 172.58.25.36	Signature 
Recipient 2 Shaun Setareh shaun@setarehlaw.com (310) 746-7978	IP Address 172.58.25.187	Signature 

Job History

Activity	Date & Time	Recipient	Activity Details
 Job Completed Matching Hash	01/20/2022 20:50 UTC	Shaun Setareh	Signed by Shaun Setareh (shaun@setarehlaw.com) Blockchain Block VWmj03YxpQnYiwUdqS5PyDH+hjy2JVz3RX/Rif3y39M= Document Hash FED3866DA2BF6010ECBFEC6B6DEBDD5B621891949D650FD65CB7552AD2BAE54 Timestamp 01/20/2022 20:50 UTC
 Document Viewed	01/20/2022 20:49 UTC	Shaun Setareh	Viewed by Shaun Setareh (shaun@setarehlaw.com)
 Document Viewed	01/20/2022 20:49 UTC	Shaun Setareh	Viewed by Shaun Setareh (shaun@setarehlaw.com)
 Document Sent	01/20/2022 19:25 UTC	Shaun Setareh	Sent out via email to Shaun Setareh (shaun@setarehlaw.com)
 Document Sent	01/20/2022 19:25 UTC	Shaun Setareh	Sent out via text to Shaun Setareh ((310) 746-7978)
 Document Signed	01/20/2022 19:25 UTC	Leonardo Aldape	Signed by Leonardo Aldape (leonardoaldape0@gmail.com) Blockchain Block WcdC+GVtPAIvpeiFOLrfSTn0l8tcKUx7WNB7zp2AX8= Document Hash EF3AE55D9F6CFF0530660F507D3A88531D48152C44AD0487D8052A86B7DC2D24 Timestamp 01/20/2022 19:25 UTC
 Document Viewed	01/20/2022 19:25 UTC	Leonardo Aldape	Viewed by Leonardo Aldape (leonardoaldape0@gmail.com)
 Document Viewed	01/20/2022 19:25 UTC	Leonardo Aldape	Viewed by Leonardo Aldape (leonardoaldape0@gmail.com)
 Document Viewed	01/19/2022 23:06 UTC	Leonardo Aldape	Viewed by Leonardo Aldape ((323) 702-5137)

EXHIBIT 1

NOTICE OF CLASS ACTION SETTLEMENT TO PERSONS WHO WORKED AS A NON-EXEMPT EMPLOYEES FOR: CEVA LOGISTICS U.S., INC.; CEVA FREIGHT, LLC.; CEVA FREIGHT MANAGEMENT INTERNATIONAL GROUP, INC., STAFFMARK HOLDINGS, INC.; AND RANDSTAD INHOUSE SERVICES, LLC (COLLECTIVELY “DEFENDANT”) DURING THE PERIOD(S) SPECIFIED BELOW.

Re: Leonardo Aldape v. CEVA Logistics U.S., Inc., et al.
San Mateo County Superior Court Case No. 20-CIV-04865

PLEASE READ THIS ENTIRE NOTICE CAREFULLY. IT MAY AFFECT YOUR LEGAL RIGHT TO A MONETARY SETTLEMENT RELATED TO YOUR EMPLOYMENT WITH DEFENDANT DURING THE TIME FRAME SPECIFIED BELOW. THIS IS A COURT-ORDERED NOTICE. THIS NOTICE IS NOT FROM A LAWYER AND YOU ARE NOT BEING SUED.

IF YOU PERFORMED WORK FOR CEVA LOGISTICS U.S., INC., CEVA FREIGHT, LLC, OR CEVA FREIGHT MANAGEMENT INTERNATIONAL GROUP, INC. IN CALIFORNIA AND ARE RECEIVING THIS NOTICE, DEFENDANTS’ RECORDS SHOW THAT YOU PERFORMED WORK FOR A TOTAL OF [INSERT INDIVIDUAL # OF WORKWEEKS] WEEKS DURING THE RELEVANT TIME PERIOD(S), AND THAT YOU ARE ELIGIBLE FOR A SEPARATE PAYMENT FROM A CLASS ACTION SETTLEMENT.

BASED UPON THE NUMBER OF WORKWEEKS THAT YOU PERFORMED WORK FOR DEFENDANTS IN CALIFORNIA BETWEEN DURING THE TIME FRAME SPECIFIED BELOW, IT IS ESTIMATED THAT YOUR PAYMENT UNDER THIS SETTLEMENT WILL BE \$[INSERT INDIVIDUAL CLASS DOLLAR AMOUNT] AS A SETTLEMENT SHARE, AND \$[INSERT INDIVIDUAL PAGA DOLLAR AMOUNT] AS A PAGA SHARE, PRIOR TO ANY APPLICABLE TAXES AND DEDUCTIONS

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
INCLUDE THE FOLLOWING:	
DO NOTHING	You will be considered a Settlement Class Member and will be part of the Settlement as explained more fully below. After final approval by the Court, the payment of your Settlement Share (and – if you are also a PAGA Employee – your PAGA Share) will be mailed to you at the same address as this Notice, and you will release the Released Claims and PAGA Claims against the Releasees covered by the Settlement.
EXCLUDE YOURSELF	Receive no payment of a Settlement Share and retain any and all rights you may have against Defendants and Releasees as to the Released Claims.

	<u>Note:</u> If you are also a PAGA Employee, regardless of whether you choose to exclude yourself from the Settlement Class, you will receive a PAGA Share of the Settlement and will release the PAGA Released Claims after final approval of the Settlement by the Court.
OBJECT	Write to the Settlement Administrator about why you don't agree with the Settlement. The Court may or may not agree with your objection. Objecting to the Settlement will not exclude you from the Settlement.
APPEAR AT THE FINAL APPROVAL HEARING	Appear at the Final Approval Hearing to speak to the Court about the fairness of the Settlement.

SETTLEMENT CLASS: The Settlement resolves Plaintiff Leonardo Aldape's ("Plaintiff") alleged wage and hour claims against Defendants with respect to individuals who performed work for Defendants in the following periods (collectively to be referred to as the "Class Period"):

- (1) Non-exempt employees of CEVA Logistics, U.S., Inc. CEVA Freight, LLC, and CEVA Freight Management International Group, Inc. ("CEVA") employed in the state of California between the period of February 1, 2020 to September 24, 2021;
- (2) Non-exempt employees of Staffmark Holdings, Inc. and/or its related corporate entities including Staffmark Investments, LLC ("Staffmark"), who performed work for CEVA in California between the period of November 28, 2017 to September 24, 2021; or
- (3) Non-exempt employees of Randstad Inhouse Services, LLC and/or its related corporate entities ("Randstad") who performed work for CEVA in California between the period of November 6, 2016 to September 24, 2021.

PAGA EMPLOYEES: This Settlement also resolves Plaintiff's alleged claims for civil penalties against Defendants under the Private Attorneys General Act of 2004 (Cal. Labor Code § 2698, *et seq.*) (the "PAGA"), for the alleged violations of the California Labor Code with respect to any individuals in the Settlement Class listed above who worked for Defendants in the State of California as non-exempt employees between November 6, 2016 and September 24, 2021 (the "PAGA Period"). Defendant denies all of Plaintiff's allegations and claims.

Defendant denies all of Plaintiff's allegations and claims.

NO MONEY WILL GO BACK TO DEFENDANT UNDER THE TERMS OF THIS SETTLEMENT.

BASIC INFORMATION

1. What is this lawsuit about?

Plaintiff alleges that, during the Class Period, Defendants failed to provide Class Members with meal periods, failed to provide them with rest breaks, failed to pay them all hourly and overtime wages, failed to pay them vacation wages, failed to provided them with written accurate wage statements, failed to timely pay them all wages upon separation, and failed to pay them expense

reimbursements, interest, and penalties under California labor laws; Plaintiff seeks restitution under the Unfair Competition Law (“UCL”) and civil penalties under PAGA for the alleged Labor Code violations. Defendants deny all liability and contends that it has complied with California labor law and that Class Members were properly compensated for all hours worked. This Settlement constitutes a compromise of highly disputed claims and should not be construed as an admission of liability on Defendants’ part.

2. Why is this a Class Action?

In a class action lawsuit, one person (or multiple persons) designated as the “Class Representative” (in this case, Plaintiff) sue on behalf of people that the Class Representative alleges have similar claims. The people together are a “Class” or “Class Members.” The San Mateo County Superior Court (the “Court”) has granted preliminary approval of the proposed settlement (the Settlement”) of this class action lawsuit. If the Settlement does not receive final approval from the Court, then the Class Members will not receive – or be entitled to – the benefits of this Settlement, and Plaintiff will need to go back to court to prove his case through trial.

3. Why is there a Settlement?

In the interest of efficiency and economy, the Parties to the litigation decided to resolve the litigation through the Settlement. In this way, the Parties avoid the risks and costs of trial. In deciding whether to grant final approval of the Settlement, the Court will not decide who is right or wrong. Instead, it will determine whether the Settlement is fair, reasonable, and adequate.

4. Why did I receive this Notice?

You received this Notice because Defendants’ records show that you are a Class Member (and, if applicable, a PAGA Employee) in this case, as described below.

WHO IS IN THE SETTLEMENT?

5. How do I know if I am part of the Settlement?

You are in the Settlement if you are a Class Member. You are a Class Member if you performed work for Defendants as: (1) a California based non-exempt employee of CEVA between the period of February 1, 2020 to September 24, 2021; (2) a non-exempt employee of Staffmark who performed work for CEVA between the period of November 28, 2017 to September 24, 2021; or (3) a non-exempt of Randstad who performed work for CEVA in California during the period of November 6, 2016 to September 24, 2021. Defendant’s records indicate that you are a Class Member.

You are also a PAGA Employee (in addition to being a Class Member) if you are a Class Member as listed above and worked for Defendants in California at any time during the PAGA Period, in any capacity.

6. What are my options:

As a Class Member, you have several options available to you. You may:

- (i) **Participate in the Settlement and receive a settlement check.** To participate in the Settlement, you do not need to do anything. You will receive a settlement check that will be mailed to you later this year or early next year after the Court grants final approval of the Settlement. (The Court proceedings have been delayed because of Covid-19 court closures.) The estimated amount of your settlement check is listed on Page 1 of this Notice.
- (ii) **Object to the Settlement;** or
- (iii) **Request to be excluded from the Settlement.** Note: A request for exclusion only excludes you from being a member of the Settlement Class. If you are also a PAGA Employee, regardless of whether you choose to exclude yourself from the Settlement Class, you will receive a PAGA Share of the Settlement and will release the PAGA Released Claims after final approval of the Settlement by the Court. Your rights to pursue any of the Released Claims (other than the PAGA Released Claims) will remain unaffected.

SETTLEMENT BENEFITS – WHAT YOU COULD RECEIVE?

7. *What are the Settlement terms?*

The Class in this case consists of: (1) all non-exempt employees of Defendants CEVA Logistics, U.S., Inc. CEVA Freight, LLC, and CEVA Freight Management International Group, Inc. employed in the state of California between the period of February 1, 2020 to September 24, 2021; (2) all non-exempt employees of third party staffing agency Staffmark Holdings, Inc. and/or its related corporate entities including Staffmark Investments, LLC who performed work for CEVA Logistics, U.S., Inc. CEVA Freight, LLC, and CEVA Freight Management International Group, Inc. in California between the period of November 28, 2017 to September 24, 2021; and (3) all non-exempt employees of any additional third party staffing agencies, including but not limited to Randstad Inhouse Services, LLC and/or its related corporate entities who performed work for CEVA Logistics, U.S., Inc. CEVA Freight, LLC, and CEVA Freight Management International Group, Inc. in California between the period of November 6, 2016 to September 24, 2021. All Class Members who fit this description during the PAGA Period are PAGA Employees, as well. Class Members who do not opt out of (i.e., request exclusion from) the Class, as well as all PAGA Employees, will be bound by the Settlement and will release their claims against Defendant and the Releasees as specified in the Settlement.

Defendants have agreed to pay a maximum, non-reversionary, settlement amount of Three-Million Eight-Hundred Fifty-Thousand Dollars and No Cents (\$3,850,000.00), (the “Gross Settlement Amount” or “GSA”) to fully resolve all claims in the lawsuit, including payments to participating Class Members and all PAGA Employees, attorneys’ fees and costs, and the class representative service award. The specific settlement terms are as follows:

The Gross Settlement Amount under the Settlement is Three-Million Eight-Hundred Fifty-Thousand Dollars and No Cents (\$3,850,000.00), from which payments will be made for: (1)

attorneys' fees in an amount up to one-third of the GSA (\$1,283,333.33) to Class Counsel, subject to Court approval; (2) actual litigation costs incurred by Class Counsel not to exceed \$20,000.00, subject to Court approval; (3) a Class Representative service award to Plaintiff of up to \$5,000.00, subject to Court approval; (4) settlement administration costs not to exceed \$10,000.00 payable to Simpluris, subject to Court approval; and (5) payment to the California Labor and Workforce Development Agency ("LWDA") of \$75,000.00 for payment of penalties under the Labor Code Private Attorney General Act ("PAGA"). The GSA is non-reversionary, meaning no amount of the GSA will be retained by, or revert back, to Defendants. Any monies in the GSA that are attributable to Class Members who opt out of the Settlement will be sent to the Controller of the State of California, in the name of that Class Member, to be held pursuant to the Unclaimed Property Law for the benefit of the Class Member until such time as they claim their property, as allowed by law.

After the deductions from the Gross Settlement Amount for attorneys' fees, litigation costs, settlement administration costs, the service award to Plaintiff, and the payment under PAGA, described above, the remaining balance (the "Net Settlement Amount" or "NSA") shall be available to pay settlement checks to the Class Members based upon the formulae set forth in Paragraph 8 below.

8. *How will my Settlement payment be calculated?*

After deduction of the Court-approved fees and expenses set forth above, the remainder of the GSA, the NSA, shall be available for payment to Class Members and PAGA Employees based on the following:

Settlement Shares. In total, this is the amount of the NSA, less \$25,000, that will be allocated to the Settlement Class, and equal to the NSA. Each Class Member who participates in the Settlement will receive a *pro rata* Settlement Share based upon the number of weeks that he or she performed work for Defendants in California during the respective periods above.

Specifically, the Claims Administrator shall assign to each Class Member a "Settlement Ratio," which shall be a fractional number comprised of (i) that Class Member's Individual Work Weeks during the Class Period as the numerator, and (ii) the aggregate total of all Class Members' Individual Work Weeks during the Class Period as the denominator. The Claims Administrator shall assign to each Class Member the "Settlement Share" which shall be calculated by multiplying that Class Member's Settlement Ratio by the amount allocated to the Class Members from the NSA.

Each Settlement Share is allocated thirty percent (30%) to wages (for which employment taxes will be deducted and W-2s issued), and a combined thirty-five percent (35%) to interest and thirty-five percent (35%) to penalties (70% total, for which no taxes will be deducted and 1099s will be issued).

PAGA Shares. In total, this is the amount of the NSA that will be allocated to the PAGA Employees, equal to \$25,000.00. Each PAGA Employee will receive a *pro rata* PAGA Share based upon the number of weeks that he or she performed work for Defendants in California during the PAGA Period.

The Claims Administrator shall assign to each PAGA Employee a "PAGA Settlement Ratio," which

shall be a fractional number comprised of (i) that PAGA Employee's Individual Payroll Periods worked during the PAGA Period as the numerator, and (ii) the aggregate total of all PAGA Employees' Individual Payroll Periods worked during the PAGA Period as the denominator. The Claims Administrator shall assign to each PAGA Employee the "**PAGA Share**" which shall be calculated by multiplying that PAGA Employee's PAGA Settlement Ratio by the amount allocated to the PAGA Employees from the PAGA Settlement Amount after payment to the LWDA.

Each PAGA Share will be allocated one-hundred percent (100%) to penalties (for which no taxes will be deducted and 1099s will be issued).

Individuals who are both Class Members and PAGA Employees may recover a Settlement Share **and** a PAGA Share. However, regardless of whether such persons request exclusion from the Settlement, they will still be paid their PAGA Shares.

9. Disputing the data on your Individual Notice

You have the opportunity to dispute the data set forth on the first page of this Notice, including the number of workweeks used to calculate your Settlement payment, if you believe the data is incorrect. To dispute the data on this Notice, you must send a letter, signed under penalty of perjury, to the Settlement Administrator at Simpluris, Inc., [INSERT ADDRESS] by [INSERT DISPUTE DATE] disputing the data on this Notice and providing any supporting documentation you have. The Settlement Administrator will use Defendant's records and the information you provide to resolve any disputes about the data appearing on this Notice. The Settlement Administrator's determination will be final and binding.

10. What are the possible settlement benefits from this Settlement?

You have the right to receive money from the Settlement if you received this Notice. The estimated amount of your share of the Settlement money is listed on the first page of this Notice.

State law and Defendants' policy strictly prohibit any retaliation against you for participating in the Settlement. Defendants will not take any adverse action against you because of your decision to participate in this Settlement. Defendants want you to participate in the Settlement. Whether you participate in the Settlement or not, no amount Defendants have agreed to pay under the terms of the Settlement will go back to Defendants.

11. How do I participate in the Settlement and get a settlement check?

You do not need to do anything to participate in the Settlement and receive a settlement payment. You will receive a settlement check that will be mailed to you later this year after the Court grants final approval of the Settlement.

12. When will I get my settlement check?

Checks for the amount of each Class Member's individual settlement payment will be distributed if and when the Settlement receives final approval from the Court. Settlement checks will be sent

to the address listed on this Notice. If you move after receiving this Notice, fill out the change of address section on this Notice or prepare a letter with your new address and mail the Notice or letter to Simpluris, Inc., [INSERT ADDRESS], You can also call the Settlement Administrator at [NUMBER] and advise them of your new address.

13. Will I have to pay taxes on my settlement payment?

Class Members will be responsible for paying any taxes owing for their settlement payments. The Settlement Administrator will issue Form W-2s and 1099s with respect to such payments as required by law. Without any party hereto admitting any liability of any type or kind, the Parties agree and intend that the payments made under this Settlement are compensatory payments to the Class Members intended to compensate Class Members for alleged damages. Each Settlement Share is allocated thirty percent (30%) to wages (for which employment taxes will be deducted and W-2s issued), and a combined thirty-five percent (35%) to interest and thirty-five percent (35%) to penalties (70% total, for which no taxes will be deducted and 1099s will be issued). Each PAGA Share will be allocated one-hundred percent (100%) to penalties (for which no taxes will be deducted and 1099s will be issued). The Settlement Administrator will withhold employee taxes from the wage portion of the settlement payments and issue W-2s to the Class Members for the wage portion of the settlement payments and Form 1099s for the penalty and interest portion of the settlement payments.

14. Am I giving anything up by remaining in the Class?

Unless you remove yourself from the Settlement (which is called “excluding yourself” or “opting out”), you are part of the Class. By staying part of the Class, court orders will apply to you, and you will be bound by the Release of Claims set forth in the Settlement Agreement. A release means you can’t sue or be part of any other lawsuit against Defendants about the claims or issues being released in this lawsuit for the applicable Class Period ever again.

If the Court approves the proposed Settlement, the Settlement Agreement will bind all Class Members who have not opted out of the Settlement (“Class Participants”), and will bar them from bringing the claims described in the release below against Defendants. Specifically, after Court approval, the Settlement provides for the following release for the time period with respect to the Class Participants between November 6, 2016 and September 24, 2021, and with respect to the PAGA Employees between November 6, 2019 and September 24, 2021.

In exchange for the consideration, undertakings, and covenants undertaken by Defendants in this Agreement, Named Plaintiff and Class Participants release the Releasees, to the fullest extent permitted by law, from all claims/causes of action contained in the Complaint filed in this Action or which could have been alleged based on the facts/legal claims/legal theories alleged in the Action.

Upon approval of the terms of the Settlement Agreement at the Final Approval Hearing, by automatic effect of the Settlement Agreement, Plaintiff and each Class Participant shall release and discharge Defendant and the other Releasees from Released Claims.

Upon approval of the terms of the Settlement Agreement at the Final Approval Hearing, all PAGA Employees, including Plaintiff, shall release and discharge Defendants and the other Releasees from the PAGA Released Claims, irrespective of whether that PAGA Employee validly requests exclusion from the settlement of Released Class Claims. An opt-out does not affect the release of PAGA Release Claims under the Settlement Agreement.

“Released Claims” all class claims alleged or which could have been alleged based on the facts in the operative complaint which occurred during the Class Period, including but not limited to claims for: (1) failure to provide meal periods pursuant to Labor Code §§ 204, 223, 226.7, 512, and 1198; (2) failure to provide rest periods pursuant to Labor Code §§ 204, 223, 226.7, and 1198; (3) failure to pay hourly and overtime wages pursuant to Labor Code §§ 204, 218.6, 223, 510, 1194, 1194.2, 1197, and 1198; (4) failure to pay vacation wages pursuant to Labor Code § 227.3; (5) failure to indemnify expenses pursuant to Labor Code §§ 452, 2802; (6) failure to provide accurate wages statements pursuant to Labor Code §§ 226; (7) failure to timely pay final wages pursuant to Labor Code §§ 201-203; and (7) claims for recovery under Business and Professions Code §§ 17200 *et seq.* The release of claims includes any claims by Class Participants against Staffmark Holdings, Inc. and/or its related corporate entities including Staffmark Investments, LLC and/or Randstad Inhouse Services, LLC and/or its related corporate entities to the extent that any of the released claims as to Defendants would apply to Staffmark Holdings, Inc. and/or its related corporate entities including Staffmark Investments, LLC and/or Randstad Inhouse Services, LLC and/or its related corporate entities. The release of the Released Claims shall be effective during the Class Period.

“PAGA Released Claims” means all PAGA Claims that were actually alleged or which could have been alleged based on the facts of the operative complaint in this Action by Plaintiff, on behalf of the State of California, himself, and PAGA Employees. The PAGA Release Claims includes any PAGA claims against Staffmark Holdings, Inc. and/or its related corporate entities including Staffmark Investments, LLC and/or Randstad Inhouse Services, LLC and/or its related corporate entities to the extent that any of the released PAGA claims as to Defendants would apply to Staffmark Holdings, Inc. and/or its related corporate entities including Staffmark Investments, LLC and/or Randstad Inhouse Services, LLC and/or its related corporate entities. The release of the PAGA Released Claims shall be effective during the PAGA Period.

“Releasees” shall mean Defendants and each of their past and current parents, subsidiaries, affiliates, trusts, trust funds, investors and related entities or companies, and each of its and their respective owners, partners, members, shareholders, officers, directors, employees, agents, managing agents, attorneys, representatives, fiduciaries, trustees, insurers and other service providers, and their respective predecessors, successors, and assigns

YOUR RIGHTS – OBJECTING TO THE SETTLEMENT AND APPEARING AT THE HEARING

15. How do I object to the Settlement?

If you believe the proposed Settlement is not fair, reasonable or adequate in any way, you may object to the Settlement. To object, you may appear in person at the Final Approval Hearing, have

an attorney object for you, or submit a written brief or statement of objection (“Objection”) to the Settlement Administrator at the following address:

Leonardo Aldape v. CEVA Logistics U.S., Inc., et al., Settlement

Simpluris, Inc.

[Address]

[City, State Zip]

If you submit a written objection, the Objection must: (1) state your full name, address, and phone number (for identification purposes only); (2) state the grounds for the objection in clear and concise terms; (3) be signed by you or your lawful representative; and (4) be postmarked on or before **[Response Deadline]** and returned to the Settlement Administrator at the address listed above. You can also hire an attorney at your own expense to represent you in your objection.

Any Class Member may object to the Settlement either by mailing a written objection using the process described above or by personally appearing at the Final Approval Hearing and making an oral objection before the Court, regardless of whether or not the Class Member timely mailed a written Objection to the Settlement Administrator. The Court, in its sole discretion, may permit any member of the Class to address the Court at the Settlement Approval Hearing and may consider any statements made by a Class Member.

If the Court rejects your objection, however, you will be bound by the terms of the Settlement. Persons who exclude themselves from the Settlement may not submit objections to the Settlement or appear at the Final Approval Hearing.

16. Who are the attorneys representing the parties?

Plaintiff and Class Members’ Attorney
(“Class Counsel”):

Shaun Setareh (SBN 204514)
David Keledjian (SBN 309135)
SETAREH LAW GROUP
9665 Wilshire Boulevard, Suite 430
Beverly Hills, California 90212
Telephone (310) 888-7771
Facsimile (310) 888-0109

17. Can I appear at the Final Settlement hearing?

You are not required to attend the Final Approval Hearing, but any Class Member may do so.

Due to the COVID-19 pandemic, hearings may be conducted remotely with the assistance of a third-party service provider. Class members who wish to appear at the final fairness hearing should contact class counsel to arrange a telephonic appearance at least three days before the hearing if possible. Any fees for an appearance by an objecting class member will be paid by class counsel.

YOUR RIGHTS – GETTING OUT OF THE SETTLEMENT

18. Can I remove myself from the Settlement?

Any Class Member who wishes to be excluded from the Class and Settlement must return a written request to be excluded from the Settlement to the Settlement Administrator by first class U.S. mail, or equivalent, postage paid and postmarked, on or before [INSERT EXCLUSION DEADLINE], sixty (60) days from the date that the Notice is first mailed to Class Members. The written notice must clearly identify the name, address, and telephone number of the Class Member requesting exclusion and contain a statement expressly stating that he/she seeks to be excluded from the Settlement, such as “I wish to opt out of the Lawsuit and the Settlement of the case: *Leonardo Aldape v. CEVA Logistics U.S., Inc., et al.*, San Mateo County Superior Court Case No. 20-CIV-04865. I understand that by requesting to be excluded from the Settlement, I will receive no money from the Settlement described in the Notice I have received and read,” and contain the full legal signature of the requesting Class Member. By submitting such a Request for Exclusion, a Class Member shall be deemed to have exercised his or her option to opt out of the class action lawsuit and Settlement.

The date of the postmark on the return envelope shall be the exclusive means used to determine whether a Class Member has timely returned his or her request for exclusion before the deadline. Any Class Member that timely submits a proper request for exclusion will not be entitled to any money under this Settlement (except for the PAGA Share if he or she is a PAGA Employee) and will not be bound by the Settlement (except for the release of PAGA Released Claims by PAGA Employees) or have any right to object, appeal or comment thereon. Class Members who do not timely submit a proper request for exclusion shall be bound by all terms of this Settlement, including the Release of Claims, and the Judgment entered in this Action by the Court.

Send the Request for Exclusion directly to the Settlement Administrator (Simpluris, Inc., [INSERT ADDRESS]). **Do not send the Request for Exclusion to the Court.** The judgment following approval of the Settlement by the Court will bind all Class Members who do not request exclusion from the Settlement.

19. What is the difference between excluding and objecting?

Excluding yourself or opting out means removing yourself from the Class and the Settlement altogether – you will not receive any money or be bound by the terms of the Settlement, except for the parts pertaining to PAGA Employees. Objecting means that you are remaining in the Class and will receive money and be bound by the terms of the Settlement but that you are complaining about some part of the Settlement that you do not like.

WHAT IF I DO NOTHING?

20. What if I do nothing?

If you do nothing, you will be bound by the terms of the Settlement, which means you will receive a settlement payment and cannot bring a lawsuit against Defendant regarding the Released Claims covered by the Settlement.

DO I NEED TO HIRE MY OWN LAWYER?

21. Do I need to hire my own lawyer?

You do not need to hire your own lawyer, but you can if you want to. Plaintiff, you, and the entire Class are already represented by the Plaintiff's attorneys listed above, who are known as Class Counsel. Class Counsel's services are paid for under the Settlement. If you decide to hire your own attorney you will have to pay for your own attorney's services.

You may contact Class Counsel if you have any questions about this Notice or the Settlement, but please *do not contact the Court or Defendant*.

FINAL APPROVAL OF SETTLEMENT

22. When will the Settlement be final?

The Final Approval Hearing on the fairness, reasonableness, and adequacy of the Settlement will be held at **[INSERT TIME]** on **[INSERT DATE]** at the San Mateo County Superior Court, located at 400 County Center, Redwood City, CA 94063. The hearing may be continued without further notice. **You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend.**

MORE INFORMATION

23. Where can I get more information?

This Notice is only a summary of the Settlement. For more information you may inspect the Court files, including the Settlement Agreement (also called the "Joint Stipulation of Class Action Settlement and Release of Claims"), at the Court Clerk's Office located at the San Mateo County Superior Court, located at 400 County Center, Redwood City, CA 94063, during regular business hours. You may also contact Class Counsel listed above for more information.

**PLEASE DO NOT CALL THE COURT, DEFENDANT, OR ITS ATTORNEYS ABOUT
THIS NOTICE**

| [4894-5760-1288, v. 94894-5760-1288, v.-3](#)

EXHIBIT 2

4:46 PM

04/14/22

Accrual Basis

Law Office of Shaun Setareh, APC

Find Report

All Transactions

Date	Name	Memo	Account	Class	Amount
12/31/2021	Thomson Reuters-West	53.04	CEVA Logistics U.S., Inc.		839.00
10/10/2021	JTC Corporation LLC	Inv. # 210907	CEVA Logistics U.S., Inc.		2,550.00
09/30/2021	Thomson Reuters-West	45.62	CEVA Logistics U.S., Inc.		1,327.00
09/30/2021	PACER	Inv. # 2957234-Q32021	CEVA Logistics U.S., Inc.		0.90
09/30/2021	PACER	Inv. # 2957234-Q32021	CEVA Logistics U.S., Inc.		2.10
08/31/2021	Thomson Reuters-West	89.70	CEVA Logistics U.S., Inc.		6,517.00
07/23/2021	Access Transcripts LLC	Inv.# 8923	CEVA Logistics U.S., Inc.		60.50
07/23/2021	Ortman Mediation, Inc.	Inv. # 2529, 9/10/21	CEVA Logistics U.S., Inc.		10,000.00
06/30/2021	PACER	Inv. # 2957234-Q22021	CEVA Logistics U.S., Inc.		1.60
06/22/2021	Joan Marie Columbini, CSR, RPR	Inv. # 20210026, Case # 20CV-08713-VC	CEVA Logistics U.S., Inc.		72.60
02/28/2021	Thomson Reuters-West	6.17	CEVA Logistics U.S., Inc.		262.00
12/04/2020	E-Filing.Com Inc	Case #20CIV04865	CEVA Logistics U.S., Inc.		3.62
11/10/2020	One Legal LLC	Sales Order # 15444563, Case# 20CIV04865	CEVA Logistics U.S., Inc.		40.00
11/10/2020	One Legal LLC	Sales Order # 15444562, Case# 20-CIV-04865	CEVA Logistics U.S., Inc.		40.00
11/10/2020	One Legal LLC	Sales Order # 15444564, Case# 20CIV-04865	CEVA Logistics U.S., Inc.		40.00
11/10/2020	E-Filing.Com Inc	Case # 20CIV04865	CEVA Logistics U.S., Inc.		3.62
11/09/2020	One Legal LLC	Sales Order # 15444565, Case# 20CIV04865	CEVA Logistics U.S., Inc.		1,496.06
10/15/2020	LWDA		CEVA Logistics U.S., Inc.		75.00
Total					23,331.00

EXHIBIT 3

EXHIBIT 4

**STIPULATION AND AGREEMENT TO SETTLE CLASS ACTION
AND LIMITED RELEASE**

EARL FRONDA V. STAFFMARK HOLDINGS, INC. ET AL.

(United States District Court, Northern District of California)

Case No. 3:15-CV-02315- MEJ

IT IS HEREBY STIPULATED AND AGREED by and among the undersigned Parties, subject to the approval of the Court, that the settlement of this action as between the undersigned Parties shall be effectuated upon and subject to the following terms and conditions. Capitalized terms used herein shall have the meanings set forth in Article I or elsewhere in this Stipulation and Agreement to Settle Class Action and Limited Release (“Agreement”).

This Agreement is made by and between Defendants, CBS Personnel Services, LLC and Staffmark Holdings, Inc. (the “CBS Defendants,” defined below, at Section 1.1(b)(5)); Plaintiff, Earl Fronda; the individuals defined below as the “Class” and/or “Class Members,” and the individuals and law firms defined below as “Class Counsel” and “Defense Counsel.”

The Parties agree that the case known as *Earl Fronda v. Staffmark Holdings, Inc. et al*, United States District Court, Northern District of California, Case No. 3:15-CV-02315-MEJ (hereinafter the “Litigation”) shall be, and hereby is, ended, settled, resolved, and concluded as to the CBS Defendants only (and, where applicable, as to Class Members’ claims against the Released Parties, defined below), by agreement of CBS Defendants to pay the maximum amount of five million six hundred thousand dollars (\$5,600,000.00), which is inclusive of all damages, wages, penalties, restitution, interest, costs, and attorney’s fees, with the exception of CBS Defendants’ portion of payroll taxes associated with payment of wages, upon the terms and conditions of this Agreement and for the consideration set forth herein, including but not limited to a limited release and waiver of all claims against CBS Defendants by the Class, Class Counsel, and Plaintiff as set forth herein. In no event shall CBS Defendants be required to pay more than five million six hundred thousand dollars (\$5,600,000.00), except for the payment of the employer’s portion of payroll taxes associated with the payment of any monies classified as wages under this Agreement.

**ARTICLE I
Definitions.**

1.1 Definitions.

(a) The following terms are used in this Agreement. These terms are described in the sections listed below. The terms are listed in alphabetical order for ease of reference.

- (1) “Administration Costs” – Section 1.1(b)(20)
- (2) “Agreement,” “Settlement Agreement,” or “Stipulation and Agreement” – Section 1.1(b)(1)

- (3) “Carson Location” – Section 1.1(b)(15)
- (4) “Class” or “Class Members” – Section 1.1(b)(4)
- (5) “Class List” – Section 1.1(b)(14)
- (6) “Class Member Claims” – Section 1.1(b)(11)
- (7) “Class Counsel” – Section 1.1(b)(6)
- (8) “Class Member Released Claims” – Section 1.1(b)(32)
- (9) “Class Period” – Section 1.1(b)(12)
- (10) “Court” – Section 1.1(b)(9)
- (11) “CBS Defendants” – Section 1.1(b)(5)
- (12) “Defense Counsel” or “Counsel for CBS Defendants” – Section 1.1(b)(7)
- (13) “Effective Date” – Section 1.1(b)(30)
- (14) “Enhancement Award” – Section 1.1(b)(28)
- (15) “Final Fairness and Approval Hearing” – Section 1.1(b)(23)
- (16) “Final Order and Judgment” – Section 1.1(b)(24)
- (17) “Individual Class Member Settlement Amount” – Section 1.1(b)(29)
- (18) “Litigation” – Section 1.1(b)(10)
- (19) “Net Settlement Sum” – Section 1.1(b)(27)
- (20) “Notice of Class Settlement” – Section 1.1(b)(18)
- (21) “Participating Class Members” – Section 1.1(b)(22)
- (22) “Parties” – Section 1.1(b)(8)
- (23) “Plaintiff” – Section 1.1(b)(3)
- (24) “Preliminary Order Approving Class Action Settlement” – Section 1.1(b)(13)
- (25) “Qualified Settlement Fund” – Section 1.1(b)(26)
- (26) “Released Parties” – Section 1.1(b)(31)
- (27) “Request To Be Excluded” – Section 1.1(b)(21)

- (28) "Settlement" – Section 1.1(b)(2)
 - (29) "Settlement Administrator" – Section 1.1(b)(17)
 - (30) "Settlement Sum" – Section 1.1(b)(25)
 - (31) "Summary Sheet" – Section 1.1(b)(19)
 - (32) "Torrance Location" – Section 1.1(b)(16)
- (b) Unless otherwise defined herein, the following terms used in this Agreement shall have the meanings ascribed to them below:
- (1) "Agreement," "Settlement Agreement," or "Stipulation and Agreement" means this Stipulation and Agreement to Settle Class Action and Limited Release.
 - (2) "Settlement" means the disposition of this Litigation as to CBS Defendants and all related claims against CBS Defendants as effectuated by this Agreement.
 - (3) "Plaintiff" is Earl Fronda.
 - (4) "Class" or "Class Members" means any and all individuals employed by CBS Defendants at CEVA Freight, LLC, CEVA Logistics U.S., Inc. and/or any other location of CEVA, CEVA's parents or any CEVA-related entity operating in California during the Class Period. Expressly excluded from the definition of "Class" or "Class Member" are any individuals directly hired by any CEVA-related entity, including CEVA Freight, LLC and CEVA Logistics U.S., Inc. for the period of time that the individuals were employed directly by any CEVA related entity, including CEVA Freight, LLC and CEVA Logistics U.S., Inc.
 - (5) "CBS Defendants" refers to Staffmark Holdings, Inc. and CBS Personnel Services, LLC.
 - (6) "Class Counsel" is counsel for the Class Members:

Shaun Setareh, SBN 204514
H. Scott Leviant, SBN 200834
Setareh Law Group
9454 Wilshire Blvd., Suite 907
Beverly Hills, Ca 90212
Telephone: (310) 888-7771
Fax: (310) 888-0109
 - (7) "Defense Counsel" or "Counsel for CBS Defendants" is:

Barbara S. Van Ligten, SBN 132217
Susan M. Steward, SBN 224805
Atkinson, Andelson, Loya, Ruud & Romo
12800 Center Court Drive, Suite 300
Cerritos, California 90703-9364
Telephone: (562) 653-3200
Fax: (562) 653-3333

- (8) “Parties” refers to CBS Defendants, Plaintiffs, Class Members, Class Counsel, and Defense Counsel.
- (9) “Court” means the United States District Court, Northern District of California, where the Litigation is now pending.
- (10) “Litigation” means the matter currently pending in the United States District Court, Northern District of California, entitled *Earl Fronda v. Staffmark Holdings, Inc., CEVA Logistics, U.S.A., Inc. and Does 1-50*, Case No. 3:15-CV-02315-MEJ.
- (11) “Class Member Claims” are the following claims asserted against CBS Defendants which are included in the Litigation: (1) Failure to Provide Meal Periods; (2) Failure to Provide Rest Periods; (3) Failure to Pay Hourly Wages; (4) Failure to Provide Accurate Itemized Wage Statements; (5) Failure to Pay Waiting Time Penalties and Wages; (6) Failure to Pay Wages Without Discount; (7) Unfair Business Practices that relate to any of these claims; and (8) Civil Penalties under the Private Attorney Generals Act (“PAGA”).
- (12) “Class Period” is the period for the Class Member Claims, which is the period of April 17, 2011 through the date of preliminary approval of this Settlement by the Court.
- (13) “Preliminary Order Approving Class Action Settlement” refers to the Order of the Court wherein the Court preliminarily approves the class action settlement set forth in this Agreement, certifies the Class for settlement purposes only, approves the Notice of Class Settlement and Summary Sheet, and sets a Final Fairness and Approval Hearing.
- (14) “Class List” is the list of all Class Members that CBS Defendants will provide to the Settlement Administrator pursuant to section 3.3(a) of this Agreement.
- (15) “Carson Location” refers to the CEVA location located on Bishop Avenue in Carson, California.
- (16) “Torrance Location” refers to the CEVA location located on Western Avenue in Torrance, California.

- (17) “Settlement Administrator” means the firm of KCC, LLC, which the Parties have agreed will be responsible for the following: (i) mailing the Notice of Class Settlement and Summary Sheet to Class Members; (ii) calculating the amounts due to each Participating Class Member pursuant to the Settlement; (iii) notifying the Parties and making recommendations to the Court regarding any disputes regarding claims by Participating Class Members; (iv) reporting to the Parties and the Court as set forth in the Agreement; (v) establishing a Qualified Settlement Fund associated with this Agreement; (vi) making all payments required by this Agreement from the Qualified Settlement Fund; and (vii) issuing all tax related documents associated with the payments under this Agreement. Any correspondence sent to the Settlement Administrator should be addressed as follows: Patrick J. Ivie Senior Executive Vice President, KCC LLC, 2335 Alaska Avenue, El Segundo, CA 90245, or such other mailing address that KCC subsequently establishes for this Settlement. A case administrator will be designated by KCC for e-mail communications regarding administration.
- (18) “Notice of Class Settlement” shall mean the Notice of Conditional Certification of Class and Preliminary Approval of Proposed Settlement attached as Exhibit “A.” It is the notice approved by the Parties and subject to Court approval which the Settlement Administrator will mail to each Class Member explaining the terms of this Agreement and the settlement process.
- (19) “Summary Sheet” is the form that will be prepared by the Settlement Administrator and sent to each Class Member that sets forth the number of weeks the Class Member worked as a temporary employee for Defendants at a CEVA location in California during the Class Period. A copy of the form for the Summary Sheet, which has been agreed to by the Parties, is attached hereto as Exhibit “B”.
- (20) “Administration Costs” shall mean all costs incurred by the Settlement Administrator in administering this Settlement, including, but not limited to address verification measures; mailing of Notice of Class Settlement and Summary Sheet; calculation, preparation and issuance of Individual Settlement Payments to Class Members; administration of any uncashed checks; preparation and issuance of checks to Class Counsel for cost and attorneys’ fees; preparation and issuance of checks for Enhancement Awards to Plaintiff; preparation of issuance of check to California’s Labor Workforce and Development Agency (“LWDA”); and the preparation and issuance of all tax related documents.
- (21) “Request To Be Excluded” refers to a letter setting forth the name, present address and a simple statement by a Class Member electing to be excluded from the settlement of the Class Member Claims.

- (22) “Participating Class Members” means those Class Members who do not file a valid and timely Request to Be Excluded from the Class pursuant to section 3.4(a) of this Agreement.
- (23) “Final Fairness and Approval Hearing” refers to the hearing which will be held by the Court wherein the Court enters a final order certifying the Class for settlement purposes only, approving this Agreement, and entering a judgment dismissing the Litigation as to CBS Defendants with prejudice.
- (24) “Final Order and Judgment” refers to the order of the Court granting final approval of this Agreement as to Participating Class Members and entering a judgment approving this Agreement on substantially the terms provided herein or as the same may be modified by written agreement of the Parties.
- (25) “Settlement Sum” refers to the amount of five million six hundred thousand dollars (\$5,600,000.00) which, except as provided below, is the maximum payment CBS Defendants shall be required to make toward the Settlement of this Litigation for all damages, wages, penalties, restitution, interest, costs, enhancement awards, administration costs, payments to the California Labor and Workforce Development Agency, and attorney’s fees. The only payment that CBS Defendants are required to make outside the Settlement Sum in connection with this Settlement is the reimbursement to the Settlement Administrator for the costs incurred by the Settlement Administrator in paying the employer’s share of the payroll tax costs which must be remitted in connection with settlement payments made under section 3.6(c)(2)(E)(i)(II) of this Agreement.
- (26) “Qualified Settlement Fund” shall refer to the bank account established by the Settlement Administrator from which all payments required under this Agreement shall be made, with the exception of the employer’s share of payroll taxes associated with the payment of wages under this Agreement. The Qualified Settlement Fund shall be established as follows: (1) The Settlement Administrator shall establish a Qualified Settlement Fund with its own bank account for purposes of the administration of this Agreement; and (2) No later than five (5) days after the Effective Date of this Agreement, CBS Defendants shall issue a wire transfer to the Qualified Settlement Fund in the amount of the Settlement Sum, five million six hundred thousand dollars (\$5,600,000.00).
- (27) “Net Settlement Sum” is the Settlement Sum of five million six hundred thousand dollars (\$5,600,000.00) less Class Counsel’s attorneys’ fees and litigation costs, any Administration Costs, any Enhancement Award to the Plaintiff, and the payment to the California LWDA. The Net Settlement Sum shall be the fund out of which Individual Settlement Payments shall

be made to Participating Class Members under section 3.6(b) of this Agreement.

- (28) “Enhancement Award” is the monetary amount not to exceed ten thousand dollars (\$10,000.00) which will be paid under section 3.6(f) of this Agreement to Plaintiff for his assistance in the Litigation, subject to Court approval.
- (29) “Individual Class Member Settlement Amount” is the amount of the Net Settlement Sum which is allocated to each individual Participating Class Member.
- (30) “Effective Date” means the date on which the settlement embodied in this Agreement becomes effective. The Settlement embodied in this Agreement shall become effective when all of the following have occurred: (a) this Agreement has been executed by all Parties; (b) The Court has given preliminary approval to the Settlement set forth in this Agreement; (c) notice has been given to the Class Members providing them with an opportunity to opt out of the Settlement; (d) the Court has held a Final Fairness and Approval Hearing and entered a Final Order and Judgment certifying the Class for settlement purposes only, dismissing the Litigation as to CBS Defendants with prejudice, and approving this Agreement; and (e) the Court has dismissed the Litigation and all claims and causes of action therein as to CBS Defendants with prejudice.
- (31) “Released Parties” means CBS Defendants, their past and present divisions, affiliates, affiliated entities, related entities, parents, subsidiaries, predecessors, successors, joint ventures, assigns, and their respective shareholders, owners, officers, directors, employees, agents, trustees, attorneys, managers, operators, insurers, representatives, administrators, fiduciaries, beneficiaries, subrogees, executors, partners, privies, representatives, consultants, and attorneys. To the extent Class Member Released Claims also include any claims against CEVA Logistics U.S. Inc., CEVA Freight LLC and/or any other CEVA entity, CEVA Logistics U.S. Inc., CEVA Freight LLC, and/or any other CEVA entity are also “Released Parties.”
- (32) “Class Member Released Claims” means any and all claims, rights, demands, liabilities, and causes of action of every nature and description, known and unknown, in law or in equity, as alleged in the Complaint and any Amended Complaint in this Litigation or at the mediations conducted in this matter on January 4, 2017 and April 26, 2017, arising from or related to the following claims against any and all of the CBS Defendants: (1) Failure to Provide Meal Periods; (2) Failure to Provide Rest Periods; (3) Failure to Pay Hourly Wages; (4) Failure to Provide Accurate Itemized Wage Statements; (5) Failure to Pay Waiting Time Penalties and Wages; (6) Failure to Pay Wages Without Discount;

(7) Unfair Business Practices that relate to any of these claims; and (8) Civil Penalties under the Private Attorney Generals Act (“PAGA”). Class Member Released Claims shall also mean any other claims, whether known or unknown, suspected or unsuspected, that were or could have been alleged or asserted based upon the legal and factual allegations in this matter and related to a Class Member's employment as a temporary employee of CBS Defendants at a CEVA location during the Class Period, including all claims that were or could have been brought under the California Labor Code, the applicable Industrial Wage Commission Wage Orders, the Fair Labor Standards Act, Business and Professions Code section 17200 as it relates to the underlying Labor Code claims referenced above, and the Private Attorneys General Act as it relates to the underlying Labor Code claims referenced above, including any damages, restitution, interest, waiting time penalties, penalties, punitive damages, attorneys' fees, costs, or any other form of relief whatsoever, during the Class Period. Class Member Released Claims will also include any claims against CEVA Logistics U.S. Inc., CEVA Freight LLC and/or any other CEVA entity to the extent that any of the released claims as to CBS Defendants would apply to CEVA Logistics U.S. Inc., CEVA Freight LLC and/or any other CEVA entity.

ARTICLE II

Background.

2.1 Background.

- (a) On April 17, 2015, Plaintiff filed a complaint in the Alameda County Superior Court entitled *Earl Fronda v. Staffmark Holdings, Inc., CEVA Logistics U.S., Inc., Amazon.com LLC and Does 1 through 50, inclusive*, Alameda County Superior Court Case No. RG15766849. The Litigation was brought by Plaintiff on behalf of the above-referenced Class Members and other putative class members directly employed by CEVA but not included in this proposed settlement. The following causes of action were asserted in the Complaint: (1) Failure to Provide Meal Periods; (2) Failure to Pay Hourly Wages; (3) Failure to Provide Accurate Written Wage Statements; (4) Failure to Timely Pay All Final Wages; (5) Failure to Pay Wages Without Discount; and (6) Unfair Competition.
- (b) On May 19, 2015, Plaintiff filed a First Amended Complaint containing the following causes of action: (1) Failure to Provide Meal Periods; (2) Failure to Pay Hourly Wages; (3) Failure to Provide Accurate Written Wage Statements; (4) Failure to Timely Pay All Final Wages; (5) Failure to Pay Wages Without Discount; (6) Unfair Competition; and (7) Civil Penalties Under the Private Attorneys General Act.
- (c) On May 22, 2015, Defendant, CEVA Logistics U.S. Inc., removed this action to the federal District Court of California, Northern District, where it was assigned Case No. 3:15-CV-02315- MEJ.

- (d) On June 12, 2015, pursuant to stipulation, an Order was entered dismissing Defendant, Amazon.com LLC as a defendant in this action.
- (e) On July 13, 2015, Plaintiff filed a Second Amended Complaint, setting forth the following causes of action: (1) Failure to Provide Meal Periods; (2) Failure to Provide Rest Breaks; (3) Failure to Pay Hourly Wages; (4) Failure to Provide Accurate Written Wage Statements; (5) Failure to Timely Pay All Final Wages; (6) Failure to Pay Wages Without Discount; (7) Unfair Competition; and (8) Civil Penalties Under the Private Attorneys General Act.
- (f) On October 19, 2015, an Order was entered adding Defendant CBS Personnel Services LLC as a defendant in this action.
- (g) On December 27, 2015, Plaintiff filed a Third Amended Complaint, setting forth the following causes of action: (1) Failure to Provide Meal Periods; (2) Failure to Provide Rest Breaks; (3) Failure to Pay Hourly Wages; (4) Failure to Provide Accurate Written Wage Statements; (5) Failure to Timely Pay All Final Wages; (6) Failure to Pay Wages Without Discount; (7) Unfair Competition; and (8) Civil Penalties Under the Private Attorneys General Act.
- (h) CBS Defendants filed an Answer to the Third Amended Complaint, wherein CBS Defendants denied the allegations contained in the Third Amended Complaint.
- (i) Through the Litigation, Plaintiff and the Class sought damages, wages, penalties, restitution, disgorgement, punitive and exemplary damages, costs, interest and attorneys' fees. CBS Defendants deny the allegations asserted in the Litigation and assert that they have no liability for any of Plaintiff's or the Class Members' claims under any statute, wage order, rule, regulation, common law, or equitable theory.
- (j) On January 4, 2017, mediation was held between the Parties with mediator, Hon. Edward A. Infante (Ret.). The mediation included discussion and examination of the Parties' respective positions on the legal and factual issues raised in the Litigation. The matter was not resolved that day. Instead, Judge Infante continued to communicate with the Parties, and a second mediation was scheduled. A second day of mediation was held on April 26, 2017 between the Parties with Judge Infante acting as mediator. The mediation included discussion and examination of the Parties' respective positions on the legal and factual issues raised in the Litigation. After the two days of mediation, which included arms' length negotiations, the Parties agreed to settle this matter for the Settlement Sum of five million six hundred thousand dollars (\$5,600,000.00). The Parties reached this Settlement after conducting both formal and informal discovery and investigation.
- (k) Plaintiff and Class Counsel concluded, after taking into account the sharply disputed factual and legal issues involved in this Litigation, the risks attending further prosecution, the discovery and investigation conducted to date, and the

substantial benefits received and to be received pursuant to the compromise and settlement of the Litigation, that settlement on the terms hereinafter set forth is in the best interests of Plaintiff and the Class.

- (l) Plaintiff and Class Counsel are mindful of the problems of proof they face, many of which were discussed during the mediation. As such, Class Counsel believes that the Settlement reached is fair to the Class and confers substantial benefits on the Class, providing all Class Members with recoveries in the near term. Based on their evaluation, Class Counsel determined that the settlement set forth in this Agreement is in the best interest of the Class.
- (m) Similarly, CBS Defendants concluded that there were benefits associated with settling. Thus, after taking into account the sharply disputed factual and legal issues involved in the Litigation, the risks attending further defense, the expense and burden of protracted Litigation, and their desire to put the controversy to rest, CBS Defendants believe that settlement on the terms hereinafter set forth is in the best interests of CBS Defendants.
- (n) This Settlement contemplates (a) entry of an Order approving certification of settlement class for settlement purposes only; (b) entry of an Order approving Class Counsel as counsel for the Plaintiff and Class Members in this matter; (c) entry of a final Order approving settlement of this class action as to these CBS Defendants; (d) dismissal of the Litigation on the merits with prejudice as to the CBS Defendants; and (e) discharge of all Parties and their respective counsel from liability for any and all of the Class Member Released Claims.

ARTICLE III

Approval and Implementation of Settlement.

3.1 Cooperation.

The Parties will cooperate in obtaining, through a joint motion, a Preliminary Order Approving Class Action Settlement from the Court approving the Class for settlement purposes only. The Parties agree to use their best efforts to expedite the preparation and submission of the settlement documents. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents or filings reasonably necessary to be prepared or filed, to take all steps that may be requested by the Court relating to, or that are otherwise necessary to the approval and implementation of this Agreement and shall otherwise use their respective best efforts to obtain the Court's certification of the Class for settlement purposes only, as well as Court approval of and implementation of this Agreement including, but not limited to CAFA compliance.

3.2 Preliminary Approval.

The Parties will seek to obtain the Court's preliminary approval of the Settlement as directed by the Court. Class Counsel and Defense Counsel will jointly lodge this Agreement and a proposed Notice of Class Settlement (Exhibit "A") and Summary Sheet (Exhibit "B") with the Court for its preliminary approval. The Court's preliminary approval of this Agreement shall be

embodied in an Order granting preliminary approval of the Class Action Settlement, certifying the Class for settlement purposes only, approving Class Counsel as counsel for the Plaintiff and Class Members in this matter, approving the Notice of Class Settlement and Summary Sheet, setting a Final Fairness and Approval Hearing, and providing for notice of the class action and proposed Settlement (“Preliminary Order Approving Class Action Settlement”).

3.3 Notice to Class Members.

Notice shall be provided to Class Members in the following manner:

- (a) No later than thirty (30) days after the entry of the Court’s Preliminary Order Approving Class Action Settlement, CBS Defendants shall provide the Settlement Administrator with a list of all Class Members (“Class List”). The Class List shall state the last known home address and social security number for each Class Member. The Class List shall also denote the number of weeks worked by each Class Member during the Class Period at the Carson Location and Torrance Location. The Class List shall also denote the number of weeks worked by each Class Member at any CEVA location in California during the Class Period other than the Carson Location and/or the Torrance Location.
 - (1) CBS Defendants will use their best efforts to ensure that every Class Member who worked for CBS Defendants during the Class Period is included on the Class List. An inadvertent failure to include an individual who should have been included as a Class Member shall not constitute a breach of this Agreement.
- (b) No later than five (5) days after the provision of the Class List by CBS Defendants to the Settlement Administrator, CBS Defendants shall file with the Court and provide Class Counsel with a declaration attesting to the forwarding of an accurate Class List to the Settlement Administrator.
- (c) No later than sixty (60) days after the Court’s Preliminary Order Approving Class Action Settlement, the Settlement Administrator shall mail the Notice of Class Settlement and Summary Sheet to each Class Member.
- (d) If any Notice of Class Action Settlement and Summary Sheet is returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall perform a National Change of Address (“NCOA”) search in relation to the Class Member for whom the Notice of Class Action Settlement and Summary Sheet is returned. Within fifteen (15) days of the return of the Notice of Class Action Settlement and Summary Sheet, the Settlement Administrator shall mail by U.S. Mail a new Notice of Class Action Settlement and Summary Sheet to the Class Member at any additional address for the Class Member which is discovered through the NCOA search.
- (e) All costs of the mailing of the Notice of Class Settlement and Summary Sheet, whether foreseen or not, shall be part of the Administration Costs.

- (f) No later than twenty (20) days after the date of mailing of the Notice of Class Action Settlement and Summary Sheet as described in section 3.3(c), the Settlement Administrator shall provide Defense Counsel and Class Counsel with a declaration attesting to completion of the notice process, which shall be filed with the Court by Class Counsel no later than seven (7) days after receipt of the declaration.
- (g) Compliance with these procedures shall constitute due and sufficient notice to Class Members of this Settlement and shall satisfy the requirement of due process. Nothing else shall be required of, or done by, the Parties, Class Counsel, and Defense Counsel to provide notice of the proposed Settlement.

3.4 Responses to Notices.

- (a) Request To Be Excluded.
 - (1) Any Class Member who does not wish to participate in the Settlement as set forth in this Agreement and in the Notice of Class Settlement, shall send a Request To Be Excluded to the Settlement Administrator within thirty (30) days of the date of the initial mailing of the Notice of Class Settlement and Summary Sheet.
 - (2) Any Class member who submits a valid and timely filed Request to Be Excluded from the Settlement and the Request to Be Excluded is approved by the Court, shall be excluded from this Settlement.
 - (3) Those Class Members who submit valid and timely Requests To Be Excluded will not be entitled to file an objection related to any of the terms or conditions of this Agreement. Class Members who fail to submit any timely and valid Request To Be Excluded shall be bound by all terms of the Agreement and shall be considered Participating Class Members.
- (b) Objections to Settlement.
 - (1) Plaintiff may not object to this Agreement and/or the approval of this Settlement.
 - (2) Any Class Member wishing to object to this Agreement and/or the approval of this Settlement shall inform the Court and the Parties in writing of his or her intent to object within thirty (30) days of the date of the initial mailing of the Notice of Class Settlement and Summary Sheet. The objection must state the ground for the objection.
 - (3) Any Class Member who fails to file such a written statement of his or her intentions to object shall be foreclosed from making any objection to this Settlement.

- (4) Counsel for the Parties may file a response to any objection submitted by objecting Class Members.

- (c) Dispute Regarding Number of Weeks Worked.

If a Class Member disputes the number of weeks he/she worked for CBS Defendants at the Carson Location and/or the Torrance Location and/or any other CEVA location in California during the Class Period as stated in the Summary Sheet, the Class Member must send a letter to the Settlement Administrator disputing the number of weeks worked within thirty (30) days of the initial mailing of the Notice of Class Settlement and Summary Sheet. The Class Member must state the number of weeks he/she believes are correct and include documentation to support his or her challenge. Upon timely receipt of a letter disputing the number of weeks worked, the Settlement Administrator, in consultation with counsel for the settling Parties, will review the pertinent records and any documents provided by the Class Member and CBS Defendants showing the weeks worked by the Class Member and make a recommendation to the Court on all disputed claims. The Settlement Administrator shall send written notice of its decision on any such claim to the Class Member, Class Counsel, and CBS Defendants' Counsel no later than ten (10) days prior to the Final Fairness and Approval Hearing. The Court will decide any disputed claims at the Final Fairness and Approval Hearing. The Court's decision will be final.

- (d) Individuals Not Identified on Class List.

If a person not identified on the Class List seeks inclusion in the Class, the Settlement Administrator shall independently review all submitted documentation and verify whether an individual is a qualified claimant entitled to a settlement payment, as determined by this Agreement. All claims to be included in the Class must be made prior to the time that payment is made to the Class Members under section 3.6(c)(2)(E) so that all Class Members due any money under that section can be paid at the same time. Any claim to be included in the Class which is made after payment is made under section 3.6(c)(2)(E) will be rejected. The Settlement Administrator shall report, in summary or narrative form, the substance of its findings.

3.5 Final Fairness and Approval Hearing/Appeal

- (a) Final Fairness and Approval Hearing

On the date set forth in the Preliminary Order Approving Class Action Settlement and Notice of Class Settlement, which shall be approximately one hundred and twenty (120) days after the initial mailing of the Notice of Class Settlement, a Final Fairness and Approval Hearing shall be held before the Court in order to (1) review this Agreement and determine whether the Court should give its final approval, and (2) consider any timely objections made pursuant to section 3.4 of this Agreement and all responses by the Parties to these objections. At the Final Fairness and Approval Hearing, the Parties shall ask the Court to give final approval to this Agreement and shall submit to the Court a proposed Final Order and Judgment approving the Settlement and entering judgment as to CBS Defendants according to this Agreement.

- (b) Waiver of Right to Appeal

Provided the Final Order and Judgment is consistent with the terms and conditions of this Agreement, all Participating Class Members hereby waive any and all rights to appeal from the Final Order and Judgment, including all rights to any post-Final Order and Judgment proceeding and appellate proceeding, such as a motion to vacate or set aside the Final Order and Judgment, a motion for a new trial, and any extraordinary writ, and the Final Order and Judgment shall become final and not-appellable at the time it is entered. This waiver does not include any waiver of the right to oppose any appeal, appellate proceedings, or post-Final Order and Judgment proceedings.

- (c) Vacating, Reversal or Material Modification of Final Order and Judgment on Appeal or Review

If, after a notice of appeal or a petition for a writ or any other motion, petition, or application, the reviewing court vacates, reverses or modifies the Final Order and Judgment such that there is a material modification to the Settlement and the Court's decision is not completely reversed, and the Final Order and Judgment is not fully affirmed by a higher court, Plaintiff and CBS Defendants shall each have the right, but not the obligation, to void the Settlement, which the Party must do by giving written notice to the other Parties, the final reviewing Court, and the Court no later than ten (10) days after the final reviewing Court's decision vacating, reversing or materially modifying the Final Order and Judgment becomes final and non-appellable. The Parties shall only have the right to void that portion of the Settlement, i.e. the settlement of the Class Member Claims, which is vacated, reversed or modified. A vacation, reversal, or modification of the Court's award of the Enhancement Awards or Class Counsel's fees or costs shall not constitute a vacation, reversal or material modification of the Final Order and Judgment within the meaning of this section.

3.6 Settlement Payment Procedures.

- (a) Settlement Sum.

The total and all-inclusive Settlement Sum shall be five million six hundred thousand dollars (\$5,600,000.00). No later than five (5) days after the Effective Date of this Agreement, CBS Defendants shall cause a wire transfer to the Qualified Settlement Fund in the amount of the Settlement Sum, five million six hundred thousand dollars (\$5,600,000.00). All settlement amounts to be paid to Plaintiff, Participating Class Members, Class Counsel, the Settlement Administrator, and the California Labor and Workforce Development Agency shall be paid from this Qualified Settlement Fund. The only payment CBS Defendants are required to make outside the Settlement Sum is the reimbursement to the Settlement Administrator of the employer payroll tax costs which must be remitted in connection with settlement payments made under section 3.6(c)(2)(E)(i)(II) of this Agreement.

- (b) Calculation of Payments to Participating Class Members From the Settlement Sum.

- (1) The Settlement Administrator shall determine the amount of the Net Settlement Sum. The Net Settlement Sum will be determined by

deducting the following amounts from the Settlement Sum of five million six hundred thousand dollars (\$5,600,000.00):

- (A) The litigation costs to Class Counsel as approved by the Court pursuant to section 3.6(e) of the Agreement;
 - (B) Attorney's fees to Class Counsel as approved by the Court pursuant to section 3.6(e) of this Agreement;
 - (C) The seventy-five thousand dollar (\$75,000.00) payment to the California Labor and Workforce Development Agency pursuant to section 3.6(g) of this Agreement;
 - (D) The Administration Costs of up to twenty-five thousand dollars (\$25,000.00), or a greater amount if the amount exceeds twenty-five thousand dollars (\$25,000.00), as approved by the Court pursuant to section 3.6(d) of this Agreement; and
 - (E) The Enhancement Award to the Plaintiff as approved by the Court pursuant to section 3.6(f) of this Agreement.
- (2) The Net Settlement Sum shall be allocated to the Participating Class Members as follows:
- (A) Each Participating Class Member shall be paid his/her proportionate share of the Net Settlement Sum.
 - (B) The proportionate share due to each Participating Class Member shall be determined by dividing the Net Settlement Sum by the total number of weeks worked for CBS Defendants by all Participating Class Members during the Class Period at any CEVA location in California. This number will be multiplied by the number of weeks worked by each Class Member, which will be determined by multiplying the number of weeks worked at the Carson Location and Torrance Location by two (2) and adding this number to the number of weeks worked by the Class Member during the Class Period at all CEVA locations in California other than the Carson Location and the Torrance Location. The amount due to each Participating Class Member under this section is referred to as the Individual Class Member Settlement Amount.
- (3) The Individual Class Member Settlement Amount to each Class Member will be allocated as follows: one-third to wages, one-third to penalties, and one-third to interest. The Parties specifically agree and acknowledge that the amounts allocated as payment for penalties and wages was decided upon by Plaintiff and his counsel, and not upon any advice, counsel, or demand by CBS Defendants and/or its agents with respect to the allocation herein. Plaintiff represents that this allocation is

fair and reasonable under the facts of this case. Plaintiff further acknowledges that CBS Defendants are relying solely on his representation in this regard and on the request by Plaintiff with respect to this allocation.

- (4) The Parties recognize and agree that the various claims raised by the Class are extremely difficult to quantify with certainty for any given time period, or at all. CBS Defendants deny class-wide liability for all such claims. Assuming liability, the claims are subject to several different calculations and formulae and the uncertainty as to the applicable standards regarding de minimus time and the uncertainty as to whether Class Members spent time in security lines which resulted in them not being provided meal and rest periods. The Parties also recognize and agree that it would be difficult to quantify the amount of overtime worked by any Class Member. The Parties hereby agree that the formula for allocating the settlement payments to Class Members provided herein is reasonable and that the settlement payments provided herein are designed to provide a fair settlement to the Class Members, despite the uncertainties associated with the amounts alleged to be owed to each Class Member.

(c) Payments from the Settlement Sum

- (1) Not later than thirty (30) days following the Effective Date of this Agreement, the Settlement Administrator will prepare a spreadsheet that indicates the amount each Class Member is entitled to receive from the Net Settlement Sum. The Settlement Administrator will send the spreadsheet which sets forth the amount that the Settlement Administrator must pay each Class Member from the Net Settlement Sum to Class Counsel and Defense Counsel. Names, social security numbers, and addresses of Class Members will not be provided in the list provided to Class Counsel.
- (2) Not later than forty-five (45) days following the Effective Date of the Settlement the Settlement Administrator will issue the following checks from the Qualified Settlement Fund:
 - (A) A check made payable to Setareh Law Group for costs and attorney's fees in the sum approved by the Court. The Settlement Administrator shall forward this check to Setareh Law Group;
 - (B) A check made payable to KCC, LLC for Administration Costs in the sum approved by the Court. The Settlement Administrator shall retain this check;
 - (C) A check made payable to Plaintiff for an Enhancement Award in the sum approved by the Court. The Settlement Administrator shall forward this check to Setareh Law Group;

- (D) A check in the amount of seventy-five thousand dollars (\$75,000.00) made payable to the California Labor and Workforce Development Agency. The Settlement Administrator shall forward this check to the California Labor and Workforce Development Agency; and
- (E) Checks made payable to each Participating Class Member for payment of each Participating Class Member's Individual Class Member Settlement Amount in the amounts reflected on the spreadsheet provided by the Settlement Administrator under section 3.6(c)(1) of this Agreement.
 - (i) It is understood and agreed that the Individual Class Member Settlement Amount due to each Participating Class Member shall be paid in the form of two checks to each Participating Class Member.
 - (I) The first check will be for two-thirds of the Individual Class Member Settlement Amount due to each Participating Class Member under section 3.6(b)(2)(B) of this Agreement, which shall represent payment of penalties and interest. This payment will not be subject to the withholding of local, state and federal taxes. The Settlement Administrator will issue an IRS Form 1099 to each Class Member in relation to this payment. This amount shall be paid entirely out of the Net Settlement Sum.
 - (II) The second check will be for one-third of the Individual Class Member Settlement Amount due to each Participating Class Member under section 3.6(b)(2)(B) of this Agreement, which shall represent payment for alleged unpaid wages. This payment shall be subject to the withholding of all applicable local, state, and federal taxes. Applicable payroll taxes and/or contributions will be deducted from the amount paid to the Class Members. These amounts shall be paid entirely out of the Net Settlement Sum. The Settlement Administrator will issue an IRS Form W-2 to each Class Member in relation to this payment. The Settlement Administrator will pay the employer's share of the payroll taxes associated with these payments separate and apart from the Qualified Settlement Fund and Settlement Sum. CBS Defendants will reimburse the Settlement

Administrator for the amount the Settlement Administrator pays for the employer's share of payroll taxes associated with the payments to Class Members contemplated by this section of the Agreement.

- (ii) The back of each check issued to the Participating Class Members will state, "My signature hereon constitutes a full and complete release by me of Staffmark Holdings, Inc. and CBS Personnel Services LLC and all "Released Parties" as described in the Stipulation and Agreement to Settle Class Action and Limited Release for all claims alleged in or arising out of the Litigation known as *Fronda v. Staffmark Holdings, Inc. et al.*, Case No. 3:15-CV-02315-MEJ, including, but not limited to, all "Class Member Released Claims" as described more fully in the Stipulation and Notice to the Class."
- (3) The Settlement Administrator will mail the settlement checks to the Participating Class Members no later than forty-five (45) days following the Effective Date of this Agreement.
- (4) If checks remain uncashed after ninety (90) days, a reminder postcard will be sent to those Class Members with uncashed checks, advising them to cash the check or request a replacement check. If checks remain uncashed after 150 days, a similar postcard will be sent to those Class Members with uncashed checks. At 180 days, all uncashed checks will be voided, and the funds representing the amount of voided checks will be paid as follows: 25% of the funds will be paid to the California State Equal Access Fund, 25% of the funds will be paid to the California State Treasury for deposit in the Trial Court Improvement and Modernization Fund, and 50% to Legal Aid at Work (<https://legalaidatwork.org/>), a non-profit organization supporting low wage earners with employment issues, which is a cy pres distribution which has been agreed to by the Parties as directly related to the goals reflected by the statutes and regulations underlying the Class Member Claims in this litigation and consistent with recent changes to California law governing cy pres distributions.
- (d) Administration Costs.

The Administration Costs of up to twenty-five thousand dollars (\$25,000.00) shall be paid from the Settlement Sum. The Parties agree to work together to reduce this amount. If the Administration Costs exceed twenty-five thousand dollars (\$25,000.00), the amount in excess of twenty-five thousand dollars (\$25,000.00) which is approved by the Court shall also be paid from the Settlement Sum.
- (e) Attorney's Fees and Costs.

All Class Counsels' Attorney's Fees and Costs shall be paid from the Settlement Sum. Plaintiff and Class Counsel represent that Class Counsel are the only attorneys who have provided services for Plaintiff and the Class Members in this action. The Parties agree that only the firm designated as Class Counsel in this Agreement and approved by the Court can submit an application for attorney's fees in this matter and/or receive any attorney's fees under this Agreement. Class Counsel will request the payment of up to one-third of the Settlement Sum or one million eight hundred and sixty-six thousand, six hundred and sixty-six dollars and sixty-seven cents (\$1,866,666.67) as Class Counsel's Attorneys' Fees and Costs. CBS Defendants agree they will not object to this request. If the attorney's fees and costs incurred by Class Counsel are more than one million eight hundred and sixty-six thousand, six hundred and sixty-six dollars and sixty-seven cents (\$1,866,666.67), the difference shall come from the Settlement Sum. The Parties have already shared the costs of mediator Judge Infante, and said mediation fees shall not come out of the Settlement Sum, except to the extent that the Court approves reimbursement of said fees as litigation costs to Class Counsel from the Settlement Fund.

(f) Enhancements.

Class Counsel will request the payment of an Enhancement Award to named Plaintiff in the sum of no more than ten thousand dollars (\$10,000.00). CBS Defendants agree they will not object to this request. Any and all Enhancement Awards shall be deducted from the Settlement Sum.

Because it is the intent of the Parties that the Enhancement Award represents payment to the Plaintiff for his service to the Class Members, and not wages, the payment shall be reported by the Settlement Administrator on IRS Form 1099 to Plaintiff, which Form 1099 shall be provided to the Plaintiff and any applicable governmental authorities, and no taxes will be withheld from the Enhancement Award. Although it is the contemplation of the Parties that the Enhancement Award does not represent wages, the Internal Revenue Service, the California Franchise Tax Board, or some other taxing authority may take the position that some or all of the Enhancement Award constitutes wages for income tax and withholding purposes. Plaintiff agrees to assume the responsibility of remitting to any relevant taxing authority the amounts required by law, if any, to be withheld by CBS Defendants from the Enhancement Award under this Agreement. In addition, Plaintiff shall hold CBS Defendants and the Released Parties harmless and indemnify CBS Defendants and the Released Parties for all taxes, interest, penalties and costs, including attorneys' fees, incurred by CBS Defendants and/or the Released Parties by reason of any claims relating to the non-withholding of taxes from the Enhancement Award.

(g) Payment to the Labor and Workforce Development Agency.

Subject to the Court approval and confirmation by the Court, the Parties have allocated one hundred thousand dollars (\$100,000.00) of the Settlement Sum as payment for the claims under PAGA, and in accordance with the requirements of the Labor Code section 2699(i), the amount of seventy-five thousand dollars (\$75,000.00) shall be paid to the Labor and Workforce Development Agency.

(h) No Additional Contribution by CBS Defendants.

Other than the reimbursement to the Settlement Administrator for the payment of the employer's share of payroll taxes associated with the payment of wages to the Class Members as provided in section 3.6(2)(E)(i)(II) of this Agreement, CBS Defendants' monetary obligation under this Agreement is limited to the amount defined as the Settlement Sum. CBS Defendants may not be called upon or required to contribute additional monies above the Settlement Sum and the reimbursement for payment of the employer's share of the payroll taxes under any circumstances. All costs and expenses arising out of or in connection with the performance of this Agreement shall be paid from the Settlement Sum, unless expressly provided otherwise herein.

ARTICLE IV

Limitations On Use Of This Settlement.

4.1 No Admission.

Neither the acceptance nor the performance by CBS Defendants of the terms of this Agreement nor any of the related negotiations or proceedings is or shall be claimed to be, construed as, or deemed to be an admission by CBS Defendants of the truth of any of the allegations in the Litigation, the representative character of the Litigation, the validity of any of the claims that were or could have been asserted by Plaintiff and/or the Class Members in the Litigation, or of any liability or guilt of CBS Defendants.

4.2 Non-Evidentiary Use.

Neither this Agreement nor any of its terms shall be offered or used as evidence by any of the Parties, Class Members, or their respective counsel in the Litigation or in any other action or proceeding; provided, however, this shall not prevent this Agreement from being used, offered, or received in evidence in any proceeding to enforce, construe, or finalize this Agreement.

4.3 No Collateral Attack.

This Agreement shall not be subject to collateral attack by any Class Member or any recipient of a Notice of Class Settlement after the Final Order and Judgment is entered.

4.4 Nullification.

- (a) If (1) the Court should for any reason fail to certify the class of Class Members for settlement; or (2) the Court should for any reason fail to approve the settlement of the Class Member Claims in the form agreed to by the Parties and, instead, requires material changes to its terms; or (3) the Court should for any reason fail to enter the Final Order and Judgment as to the CBS Defendants; or (4) the Final Order and Judgment relating to the CBS Defendants is reversed, modified, or declared or rendered void; or (5) the Court should for any reason fail to dismiss the Third Amended Complaint in the Litigation as to CBS Defendants on the merits with prejudice, then (a) this Agreement shall be considered null and void as to the CBS Defendants, (b) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect as to the Litigation, (c) all Parties to this Agreement shall stand in the same position in the Litigation,

without prejudice, as if the Agreement had been neither entered into nor filed with the Court, (d) if the Settlement Sum has been deposited into the Qualified Settlement Fund established by the Settlement Administrator, any money remaining in the Qualified Settlement Fund, less any settlement Administration Costs, shall be returned to CBS Defendants; and (e) Class Counsel, Plaintiff and the Class Members shall make repayment of any disbursements they received from the Qualified Settlement Fund in relation to the release of Class Member Claims and the entire Settlement Sum relating to payment of the Class Members for the release of Class Member Claims shall remain the sole property of CBS Defendants.

- (b) In the event of a timely appeal from the Final Order and Judgment, the Final Order and Judgment shall be stayed, and the Settlement Sum shall not be distributed pending the completion of the appeal.

ARTICLE V

Limited Release and Waiver of Claims.

It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge disputes and claims arising from or related to the Litigation as to CBS Defendants. Upon entry of the Final Order and Judgment as to CBS Defendants, Plaintiff and each and every Class Member shall be bound by this Agreement and shall have recourse exclusively to the benefits, rights, and remedies provided hereunder.

Plaintiff and each and every Class Member shall be deemed to have, and by operation of the Final Order and Judgment shall have, fully, finally, and forever released, relinquished, and discharged each and all of the Released Parties from any and all claims (including unknown claims) arising out of or relating to the Complaint or any Amended Complaint in the Litigation, the Class Member Claims, and/or the Class Member Released Claims. This forever enjoins and bars Plaintiff and Class Members from asserting, instituting or prosecuting in any capacity before any court or governmental agency any action or proceeding against Defendants that involves or asserts any of the Class Member Released Claims. This includes alleged violations of Labor Code sections 201, 202, 203, 204, 206, 210, 215, 218.5, 226, 226.3, 226.7, 227.3, 558, 1174, 1174.5, 1194, 1194.1, 1194.2, 2699, 2699.3, 2699.5 and 2802, the Industrial Welfare Commission's Wage Orders based on the claims alleged in the Litigation or that arise out of or relate to the facts alleged in the Litigation, and claims based on or arising under the Labor Code and the Business and Professions Code.

In addition, with respect to the released claims, Plaintiff hereby waives all rights and benefits afforded by **Section 1542 of the Civil Code of the State of California**, and does so understanding the significance of that waiver. With respect to the Class Member Released Claims, each Class Member shall be deemed to have expressly waived and relinquished to the fullest extent permitted by law, the provisions, rights and benefits afforded by **Section 1542 of the Civil Code of the State of California**. **California Civil Code section 1542** provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time

of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Plaintiff shall be deemed to have acknowledged that this Agreement is intended to include in its effect all Class Member Released Claims that he does not know or suspect to exist in his favor at the time of the final approval of this Agreement. Each of the Class Members shall be deemed to have acknowledged that this Agreement is intended to include in its effect all Class Member Released Claims that he or she does not know or suspect to exist in his or her favor at the time of the final approval of this Agreement.

Further, to the extent it is otherwise applicable, with respect to the Class Member Released Claims, Plaintiff and the Class Members shall be deemed to acknowledge and agree that California Labor Code section 206.5 is not applicable to the settlement of the Class Member Released Claims. 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 wage has been made.

Plaintiff and the Class Members shall be deemed to acknowledge, agree, represent and warrant to the Released Parties, and each of them, that at all times relevant to their employment with any of the Released Parties, there is and has at all times been a genuine, reasonable and good faith dispute between the Class Members and the Released Parties with respect to whether the Class Members have been fully and properly paid all monies owed relating to their employment with Released Parties.

ARTICLE VI

Miscellaneous Provisions.

6.1 Voluntariness.

This Agreement is executed voluntarily and without duress or undue influence on the part of or on behalf of any of the Parties, or of any other person, firm, or other entity.

6.2 Certification.

The Parties hereby agree and stipulate to the certification of the Class. This Certification shall be for settlement purposes only.

6.3 Opt-Outs.

The Parties to this Agreement intend that the Class Settlement foreclose any further litigation between the Parties. CBS Defendants shall have the option, at their sole discretion, to rescind this Agreement as to the Litigation in the event more than ten percent (10%) of the Class Members submit a Request to Be Excluded from the settlement of the Litigation.

6.4 Other Actions.

Pending final approval of this settlement, Plaintiff and Class Members are enjoined from filing any claims with the California Division of Labor Standards and Enforcement or from initiating any other proceedings or claims related to the claims included in the Litigation.

6.5 Amendments.

The terms and provisions of this Agreement may be amended only by a written agreement that is both (a) signed by the Class Representatives, Class Counsel, Defense Counsel, and CBS Defendants who executed this Agreement and (b) approved by the Court.

6.6 Assignment.

None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, Class Member, Class Counsel, or Defense Counsel without the express written consent of each other Party and their respective counsel hereto. The representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the Parties under this Agreement, and shall not be construed to confer any right or to avail any remedy to any other person.

6.7 Governing Law.

This Agreement shall be governed, construed, and interpreted, and the rights of the Parties shall be determined, in accordance with the laws of the State of California.

6.8 Entire Agreement.

This Agreement contains the entire understanding of the Parties hereto in respect of the subject matter contained herein. This Agreement supersedes all prior agreements and understandings among the Parties hereto with respect to the settlement of the Litigation.

6.9 Waiver of Compliance.

Any failure of any Party, Defense Counsel, and/or Class Counsel hereto to comply with any obligation, covenant, agreement, or condition herein may be expressly waived in writing, to the extent permitted under applicable law, by the Party or Parties and their respective counsel hereto entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver or failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

6.10 Counterparts.

This Agreement, and any amendments hereto, may be executed in any number of counterparts and any Party and/or their respective counsel hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. It shall

not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

6.11 Attorney's Fees and Costs.

Neither Class Counsel nor any other attorneys acting for, or purporting to act for the Class, Class Members, or Plaintiff may recover or seek to recover any amounts for fees, costs, or disbursements from the Released Parties or the Settlement Sum except as expressly provided herein.

6.12 Dispute(s).

Should any dispute(s) arise among the Parties or their respective counsel regarding the implementation or interpretation of this Agreement, the Parties agree to submit any such dispute(s) to the mediator, Hon. Edward Infante (Ret.). Judge Infante will act as the arbiter of that dispute and his decision will be final and binding on the parties.

All disputes relating to the Settlement Administrator's ability and need to perform its duties shall be referred to the mediator, Judge Infante, and then to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Agreement.

The Parties agree that any costs associated with consulting Judge Infante will be paid one-half by CBS Defendants and one-half by Plaintiff.

6.13 Publicity.

The Parties agree to keep the terms of this Settlement and Agreement confidential through preliminary approval of the Settlement. The Parties agree that after preliminary approval of the Settlement, Class Counsel and any other attorneys acting for Class Members and/or Plaintiff shall not make any press releases or conduct any press conferences regarding the lawsuit or the settlement of the lawsuit with CBS Defendants, including the terms of the Settlement. However, the Parties acknowledge that the Settlement is not a confidential settlement.

6.14 No Reemployment.

Plaintiff will not seek or obtain employment or work with CBS Defendants or the Released Parties.

6.15 Construction.

The Parties agree that the terms and conditions of this Agreement are the result of lengthy, intensive, arm's length negotiations between the Parties and that this Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his, her or its counsel participated in the drafting of the Agreement.

6.16 Binding.

This Agreement shall bind and inure to the benefit of the Parties hereto and to their respective successors, assigns, legatees, heirs, and personal representatives.

6.17 Signatories.

It is agreed that because of the large number of Class Members, it is impossible or impracticable to have each Class Member execute this Agreement. The Notice of Class Settlement, Exhibit "A" hereto, will advise all Class Members of the nature of the Settlement and shall have the same force and effect as if this Agreement were executed by each Class Member.

6.18 Continuing Jurisdiction.

The Parties agree that upon the occurrence of the Effective Date, this Agreement shall be enforceable by the Court and the Court shall retain exclusive and continuing equity jurisdiction of this Litigation over all Parties to interpret and enforce the terms, conditions and obligation of the Agreement.

IN WITNESS WHEREOF, the Parties have executed this Stipulation and Agreement to Settle Class Action and Limited Release on the date set forth.

APPROVED AND ACCEPTED.

Dated: _____, 2017

STAFFMARK HOLDINGS, INC.

By _____

Dated: _____, 2017

CBS PERSONNEL SERVICES, LLC

By _____

Dated: 9/11/2017, 2017

DocuSigned by:

By _____
95A96D3B3B7E46A
EARL FRONDA
Plaintiff, Class Representative

6.16 Binding.

This Agreement shall bind and inure to the benefit of the Parties hereto and to their respective successors, assigns, legatees, heirs, and personal representatives.

6.17 Signatories.

It is agreed that because of the large number of Class Members, it is impossible or impracticable to have each Class Member execute this Agreement. The Notice of Class Settlement, Exhibit "A" hereto, will advise all Class Members of the nature of the Settlement and shall have the same force and effect as if this Agreement were executed by each Class Member.

6.18 Continuing Jurisdiction.

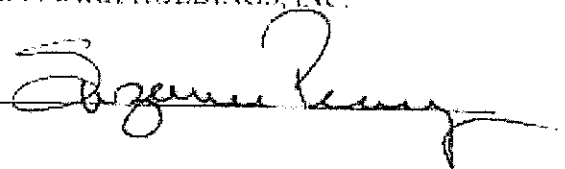
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IN WITNESS WHEREOF, the Parties have executed this Stipulation and Agreement to Settle Class Action and Limited Release on the date set forth.

APPROVED AND ACCEPTED.

Dated: 9/14, 2017

STAFFMARK HOLDINGS, INC.

By 

Dated: 9/14, 2017

CBS PERSONNEL SERVICES, LLC

By 

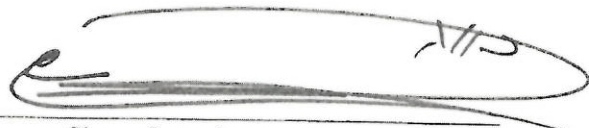
Dated: _____, 2017

By _____
EARL FRONDA
Plaintiff, Class Representative

**APPROVED AS TO FORM AND
ATTORNEY OBLIGATIONS ONLY**

Dated: 9-8, 2017

SETAREH LAW GROUP

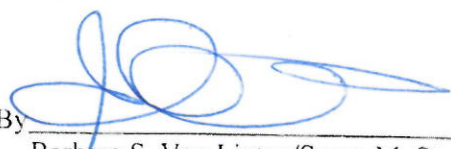
By 

Shaun Setareh

Attorneys for Plaintiff, Earl Fronda, Class
Counsel

Dated: 9-19, 2017

ATKINSON, ANDELSON, LOYA, RUUD &
ROMO

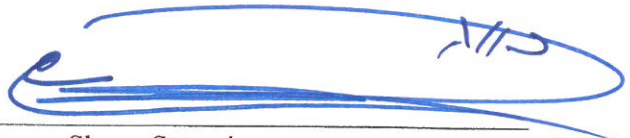
By 

Barbara S. Van Ligten/Susan M. Steward
Attorneys for Defendants, STAFFMARK
HOLDINGS, INC. and CBS PERSONNEL
SERVICES, LLC

**APPROVED AS TO FORM AND
ATTORNEY OBLIGATIONS ONLY**

Dated: 9-8, 2017

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By 

Shaun Setareh

Attorneys for Plaintiff, Earl Fronda, Class
Counsel

Dated: _____, 2017

ATKINSON, ANDELSON, LOYA, RUUD &
ROMO

By _____

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Attorneys for Defendants, STAFFMARK
HOLDINGS, INC. and CBS PERSONNEL
SERVICES, LLC

EXHIBIT 5

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

EARL FRONDA,

Plaintiff,

v.

STAFFMARK HOLDINGS, INC., et al.,

Defendants.

Case No. [15-cv-02315-MEJ](#)

**ORDER RE: MOTION FOR
PRELIMINARY APPROVAL OF
SETTLEMENT**

Re: Dkt. No. 86

INTRODUCTION

Plaintiff Earl Fronda and Defendants CBS Personnel Services, LLC and Staffmark Holdings (together, the “CBS Defendants”) have reached a tentative settlement in this wage and hour putative class action. Pending before the Court is Plaintiff’s Motion for Preliminary Approval. Mot., Dkt. No. 86. Plaintiff asks the Court to (1) preliminarily approve the proposed settlement, (2) certify for settlement purposes a settlement class, (3) appoint Plaintiff as class representative, (4) appoint class counsel and settlement administrator, (5) direct the dissemination of the notice of settlement to the class, and (6) schedule a final approval hearing and hearing on class counsel’s motion for attorneys’ fees and incentive award. The CBS Defendants do not oppose these requests. *See* Statement of Non-Opposition, Dkt. No. 87. The Court held a hearing on the matter on November 16, 2017.

Having considered the parties’ arguments, the relevant legal authority, and the record in this case, the Court **GRANTS** Plaintiff’s Motion for the following reasons.

BACKGROUND

Plaintiff was jointly employed by Staffmark, CBS Personnel, and CEVA Logistics U.S., Inc. Third Am. Compl. (“TAC”) ¶ 3, Dkt. No. 57; *see id.* ¶ 13. On April 17, 2015, Plaintiff

initiated this litigation in Alameda County Superior Court, naming as Defendants Staffmark, CEVA, and Amazon.com LLC. *See* Notice of Removal, Ex. A (Compl.), Dkt. No. 1; *see also id.*, Ex. B (First Am. Compl.). CEVA removed the action to this Court on May 22, 2015. *See* Notice of Removal. Amazon.com was dismissed on June 12, 2015. Dkt. No. 28. Plaintiff filed his Second Amended Complaint on July 13, 2015. Second Am. Compl., Dkt. No. 34. On October 9, 2015, CBS Personnel was added as a Defendant. Dkt. No. 52.

Plaintiff filed the operative TAC on December 27, 2015. *See* TAC. Plaintiff asserts eight claims based on California state law: (1) Failure to Provide Meal Periods, (2) Failure to Provide Rest Periods, (3) Failure to Pay Hourly Wages, (4) Failure to Provide Accurate Written Wage Statements, (5) Failure to Timely Pay All Final Wages, (6) Failure to Pay Wages without Discount, (7) Unfair Competition, and (8) Civil Penalties under the Private Attorneys General Act (“PAGA”). *Id.* ¶¶ 23-124. The Court has jurisdiction over the matter pursuant to the Class Action Fairness Act of 2005, 28 U.S.C. § 1332(d). *Id.* ¶ 2.

Plaintiff and the CBS Defendants participated in private mediation on January 4, 2017 and April 26, 2017. Leviant Decl. ¶ 8, Dkt. No. 86-1. This proposed Settlement is the result; however, it

does not resolve the matter as to Defendant CEVA LOGISTICS, U.S., INC., though it does resolve claims by the settlement Class against any joint employers of the CBS Defendants, including CEVA Freight, LLC and CEVA Logistics U.S., Inc., to the extent that any of the claims settled as to the CBS Defendants would apply to any CEVA defendant.

Mot. at 3.¹

SETTLEMENT TERMS

The Court summarizes the key terms of the Settlement below.

¹ In advance of the hearing, the Court asked Plaintiff how he intended to proceed against CEVA Logistics in light of this exclusion. Dkt. No. 89 ¶ 6. During the hearing, Counsel for Plaintiff explained he may seek to substitute another plaintiff to pursue claims against CEVA, and represented that CEVA nonetheless was obtaining significant benefits under the proposed Settlement; Counsel for CEVA represented that CEVA does not object to the proposed Settlement. Nov. 16, 2017 Oral Argument at 10:06-10:12.

A. Settlement Class and Class Period

The Settlement Class is defined as “any and all individuals employed by the CBS Defendants at CEVA Freight, LLC, CEVA Logistics U.S., Inc. and/or any other location of CEVA, CEVA’s parents or any CEVA-related entity operating in California during the Class Period.” Leviant Decl., Ex. 1 § 1.1(b)(4) (Settlement). The Class Period is defined as April 17, 2011 through the date the Court preliminarily approves the Settlement. *Id.* § 1.1(b)(12).

B. Distribution of Settlement Payments

The Settling Defendants agree to pay a maximum Settlement Sum of \$5,600,000. *Id.* §§ 1.1(b)(25), 3.6(a). This figure includes (1) payments to Class Members, (2) Class Counsel’s attorneys’ fees and costs, (3) administration costs, (4) any enhancement award to Plaintiff, and (5) payment to the California Labor and Workforce Development Agency (“LWDA”). *Id.* § 1.1(b)(25).

The Net Settlement Sum represents the Settlement Sum less attorneys’ fees and costs, administration costs, an enhancement award, and the LWDA payment. *Id.* §§ 1.1(b)(27), 3.6(b)(1)(A)-(E). Participating Class Members shall be paid a proportionate share of the Net Settlement Sum. *Id.* § 3.6(b)(2)(A). The Settlement Administrator shall calculate the Individual Class Member Settlement Amount – the amount of the Net Settlement Sum allocated to each participating Class Member – in the following manner: the Net Settlement Sum shall be divided by the total number of weeks worked for the CBS Defendants by all participating Class Members at any CEVA location in California. *Id.* §§ 1.1(b)(29), 3.6(b)(2)(B). This number will be multiplied by the number of weeks worked by each Class Member. *Id.* The Settlement Administrator shall determine the number of weeks worked by each Class Member by (1) first multiplying the number of weeks worked at the Carson Location and the Torrance Location by two, then (2) adding this number to the number of weeks worked by the Class Member during the Class Period at all CEVA locations in California other than the Carson and Torrance Locations.²

² The Carson Location refers to the CEVA location on Bishop Avenue in Carson, California; the Torrance Location refers to the CEVA location on Western Avenue in Torrance, California. Settlement Agreement §§ 1.1(b)(15)-(16).

1 *Id.* § 3.6(b)(2)(B).

2 Class Members may dispute the Settlement Administrator's determination of the number
3 of weeks he or she worked for the CBS Defendants by sending a letter to the Settlement
4 Administrator within 30 days of the initial mailing of class notice. *Id.* § 3.4(c). The Class
5 Member must state the number of weeks he or she believes are correct and include documentation
6 in support thereof. *Id.* The Settlement Administrator shall review the relevant records and
7 documentation and make a recommendation to the Court on all disputed claims. *Id.* The
8 Settlement Administrator shall also send written notice of its decision on the disputed claim to the
9 Class Member, Class Counsel, and the CBS Defendants' counsel no later than 10 days before the
10 final fairness hearing. *Id.* The Court shall decide any disputed claims at that hearing, and the
11 Court's decision will be final. *Id.*

12 No later than 45 days following the Effective Date of the Settlement, the Settlement
13 Administrator will issue checks made payable to each participating Class Member for each Class
14 Member's Individual Class Member Settlement Amount. *Id.* §§ 3.6(c)(2)(E), (c)(3). Class
15 Members will receive two checks. *Id.* § 3.6(c)(2)(E)(i). The first check will be for two-thirds of
16 the Individual Class Member Settlement Amount and will represent payment of penalties and
17 interest. *Id.* § 3.6(c)(2)(E)(i)(I). The second check will be for the remaining one-third of the
18 Individual Class Member Settlement Amount, representing payment for the alleged unpaid wages.
19 *Id.* § 3.6(c)(2)(E)(i)(II).³

20 If checks remain uncashed after 90 days, the Settlement Administrator shall send a
21 reminder postcard to those Class Members with unpaid checks, advising them to cash the check or
22 to request a replacement. *Id.* § 3.6(c)(4). A similar postcard will be sent to Class Members who
23 have not cashed their checks after 150 days. *Id.* Uncashed checks will be voided after 180 days.
24 *Id.* Funds from uncashed checks will be redistributed as follows: 25% will be paid to the
25 California State Equal Access Fund, 25% will be paid to the California State Treasury for deposit
26

27 ³ At the hearing, Plaintiff's Counsel explained that issuing two checks better enables the
28 Settlement Administrator to process the payroll deductions and make the accounting clear to Class
Members.

1 in the Trial Court Improvement and Modernization Fund, and 50% will be paid to Legal Aid at
2 Work as a cy pres recipient. *Id.*

3 **C. Objections and Opt Outs**

4 Class Members may request exclusion from or object to the Settlement. *Id.* §§ 3.4(a)-(b).
5 To be excluded from the Settlement, Class Members must send a request for exclusion to the
6 Settlement Administrator within 30 days of the initial mailing of the Class Notice. *Id.* § 3.4(a)(1).
7 The request must include the Class Member's name, address, and statement electing to be
8 excluded from the Settlement. *Id.* § 1.1(b)(21).

9 In addition, the Settlement gives the CBS Defendants the right to rescind the Settlement in
10 the event that more than 10% of Class Members request exclusion from the Settlement. *Id.* § 6.3.

11 Class Members may also object to the Settlement by sending a written notice of objection
12 that states the basis therefor. *Id.* § 3.6(b)(2). Class Members must send any objections to the
13 Court and the parties within 30 days of the date of the initial mailing of the Class Notice. *Id.*

14 **D. Attorneys' Fees and Costs**

15 The Settlement provides for all Class Counsel's attorneys' fees and costs to be paid from
16 the Settlement Sum. *Id.* § 3.6(e). Class Counsel will seek up to one-third of the Settlement Fund,
17 that is, \$1,866,666.67. *Id.* The CBS Defendants agree not to object to this request. *Id.* However,
18 the Settlement also provides that "if the attorneys' fees and costs incurred by Class Counsel are
19 more than [\$1,866,666.67], the difference shall come from the Settlement Sum." *Id.* At the
20 hearing, Plaintiff's Counsel, H. Scott Leviant, confirmed that Counsel would ask for no more than
21 one-third of the Settlement Sum in fees and costs. Nov. 16, 2017 Oral Argument at 9:56-57 ("The
22 intention of all the parties is that Plaintiff's Counsel would ask than no more than one-third of the
23 total settlement in fees and costs. There is no intention and there will be no request for more than
24 one-third."); see Proposed Order at 3 ("Class Counsel will not seek an amount greater than
25 \$1,866,666.67 for Attorney's Fees and Costs." (citing Settlement § 3.6(e)), Dkt. No. 91; *id.*, Ex.
26 1(Am. Notice) at ECF p.17.

27 **E. Enhancement Award**

28 Enhancement awards shall be deducted from the Settlement Sum. Settlement § 3.6(f).

Plaintiff shall seek an enhancement award of no more than \$10,000. *Id.*

F. LWDA Payment

The Settlement provides for \$100,000 as payment for the PAGA claims. *Id.* § 3.6(g). Pursuant to California Labor Code section 2699(i), \$75,000 shall be paid to the LWDA. *Id.*

G. Settlement Administrator and Administration Costs

The Settlement Administrator shall (1) mail class notices to Class Members; (2) calculate the amounts due to each Class Member; (3) notify the parties and make recommendations to the Court regarding any disputes brought by Class Members; (4) make all payments required by the Settlement; and (5) issue all tax-related documents associated with payments under the Settlement. *Id.* § 1.1(b)(17). The parties agree KCC, LLC shall be the Settlement Administrator. *Id.*; Leviant Decl. ¶ 33.

The Settlement allocates up to \$25,000 in administration costs, to be paid from the Settlement Sum; however, “the Parties agree to work together to reduce this amount.” Settlement § 3.6(d). Administration costs mean all costs incurred by the Settlement Administrator in administering the Settlement, including address verification measures; mailing of class notice; calculation, preparation, and issuance of Individual Settlement Payments; administration of any uncashed checks; and preparation and issuance of checks for other payments. *Id.* § 1.1(b)(20). In the event administration costs exceed \$25,000, the amount in excess shall also be paid from the Settlement Sum, subject to Court approval. *Id.* § 3.6(d).

H. Released Claims and Parties

In exchange for benefits under the Settlement, Class Members release

any and all claims, rights, demands, liabilities, and causes of action of every nature and description, known or unknown, in law or in equity, as alleged in the Complaint and any Amended Complaint in this Litigation or at the mediations conducted in this matter on January 4, 2017 and April 26, 2017, arising from or related to the following claims against any and all of the CBS Defendants: (1) Failure to Provide Meal Periods; (2) Failure to Provide Rest Breaks; (3) Failure to Pay Hourly Wages; (4) Failure to Provide Accurate Itemized Wage Statements; (5) Failure to Pay Waiting Time Penalties and Wages; (6) Failure to Pay Wages Without Discount; (7) Unfair Business Practices that relate to any of those claims; and (8) Civil Penalties under the Private Attorney[s] General[] Act (“PAGA”).

Id. § 1.1(b)(32); *see id.*, Art. V. Class Members further release

any other claims, whether known or known, suspected or unsuspected, that were or could have alleged or asserted based upon the legal and factual allegations in this matter and related to a Class Member's employment as a temporary employee of CBS Defendants at a CEVA location during the Class Period, including all claims that were or could have been brought under the California Labor Code, the applicable Industrial Wage Commission Wage Orders, the Fair Labor Standards Act, Business and Professions Code section 17200 as it relates to the underlying Labor Code claims . . . and the Private Attorneys General Act as it relates to the underlying Labor Code violations . . . , including any damages, restitution, interest waiting time penalties, penalties, punitive damages, attorneys' fees, costs, or any other form of relief whatsoever, during the Class Period.

Id. § 1.1(b)(32). Class Member Released Claims "also include any claims against CEVA Logistics U.S. Inc., CEVA Freight LLC and/or any other CEVA entity to the extent that any of the released claims as to CBS Defendants would apply to" those CEVA entities. *Id.*

Released parties are defined as

CBS Defendants, their past and present divisions, affiliated entities, related entities, parents, subsidiaries, predecessors, successors, joint ventures, assigns, and their respective shareholders, owners, officers, directors, employees, agents, trustees, attorneys, managers, operators, insurers, representatives, administrators, fiduciaries, beneficiaries, subrogees, executors, partners, privies, representatives, consultants, and attorneys.

Id. § 1.1(b)(31). In addition, "[t]o the extent Class Member Released Claims also include any claims against CEVA Logistics U.S. Inc., CEVA Freight LLC and/or any other CEVA entity," those entities shall also be Released Parties. *Id.*

The back of each check issued to Class Members shall state

My signature hereon constitutes a full and complete release by me of Staffmark Holdings, Inc. and CBS Personnel Services LLC and all "Released Parties" as described in the Stipulation and Agreement to Settle Class Action and Limited Release for all claims alleged in or arising out of the Litigation known as *Fronza v. Staffmark Holdings, Inc. et al.*, Case No. 3:15-cv-02315-MEJ, including, but not limited to, all "Class Member Released Claims" as described more fully in the Stipulation and Notice to the Class.

Id. § 3.6(c)(E)(ii).

I. Future Disputes

Disputes regarding the implementation or interpretation of the Settlement shall be submitted to the mediator. *Id.* § 6.12. Any disputes concerning the Settlement Administrator’s ability and need to perform its duties shall be first referred to the mediator, then to the Court, if necessary. *Id.* The Court shall retain jurisdiction over the terms and conditions of the Settlement.

LEGAL STANDARD

The Ninth Circuit maintains “a strong judicial policy that favors settlements, particularly where complex class action litigation is concerned.” *Allen v. Bedolla*, 787 F.3d 1218, 1223 (9th Cir. 2015) (internal quotation marks omitted). Federal Rule of Civil Procedure 23(e) nonetheless requires courts to approve any class action settlement. “[S]ettlement class actions present unique due process concerns for absent class members[.]” *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1026 (9th Cir. 1998); see *Allen*, 787 F.3d at 1223 (“[T]he district court has a fiduciary duty to look after the interests of those absent class members.”). Where parties reach a settlement prior to class certification, “courts must peruse the proposed compromise to ratify both the propriety of the certification and the fairness of the settlement.” *Staton v. Boeing Co.*, 327 F.3d 938, 952 (9th Cir. 2003).

Preliminary approval of a class action settlement requires a two-step inquiry. *In re Volkswagen “Clean Diesel” Mktg., Sales Practices, & Prods. Liab. Litig.*, 2017 WL 672727, at *12 (N.D. Cal. Feb. 16, 2017). First, courts must determine if a class exists. *Staton*, 327 F.3d at 952. “Such attention is of vital importance, for a court asked to certify a settlement class will lack the opportunity, present when a case is litigated, to adjust the class, informed by the proceedings as they unfold.” *Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 620 (1997). Second, courts consider “whether a proposed settlement is fundamentally fair, adequate, and reasonable.” *Hanlon*, 150 F.3d at 1026. Where the parties settle prior to class certification, the Ninth Circuit requires “a more probing inquiry than may normally be required under Rule 23(e).” *Id.* At the preliminary approval stage, courts must “determine whether the settlement falls ‘within the range of possible approval.’” *Booth v. Strategic Realty Tr., Inc.*, 2015 WL 3957746, at *6 (N.D. Cal. June 28, 2015) (quoting *In re Tableware Antitrust Litig.*, 484 F. Supp. 2d 1078, 1080 (N.D. Cal.

2007)).

Finally, courts examine “the settlement taken as a whole, rather than the individual component parts . . . for overall fairness.” *Hanlon*, 150 F.3d at 1026. Courts cannot “delete, modify or substitute certain provisions. [] The settlement must stand or fall in its entirety.” *Id.* (internal quotation marks and citation omitted).

CLASS CERTIFICATION

Class certification is a two-step process. *See Amchem Prods.*, 521 U.S. at 613. Plaintiff must first satisfy Rule 23(a)’s four requirements: (1) numerosity, (2) commonality, (3) typicality, and (4) adequacy of representation. Fed. R. Civ. P. 23(a)(1)-(4). “[C]ertification is proper only if the trial court is satisfied, after a rigorous analysis, that the prerequisites of Rule 23(a) have been satisfied[.]” *Wal-Mart Stores*, 564 U.S. at 350-51 (internal quotation marks omitted).

If Plaintiff satisfies Rule 23(a)’s requirements, he must then demonstrate a class action may be maintained under Rule 23(b)(1), (2), or (3). *See Amchem Prods.*, 521 U.S. at 613. Plaintiff moves for certification under Rule 23(b)(3), which is appropriate where “questions of law or fact common to class members predominate over any questions affecting only individual members.” Fed. R. Civ. P. 23(b)(3).

A. Rule 23(a)

1. Numerosity

Rule 23(a)(1) requires the class to be “so numerous that joinder of all members is impracticable[.]” Fed. R. Civ. P. 23(a)(1). Plaintiff estimates there are approximately 4,407 Class Members. Leviant Decl. ¶ 35.

Given the size of the class, joinder is impracticable. *See Betorina v. Randstad US, L.P.*, 2017 WL 1278758, at *3 (N.D. Cal. Apr. 6, 2017) (“Generally, 40 or more members will satisfy the numerosity requirement.” (citing *Collins v. Cargill Mean Sols. Corp.*, 274 F.R.D. 294, 300 (E.D. Cal. 2011)); *Consolidated Rail Corp. v. Town of Hyde Park*, 47 F.3d 473, 483 (2d Cir. 1995)); *Edwards v. Nat’l Milk Producers Fed’n*, 2014 WL 4643639, at *4 (N.D. Cal. Sept. 16, 2014) (“Although there is no absolute minimum number of plaintiffs necessary to demonstrate that the putative class is so numerous so as to render joinder impracticable, joinder has been deemed

1 impracticable in cases involving as few as 25 class members[.]” (internal quotation marks and
2 edits omitted)).

3 2. Commonality

4 Rule 23(a)(2) requires the existence of “questions of law or fact common to the class[.]”
5 Fed. R. Civ. P. 23(a)(2). This Rule is “construed permissively. All questions of fact and law need
6 not be common to satisfy the rule.” *Hanlon*, 150 F.3d at 1019. “[F]or purposes of Rule 23(a)(2)
7 even a single common question will do.” *Wal-Mart Stores*, 564 U.S. at 359 (internal quotation
8 marks and brackets omitted); *see Parsons v. Ryan*, 754 F.3d 657, 675 (9th Cir. 2014) (it is not
9 necessary “that every question in the case, or even a preponderance of questions, is capable of
10 class wide resolution. So long as there is even a single common question, a would-be class can
11 satisfy the commonality requirement of Rule 23(a)(2).” (internal quotation marks omitted)).
12 “Commonality requires the plaintiff to demonstrate that the class members have suffered the same
13 injury” but “[t]his does not mean merely that they have all suffered a violation of the same
14 provision of law.” *Wal-Mart Stores*, 564 U.S. at 349-50 (internal quotation marks omitted).
15 Rather, “[t]hat common contention . . . must be of such a nature that it is capable of classwide
16 resolution—which means that determination of its truth or falsity will resolve an issue that is
17 central to the validity of each one of the claims in one stroke.” *Id.* “Whether a question will drive
18 the resolution of the litigation necessarily depends on the nature of the underlying legal claims that
19 the class members have raised.” *Jimenez v. Allstate Ins. Co.*, 765 F.3d 1161, 1165 (9th Cir. 2014);
20 *see Parsons*, 754 F.3d at 676 (“[C]ommonality cannot be determined without a precise
21 understanding of the nature of the underlying claims.”).

22 Plaintiff identifies the following interests that are common to Class Members:

23 whether facility security policies and procedures resulted in legally
24 deficient meal periods and rest breaks for Class Members; whether
25 security policies and procedures resulted in uncompensated time
26 under the employer’s control; whether, as a result of these issues, the
27 CBS Defendants violated the itemized wage statement provisions of
28 Labor Code § 226 by not providing accurate information as to
wages; and whether the CBS Defendant’s policies and practices
violated California Business & Professions Code sections 17200 et
seq.

Mot. at 9. These questions of law and fact pertain to the CBS Defendants’ employment practices

1 and policies. If these practices and policies are unlawful, each Class Member will have been
 2 injured by the CBS Defendants' conduct. Moreover, if the Court were to find the practices and
 3 policies unlawful, such a determination would resolve claims on a class-wide basis. Accordingly,
 4 the Court finds Rule 23(a)(2) is satisfied.

5 3. Typicality

6 Rule 23(a)(3) requires the representative parties' claims or defenses be "typical of the
 7 claims or defenses of the class[.]" Fed. R. Civ. P. 23(a)(3). This "serves to ensure that 'the
 8 interest of the named representative aligns with the interests of the class.'" *Torres v. Mercer*
 9 *Canyons Inc.*, 835 F.3d 1125, 1141 (9th Cir. 2016) (quoting *Hanon v. Dataproducts Corp.*, 976
 10 F.2d 497, 508 (9th Cir. 1992)). "[R]epresentative claims are typical if they are reasonably
 11 coextensive with those of absent class members; they need not be substantially identical."
 12 *Parsons*, 754 F.3d at 685 (internal quotation marks omitted). "Measures of typicality include
 13 whether other members have the same or similar injury, whether the action is based on conduct
 14 which is not unique to the named plaintiffs, and whether other class members have been injured by
 15 the same course of conduct." *Just Film, Inc. v. Buono*, 847 F.3d 1108, 1116 (9th Cir. 2017)
 16 (quoting *Torres*, 835 F.3d at 1141) (internal quotation marks omitted).

17 Like other Class Members, Plaintiff worked for the CBS Defendants during the Class
 18 Period and in a warehouse position that is at issue in this litigation and included in the Class. *See*
 19 Fronda Decl. ¶ 2, Dkt. No. 86-3. As such, Plaintiff was subject to the same allegedly unlawful
 20 employment practices and policies as other Class Members. Plaintiff raises the same claims as
 21 other Class Members; he does not assert any individual claims or defenses. The Court therefore
 22 finds Plaintiff satisfies Rule 23(a)(3).

23 4. Adequacy of Representation

24 Rule 23(a)(4) requires that the representative parties "fairly and adequately protect the
 25 interests of the class." Fed. R. Civ. P. 23(a)(4). "In making this determination, courts must
 26 consider two questions: '(1) do the named plaintiffs and their counsel have any conflicts of interest
 27 with other class members and (2) will the named plaintiffs and their counsel prosecute the action
 28 vigorously on behalf of the class?'" *Evon v. Law Offices of Sidney Mickell*, 688 F.3d 1015, 1031

(9th Cir. 2012) (internal quotation marks omitted). “This requirement is rooted in due-process concerns—‘absent class members must be afforded adequate representation before entry of a judgment which binds them.’” *Radcliffe v. Experian Info. Sols. Inc.*, 715 F.3d 1157, 1165 (9th Cir. 2013) (quoting *Hanlon*, 150 F.3d at 1020).

Nothing in the record indicates Plaintiff has a conflict of interest or antagonism with Class Members. On the contrary, Plaintiff has actively worked to prosecute this action on behalf of the Class. He has engaged in ongoing communications with his Counsel, including providing Counsel with background information, assisting with responses to written discovery, participating in two days of mediation, and reviewing the Settlement Agreement. Fronda Decl. ¶¶ 5-10. Accordingly, the Court finds Plaintiff adequately represents the Class’ interests. Rule 23(a)(4) is satisfied.

5. Summary

The Court finds Plaintiff satisfies Rule 23(a)’s requirements.

B. Rule 23(b)(3)

Plaintiff seek to certify the Settlement Class under Rule 23(b)(3), which requires the Court to find that: (1) “the questions of law or fact common to class members predominate over any questions affecting only individual members,” and (2) “a class action is superior to other available methods for fairly and efficiently adjudicating the controversy.” Fed. R. Civ. P. 23(b)(3). The Court finds Plaintiff shows certification under Rule 23(b)(3) is appropriate.

“Rule 23(b)(3)’s predominance criterion is even more demanding than Rule 23(a).” *Comcast Corp. v. Behrend*, 133 S. Ct. 1426, 1432 (2013). The Rule 23(b)(3) “analysis presumes that the existence of common issues of fact or law have been established pursuant to Rule 23(a)(2); thus, the presence of commonality alone is not sufficient to fulfill Rule 23(b)(3).” *Hanlon*, 150 F.3d at 1022. Rather, “[t]he ‘predominance inquiry tests whether proposed classes are sufficiently cohesive to warrant adjudication by representation.’” *Tyson Foods, Inc. v. Bouaphakeo*, 136 S. Ct. 1036, 1045 (2016) (quoting *Amchem Prods.*, 521 U.S. at 623). “Common issues predominate over individual issues when the common issues represent a significant aspect of the case and they can be resolved for all members of the class in a single adjudication.” *Edwards v. First Am. Corp.*, 798 F.3d 1172, 1182 (9th Cir. 2015), *cert. dismissed sub nom. First*

1 *Am. Fin. Corp. v. Edwards*, 136 S. Ct. 1533 (2016) (internal quotation marks omitted). “[T]he
2 factors relevant to assessing superiority include ‘(A) the class members’ interests in individually
3 controlling the prosecution or defense of separate actions; (B) the extent and nature of any
4 litigation concerning the controversy already begun by or against class members; (C) the
5 desirability or undesirability of concentrating the litigation of the claims in the particular forum;
6 and (D) the likely difficulties in managing a class action.’” *Wolin v. Jaguar Land Rover N. Am.,*
7 *LLC*, 617 F.3d 1168, 1175 (9th Cir. 2010) (quoting Fed. R. Civ. P. 23(b)(3)(A)-(D)).

8 Plaintiff argues the following issues predominate over individual differences between
9 Class Members: (1) whether CEVA facility security policies and procedures resulted in legally
10 deficient meal periods and rest breaks, as well as uncompensated time under the employer’s
11 control; (2) whether the CBS Defendants violated the itemized wage statement provisions of
12 California Labor Code section 226 by not providing accurate information about wages; and (3)
13 whether the CBS Defendants’ practices and policies violate California’s Unfair Competition Law,
14 Cal. Bus. & Prof. Code § 17200. Mot. at 10. These common questions regarding meal and rest
15 periods and wage statements predominate over any individual differences, for instance, how the
16 CBS Defendants implemented the security screenings at each of its facilities. In addition, given
17 the size of the Class, the Court can more efficiently resolve whether such practices and policies
18 violate the applicable laws through a class action than on a case-by-case basis. See Fed. R. Civ. P.
19 23(b)(3) (requiring a finding “that a class action is superior to other available methods for fairly
20 and efficiently adjudicating the controversy”).

21 **C. Summary**

22 Based on the above analysis, the Court finds Plaintiff satisfies Rule 23(a) and (b)(3).
23 Accordingly, the Court certifies for settlement purposes the Class as defined in section 1.1(b)(12)
24 of the Settlement.

25 **PRELIMINARY FAIRNESS DETERMINATION**

26 The Court next considers the Settlement to determine whether it is “fair, reasonable, and
27 adequate.” Fed. R. Civ. P. 23(e)(2). The Ninth Circuit has identified eight factors courts should
28 consider in evaluating whether a class action settlement is fair, adequate, and reasonable:

(1) the strength of the plaintiff's case; (2) the risk, expense, complexity, and likely duration of further litigation; (3) the risk of maintaining class action status throughout the trial; (4) the amount offered in settlement; (5) the extent of discovery completed and the stage of the proceedings; (6) the experience and views of counsel; (7) the presence of a governmental participant; and (8) the reaction of the class members of the proposed settlement.

In re Bluetooth Headset Prod. Liab. Litig., 654 F.3d 935, 946 (9th Cir. 2011) (citation omitted).

But where, as here, "the parties reach a settlement agreement prior to class certification, courts must peruse the proposed compromise to ratify both the propriety of the certification and the fairness of the settlement." *Staton*, 327 F.3d at 952. As noted, settlements negotiated prior to class certification "must withstand an even higher level of scrutiny for evidence of collusion or other conflicts of interest than is ordinarily required under Rule 23(e) before securing the court's approval as fair." *In re Bluetooth*, 654 F.3d at 946. This "more exacting review . . . ensure[s] that class representatives and their counsel do not secure a disproportionate benefit 'at the expense of the unnamed plaintiffs who class counsel had a duty to represent.'" *Lane v. Facebook, Inc.*, 696 F.3d 811, 819 (9th Cir. 2012) (quoting *Hanlon*, 150 F.3d at 1027).

"Collusion may not always be evident on the face of a settlement, and courts therefore must be particularly vigilant not only for explicit collusion, but also for more subtle signs that class counsel have allowed pursuit of their own self-interests and that of certain class members to infect the negotiations." *In re Bluetooth*, 654 F.3d at 947. Subtle signs of collusion include

(1) when counsel receive a disproportionate distribution of the settlement, or when the class receives no monetary distribution but class counsel are amply rewarded;
 (2) when the parties negotiate a "clear sailing" arrangement providing for the payment of attorneys' fees separate and apart from class funds, which carries "the potential of enabling a defendant to pay class counsel excessive fees and costs in exchange for counsel accepting an unfair settlement on behalf of the class; and
 (3) when the parties arrange for fees not awarded to revert to defendants rather than be added to the class fund.

Id. (internal quotation marks and citations omitted).

"[T]he preliminary approval stage [i]s an 'initial evaluation' of the fairness of the proposed settlement made by the court on the basis of written submissions and informal presentation from the settling parties." *In re High-Tech Emp. Antitrust Litig.*, 2013 WL 6328811, at *1 (N.D. Cal.

Oct. 30, 2013). A full analysis of the fairness factors is therefore unnecessary at this time; indeed, “some of these ‘fairness’ factors cannot be fully assessed until the Court conducts the final approval hearing[.]” *Lusby v. Gamestop Inc.*, 297 F.R.D. 400, 412 (N.D. Cal. 2013). At this stage, “[p]reliminary approval of a settlement and notice to the class is appropriate if ‘[1] the proposed settlement appears to be the product of serious, informed, non-collusive negotiations, [2] has no obvious deficiencies, [3] does not improperly grant preferential treatment to class representatives or segments of the class, and [4] falls within the range of possible approval.’” *Johnson v. Quantum Learning Network, Inc.*, 2016 WL 4529607, at *1 (N.D. Cal. Aug. 30, 2016) (quoting *In re Tableware*, 484 F. Supp. 2d at 1079) (first brackets added). Ultimately, the “decision to approve or reject a settlement is committed to the sound discretion of the trial judge[.]” *In re Mego Fin. Corp. Sec. Litig.*, 213 F.3d 454, 458 (9th Cir. 2000), *as amended* (June 19, 2000) (internal quotation marks omitted).

A. Settlement Process

The Court first considers “the means by which the parties arrived at settlement.” *Harris v. Vector Mktg. Corp.*, 2011 WL 1627973, at *8 (N.D. Cal. Apr. 29, 2011). A settlement is entitled to “[a]n initial presumption of fairness . . . if the settlement is recommended by class counsel after arm’s-length bargaining.” *Id.* (internal quotation marks omitted).

The Court is satisfied the Settlement is the product of serious, informed, non-collusive negotiations. The parties negotiated the Settlement under the guidance of a mediator. Settlement § 2.1(j); Mot. at 4; Leviant Decl. ¶ 8. The use of a mediator, though not dispositive, supports a finding that the Settlement is not the product of collusion. *In re Bluetooth*, 654 F.3d at 948; *Villegas v. J.P. Morgan Chase & Co.*, 2012 WL 5878390, at *6 (N.D. Cal. Nov. 21, 2012).

“For the parties ‘to have brokered a fair settlement, they must have been armed with sufficient information about the case to have been able to reasonably assess its strengths and value.’” *In re Zynga Inc. Sec. Litig.*, 2015 WL 6471171, at *8 (N.D. Cal. Oct. 27, 2015) (quoting *Acosta v. Trans Union, LLC*, 243 F.R.D. 377, 396 (C.D. Cal. 2007)). The parties conducted discovery before engaging in settlement negotiations. Mot. at 14. That discovery included interrogatories and requests for production propounded on all Defendants. *Id.* Defendants – the

CBS Defendants as well as CEVA – produced thousands of pages of discovery, including video footage. *Id.* Plaintiff was therefore able to consider the information obtained during discovery, as well as data about class composition, to fully evaluate the Settlement. Mot. at 14; see Leviant Decl. ¶ 9. The Court accordingly finds this factor favors preliminary approval.

B. Presence of Obvious Deficiencies

The Court next considers whether the Settlement contains obvious deficiencies. The Court finds none at this point.

The first *Bluetooth* red flag is whether Class Counsel receive a disproportionate distribution of the settlement, or whether the class receives no monetary distribution but class counsel are amply rewarded. 654 F.3d at 947. The Ninth Circuit has “established twenty-five percent of the recovery as a ‘benchmark’ for attorneys’ fees calculations under the percentage-of-recovery approach.” *Powers v. Eichen*, 229 F.3d 1249, 1256 (9th Cir. 2000).

The Settlement designates up to \$1,866,666.67 for Class Counsel’s attorneys’ fees and costs, which represents one-third of the Net Settlement Sum. Settlement § 3.6(e). While this figure is higher than the benchmark amount, such a percentage is not uncommon in wage and hour class action settlements such as this. See *Ruch v. AM Retail Grp., Inc.*, 2016 WL 1161453, at *12 (N.D. Cal. Mar. 24, 2016) (finding as reasonable fee award totaling no more than 30% of the settlement amount in wage and hour class action settlement); *Wren v. RGIS Inventory Specialists*, 2011 WL 1230826, at *28 (N.D. Cal. Apr. 1, 2011), supplemented, 2011 WL 1838562 (N.D. Cal. May 13, 2011) (approving attorneys’ fees of 42% of common fund in wage and hour class action); *Hightower v. JPMorgan Chase Bank, N.A.*, 2015 WL 9664959, at *11 (C.D. Cal. Aug. 4, 2015) (“[A]n award of 30% is consistent with awards granted in similar complex [wage and hour] litigation.”). At this point, the Court finds the proposed attorneys’ fees do not suggest the presence of collusion.

The second *Bluetooth* factor asks whether the parties negotiated a ‘clear sailing’ agreement for the payment of attorneys’ fees separate and apart from class funds. 654 F.3d at 947. A clear sailing agreement “is one where the party paying the fee agrees not to contest the amount to be awarded by the fee-setting court so long as the award falls beneath a negotiated ceiling.”

1 *Schuchardt v. Law Office of Rory W. Clark*, 2016 WL 232435, at *9 (N.D. Cal. Jan. 20, 2016)
 2 (internal quotation marks omitted). Concerns about collusion due to the existence of a clear
 3 sailing provision are reduced where the agreement lacks a reversionary or “kicker provision.” *In*
 4 *re Bluetooth*, 654 F.3d at 947 (“indicia of possible implicit collusion” includes “a ‘kicker’: all
 5 [attorneys’] fees not awarded would revert to defendants rather than be added to the cy pres fund
 6 or otherwise benefit the class”). The CBS Defendants agree not to object to Class Counsel’s
 7 request for attorneys’ fees and costs up to \$1,866,666.67. Settlement § 3.6(e).

8 Although the Settlement contains a clear sailing agreement, any concerns about collusion
 9 are ameliorated by the fact that any unawarded attorneys’ fees and costs shall not revert to the
 10 CBS Defendants. *See id.* § 1.1(b)(27) (defining Net Settlement Sum as Settlement Sum less
 11 attorneys’ fees and other costs); Nov. 16, 2017 Oral Argument at 9:58 (“[T]his is a
 12 nonreversionary settlement. . . . The Net Settlement Sum is everything the Court doesn’t award in
 13 the other category.”).

14 The final *Bluetooth* factor considers whether the Settlement provides for un-awarded
 15 settlement funds to revert to the CBS Defendants instead of Class Members. 654 F.3d at 947. The
 16 Settlement requires the Settlement Administrator to send two reminder postcards to Class
 17 Members who do not cash their settlement checks. Settlement § 3.6(c)(2)(E)(4). Funds from
 18 uncashed settlement checks will not revert to the CBS Defendants. Rather, the Settlement
 19 provides that funds from checks voided after 180 days shall be distributed to the California State
 20 Equal Access Fund, the California State Treasury for deposit in the Trial Court Improvement and
 21 Modernization Fund, and Legal Aid at Work. *Id.* Because unclaimed funds will not revert to the
 22 CBS Defendants, this factor does not suggest collusion.

23 **C. Preferential Treatment**

24 The third factor asks whether the Settlement affords preferential treatment to any Class
 25 Member.

26 The Settlement calculates each Class Member’s recovery based on the number of weeks
 27 worked. However, the Settlement values weeks worked at the Carson Location and the Torrance
 28 Location differently from other California CEVA locations. *See* Settlement § 3.6(b)(2)(B).

Specifically, the Settlement multiplies the number of weeks worked at the Carson and Torrance Locations by two; the number of weeks worked at other California CEVA locations is not doubled. Plaintiff's Counsel explained this reflects the more extensive security screenings at the Carson and Torrance facilities. Nov. 16, 2017 Oral Argument at 9:58 ("Carson and Torrance have the most extensive security access point facilities."). As a result, "the Torrance and Carson facilities had the most extensive delays, whereas at other facilities, the security was much more streamlined." *Id.* at 9:59. By allocating extra workweeks to the Carson and Torrance Locations, the Settlement approximates the impact of the tighter security on uncompensated time. *Id.* at 10:00. The Settlement does not afford preferential treatment to Class Members who worked at these two locations; rather, it adjusts for the additional time Class Members spent going through security procedures at the Carson and Torrance Locations.

The Settlement also provides an enhancement award of \$10,000 to Plaintiff. Settlement § 3.6(f). Service or incentive "awards are discretionary . . . and are intended to compensate class representatives for work done on behalf of the class, to make up for financial or reputational risk undertaken in bringing the action, and, sometimes, to recognize their willingness to act as a private attorney general." *Rodriguez v. W. Publ'g Corp.*, 563 F.3d 948, 958–59 (9th Cir. 2009). "Many courts in the Ninth Circuit have . . . held that a \$5,000 incentive award is 'presumptively reasonable.'" *Gaudin v. Saxon Mortg. Servs., Inc.*, 2015 WL 7454183, at *10 (N.D. Cal. Nov. 23, 2015) (collecting cases). "[D]istrict courts must be vigilant in scrutinizing all incentive awards to determine whether they destroy the adequacy of the class representatives." *Radcliffe*, 715 F.3d at 1164.

"To determine the reasonableness of a requested incentive payment, courts consider the proportionality between the incentive payment and the range of class members' settlement awards." *Willner v. Manpower Inc.*, 2015 WL 3863625, at *9 (N.D. Cal. June 22, 2015). Where there is a "very large differential in the amount of damage awards between the named and unnamed class members[.]" such differential record must be supported by the record. *Staton*, 327 F.3d at 978.

The requested \$10,000 enhancement falls within the range of service awards granted in this

district, albeit on the high side. *See Bellinghausen v. Tractor Supply Co.*, 306 F.R.D. 245, 267 (N.D. Cal. 2015) (“Incentive awards typically range from \$2,000 to \$10,000.” (collecting cases)). Indeed, “[c]ourts in this Circuit routinely grant requests for an award over \$5,000 where the particular circumstances warrant such an award.” *Nelson v. Avon Prods., Inc.*, 2017 WL 733145, at *7 (N.D. Cal. Feb. 24, 2017); *Alvarez v. Farmers Ins. Exch.*, 2017 WL 2214585, at *1 (N.D. Cal. Jan. 18, 2017) (awarding \$10,000 service awards to named plaintiffs in wage and hour class action and finding such amount proportional to average recovery ranging from \$956.18 to \$4,253.45). The Court notes that \$10,000 is significantly greater than Class Members’ expected average recovery of \$1,270. *See Leviant Decl.* ¶ 16. Nevertheless, it amounts to less than 1% of the Settlement Sum. *See Moore v. PetSmart, Inc.*, 2015 WL 5439000, at *14 (N.D. Cal. Aug. 4, 2015), *appeal dismissed* (July 27, 2016) (awarding service awards totaling \$35,000 among five named plaintiffs, which amounted to less than 1% of total settlement fund).

Plaintiff declares he has “devoted a substantial amount of [] time, both before this lawsuit was filed and also during its litigation to ensure a fair result for the employee class.” Fronda Decl. ¶ 4; *see id.* ¶ 11 (“I believe I have provided dozens of hours of my time during the course of this litigation to ensure a good outcome for the best interests of the class.”). As explained above, this includes communicating and providing and reviewing information with counsel, assisting in providing written discovery, participating in mediation, and reviewing the Settlement. *Id.* ¶¶ 5-10. Plaintiff does not indicate whether he has suffered or risked harm to his employment prospects and does not otherwise provide justification for deviating from the presumptively reasonable \$5,000 service award. *See Fronda Decl.*; *see, e.g., Nelson*, 2017 WL 733145, at *6-7 (finding \$10,000 service award appropriate where plaintiff sat for an all-day deposition, searched for relevant documentation, reviewed documents and settlement papers, attended the mediation and subsequent negotiations, and aided counsel with negotiation efforts, and where plaintiff “suffered some risk to her professional reputation by participating in this action as lead plaintiff”); *Moore*, 2015 WL 5439000, at *13 (awarding \$10,000 service awards to named plaintiffs who actively participated in litigation and “incurred the additional risk of fearing retaliation by” the defendant). Courts have awarded less than \$10,000 in service awards to named plaintiffs who have performed more work

on the litigation than Plaintiff's "dozens of hours." *See, e.g., Willner*, 2015 WL 3863625, at *9 (reducing service award from \$11,000 to \$7,500 where class members' recovery ranged from \$605.02 to \$4,105.33 and where plaintiff spent 54 hours prosecuting action over four years, including sitting for a day-long deposition, responding to written discovery requests, assisting with initial disclosures, completing declarations, assisting with preparation for mediation, and evaluating proposed settlement); *Lopez v. Bank of Am., N.A.*, 2015 WL 5064085, at *8-9 (N.D. Cal. Aug. 27, 2015), *appeal dismissed* (Feb. 17, 2016), *appeal dismissed* (Feb. 22, 2016) (decreasing incentive award from requested \$10,000 to \$5,000 where (1) two named plaintiffs spent 80 and 100 hours working on litigation, but did not testify, sit for deposition, or participate in any of the four mediations; (2) \$10,000 was 48 times greater than average payout to class members; and (3) incentive award would be paid from settlement fund); *Burden v. SelectQuote Ins. Servs.*, 2013 WL 3988771, at *6 (N.D. Cal. Aug. 2, 2013) (finding \$5,000, rather than requested \$10,000, an appropriate service award where named plaintiff "was deposed twice, attended three settlement conferences, and spent a total of 80 hours on this case" and where \$10,000 was "nearly three times the largest amount paid to any class member").

Given Plaintiff's participation in this litigation and as the proposed award is not outside the range of service awards, the Court at this point finds the \$10,000 enhancement award does not preclude preliminary approval.

D. Range of Possible Approval

Finally, the Court must consider whether the proposed Settlement falls within the range of possible approval. In making this determination, courts preview the following factors:

(1) the strength of the plaintiffs' case; (2) the risk, expense, complexity, and likely duration of further litigation; (3) the risk of maintaining class action status throughout the trial; (4) the amount offered in settlement; (5) the extent of discovery completed and the stage of the proceedings; (6) the experience and views of counsel; (7) the presence of a governmental participant; and (8) the reaction of the class members to the proposed settlement.

In re Bluetooth, 654 F.3d at 946.

1. Strength of Plaintiff's Case; Risk, Expense, Complexity, and Likely Duration of Further Litigation; and Risk of Maintaining Class Action Status

Plaintiff believes his case is viable through trial; however, Plaintiff acknowledges that litigating this case is not without risks. Leviant Decl. ¶ 15. Plaintiff recognizes that (1) he may not be able to establish liability for the allegedly unpaid straight time or overtime wages; (2) the employment practices and policies he challenges may not support class certification, a class-wide liability finding, or class-wide awards under California Labor Code sections 203 and 206(e); (3) the individual differences between Class Members could be “construed as pertaining to liability, and not solely to damages”; (4) class treatment could be deemed improper as to one or more claims except for settlement purposes; (5) there could be an appeal; and (6) some claims may be deemed de minimis under California law. *Id.* ¶¶ 14-15; Mot. at 14-15. Plaintiff's Counsel represents the “CBS Defendants intended to aggressively challenge Plaintiff's case at the certification stage.” Leviant Decl. ¶ 15. In light of the potential risks of continued litigation, the Court finds these factors favor preliminary approval.

2. Amount Offered in Settlement

“To evaluate the range of possible approval criterion, which focuses on substantive fairness and adequacy, courts primarily consider plaintiffs' expected recovery balanced against the value of the settlement offer.” *Harris*, 2011 WL 1627973, at *9 (internal quotation marks omitted).

Plaintiff estimates that each Class Member will receive an average of \$1,270 before deducting taxes, fees, and other costs. Leviant Decl. ¶ 16. Plaintiff also estimates that exposure for off-the-clock work spent in security check stations during the Class Period is approximately \$1.2 million. *Id.* ¶ 18. “With risk factor discounts for certification and liability proof, the value of that claim is estimated by Plaintiff's counsel to be approximately \$400,000.” *Id.* Exposure for meal period violations over the Class Period is an estimated \$3.2 million. *Id.* “With risk factor discounts for certification and liability proof, the value of that claim is estimated by Plaintiff's counsel to be approximately \$1,000,000.” *Id.* Mr. Leviant further declares that “[a] similar valuation applies to the rest period claim.” *Id.* Risk-adjusted valuations for all claims results in a

total value between \$5 million and \$7 million. *Id.* Thus, a \$5.6 million settlement falls within Plaintiff’s “carefully constructed estimate of the current fair value of the case.” *Id.* ¶ 17. This factor therefore favors preliminary approval.

3. Extent of Discovery Completed and Stage of the Proceedings; Experience and Views of Counsel

As noted, Plaintiff propounded interrogatories and requests for production on all Defendants prior to settlement negotiations. Plaintiff received thousands of pages of formal discovery, data about class composition, and video footage. Leviant Decl. ¶ 14. This allowed Counsel to adequately evaluate the Settlement. *Id.* (“We have engaged in the necessary investigation in this case that made it possible for us to exercise informed judgment in those aspects of the settlement process in which we were involved. Settlement occurred only after discovery commenced.”).

In addition, Plaintiff’s Counsel are experienced class action attorneys. Mr. Leviant has litigated class actions since 1997, experience which includes prosecuting approximately 20 appeals. *Id.* ¶¶ 25(a), (c). Mr. Leviant has been the lead appellate author of several wage and hour cases before the Ninth Circuit and California Supreme Court and has written several articles and columns on issues related to class actions. *Id.* ¶¶ 25(d)-(f). Shaun Setareh has been lead or co-lead counsel in numerous wage and hour, consumer, and antitrust class action cases. Setareh Decl. ¶ 6, Dkt. No. 86-2. Many of Mr. Setareh’s cases concerned alleged failures to provide meals and/or rest periods, failures to pay wages, failure to provide accurate wage statements, and failures to provide timely final wage payments. *Id.* ¶ 7.

Mr. Leviant declares “[t]his Settlement provides a benefit to the Class Members that is very reasonable in light of the[] particular risks” described above. Leviant Decl. ¶ 15; *see id.* ¶ 16 (“In light of the uncertainties of protracted litigation and the state of the law regarding the legal positions of the Parties, the settlement amount reflects the best feasible recovery for the Settlement Class Members.”).

Accordingly, the Court finds these factors favor preliminary approval.

4. Presence of a Governmental Participant; Reaction of Class Members

No government entity participated in negotiating the Settlement. In addition, Class Members have not been notified of the Settlement and therefore have not had an opportunity to react to it. These factors are therefore neutral.

5. Summary

On balance, the Court finds the Settlement falls within the range of possible approval.

E. Preliminary Fairness Summary

Based on the foregoing, the Court preliminarily finds the proposed Settlement is fair, adequate, and reasonable and in the best interests of Class Members.

CLASS COUNSEL

“[A] court that certifies a class must appoint class counsel.” Fed. R. Civ. P. 23(g)(1). In making the appointment, the Court must consider

- (i) the work counsel has done in identifying or investigating potential claims in the action;
- (ii) counsel’s experience in handling class actions, other complex litigation, and the types of claims asserted in the action;
- (iii) counsel’s knowledge of the applicable law; and
- (iv) the resources that counsel will commit to representing the class[.]

Fed. R. Civ. P. 23(g)(1)(A).

As discussed above, Plaintiff’s Counsel has litigated numerous class action cases, including several wage and hour class actions. *See* Leviant Decl. ¶¶ 22-23, 25; Setareh Decl. ¶¶ 6-7. Plaintiff’s Counsel litigated many of those cases through class certification, final approval, and appeals. *See id.* (both). In addition, Counsel’s firm, Seterah Law Group LLP, has been engaged in the practice of employment and labor law for approximately a decade. Leviant Decl. ¶ 21. The firm has settled approximately 100 cases and has been appointed lead or co-lead counsel by state and federal courts. *Id.*; *see* Setareh Decl. ¶¶ 4, 8. The Court finds Mr. Leviant and Mr. Setareh have the requisite experience, knowledge, and resources to represent Class Members. Nothing in the record indicates counsel have not and will not continue to vigorously litigate this action. The Court therefore appoints Mr. Leviant and Mr. Setareh of The Seterah Law Group as Class Counsel for settlement purposes.

NOTICE**A. Method of Providing Notice**

Rule 23(e) provides that “the court may direct appropriate notice to the class” certified under Rule 23(b)(2). Fed. R. Civ. P. 23(e)(2)(A). Notice is mandatory for any class certified under Rule 23(b)(3): “the court must direct to class members the best notice that is practicable under the circumstances, including individual notice to all members who can be identified through reasonable effort.” Fed. R. Civ. P. 23(e)(2)(B). “[T]he express language and intent of Rule 23(c)(2) leave no doubt that individual notice must be provided to those class members who are identifiable through reasonable effort.” *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156, 175 (1974).

No later than 30 days after the Court preliminarily approves the Settlement, the CBS Defendants shall provide the Settlement Administrator with a Class List that identifies (1) the last known home address and social security of each Class Member, (2) the number of weeks each Class Member worked during the Class Period at the Carson Location and the Torrance Location, and (3) the number of weeks each Class Member worked at any CEVA location in California during the Class Period other than the Carson Location and/or the Torrance Location. Settlement § 3.3(a). The CBS Defendants shall file a declaration attesting they have provided an accurate Class List to the Settlement Administrator within five days of doing so. *Id.* § 3.3(b).

The Settlement Administrator shall mail the Notice of Class Settlement and Summary Sheet (together, “Notice”) to Class Members within 60 days after the Court preliminarily approves the Settlement. *Id.* § 3.3(c). In the event any notices are returned as undeliverable, the Settlement Administrator shall perform a National Change of Address (“NCOA”) search for the relevant Class Member. *Id.* § 3.3(d). The Settlement Administrator shall re-mail the Notice via U.S. Mail to the Class Member to any additional address discovered through the NCOA search. *Id.*

No later than 20 days after mailing the Notice, the Settlement Administrator shall provide Class Counsel and the CBS Defendants’ counsel with a declaration attesting to the completion of the notice process. *Id.* § 3.3(f). Class Counsel shall file this declaration with the Court with 7 days of its receipt. *Id.*

The Court finds this method of mailed notice to be the best notice practicable in this case,

as it provides actual notice to all Class Members. As such, the Court approves the method of notice as set forth in the Settlement.

B. Contents of Notice

Rule 23(c)(2)(B) requires that

the notice must clearly and concisely state in plain, easily understood language:

- (i) the nature of the action;
- (ii) the definition of the class certified;
- (iii) the class claims, issues, or defenses;
- (iv) that a class member may enter an appearance through an attorney if the member so desires;
- (v) that the court will exclude from the class any member who requests exclusion;
- (vi) the time and manner for requesting exclusion; and
- (vii) the binding effect of a class judgment on members under Rule 23(c)(3).

The proposed Notice satisfies these requirements. The 12-page Notice of Class Action Settlement explains, in question and answer format, who is a Class Member, the nature of the litigation and the parties thereto, the benefits under the Settlement, how to obtain such benefits, how to object to or be excluded from the Settlement, and how to seek more information. *See* Am. Notice. The additional two-page Summary Sheet informs the recipient that he or she has been identified as a Class Member; lists the number of weeks the Class Member worked at the Carson Location, the Torrance Location, and any other CEVA location in California; and provides an estimate gross Class Member Payment. *See id.*, Ex. B (Summary Sheet). The Summary Sheet also sets forth instructions on how to dispute the calculation of workweeks and provides a disclaimer that the estimated payment may change without further notice. *Id.*

C. Costs of Notice and Settlement Administration

The Settlement provides that the Settlement Administrator will be paid from the Settlement Sum and allocates \$25,000 in Administrative Costs, though the parties will attempt to reduce this amount. Settlement § 3.6(d). The \$25,000 takes into account the costs of administering the Settlement, including address verification measures; mailing of class notice; calculation, preparation, and issuance of Individual Settlement Payments; administration of any uncashed checks; and preparation and issuance of checks for other payments. *Id.* § 1.1(b)(2). Unawarded

Administrative Costs shall be distributed to the Net Settlement Sum. *See id.* § 1.1(b)(27). If the Court approves Administrative Costs in excess of \$25,000, any such excess costs shall be paid from the Settlement Sum. At this point, the Court finds the costs of notice are reasonable.

CONCLUSION

Based on the foregoing the Court **GRANTS** the Motion for Preliminary Approval and **ORDERS** the following:

1. The proposed Settlement Class is conditionally certified pursuant to Federal Rules of Civil Procedure 23(a) and (b)(3) for settlement purposes. The Settlement Class is defined as “any and all individuals employed by the CBS Defendants at CEVA Freight, LLC, CEVA Logistics U.S., Inc. and/or any other location of CEVA, CEVA’s parents or any CEVA-related entity operating in California during the Class Period.” The Class Period is defined as April 17, 2011 through the date of this Order.

2. The Settlement is preliminarily approved as fair, adequate, and reasonable pursuant to Federal Rule of Civil Procedure 23(e).

3. The Settlement does not resolve claims against CEVA Logistics, U.S., Inc., though it does resolve claims by the Settlement Class against any joint employers of the CBS Defendants, including CEVA Freight, LLC and CEVA Logistics U.S., Inc., to the extent that any of the claims settled as to the CBS Defendants would apply to any CEVA defendant.

4. For purposes of the Settlement, the Court appoints and designates Plaintiff Earl Fronda as class representative.

5. For purposes of the Settlement, the Court appoints Shaun Setareh and H. Scott Leviant of the Setareh Law Group as Class Counsel for the Settlement Class.

6. For purposes of the Settlement, the Court approves the proposed Class Notice plan as set forth in the Settlement.

7. For purposes of the Settlement, the Court appoints KCC, LLC as the Settlement Administrator to perform the duties described in the Settlement.

8. The CBS Defendants shall provide the Settlement Administrator with the Class List as defined by Settlement within 30 days of this Order, that is, by **December 27, 2017**. The CBS

Defendants shall file with the Court a declaration attesting to the forwarding of an accurate Class List to the Settlement Administrator no later than **January 2, 2018**.

9. The Settlement Administrator shall mail to each Class Member the approved Class Notice and Summary Sheet within 60 days of this Order, that is, by **January 26, 2018**.

10. The Settlement Administrator shall provide Class Counsel and Defense Counsel with a declaration attesting to the completion of the notice process no later than 20 days after the date of mailing the Notice and Summary Sheet, that is, by **February 15, 2018**. Class Counsel shall file this declaration with the Court within 7 days of its receipt, that is, by **February 22, 2018**.

11. Class Members who wish to object shall submit their objections in the manner set forth in the Settlement within 30 days after the initial mailing of the Class Notice, or by **February 26, 2018**.

12. Class Members shall be bound to the Settlement unless they submit a timely and valid written request to be excluded in the manner proscribed by the Settlement within 30 days after the initial mailing of the Class Notice, that is, by **February 26, 2018**.

13. No later than **March 22, 2018**, Plaintiff shall file a motion for final approval and Class Counsel shall file a motion for attorneys' fees, costs, and service award.

14. Class Members who wish to object to the motion for attorneys' fees, costs, and service award may submit their objections no later than **April 26, 2018**.

15. The Court shall hold a final fairness hearing on **May 31, 2018 at 10:00 a.m.** in Courtroom B, 450 Golden Gate Avenue, San Francisco, California. The Court will also hear the motion for attorneys' fees, costs, and service award at that time.

IT IS SO ORDERED.

Dated: November 27, 2017

MARIA-ELENA JAMES
United States Magistrate Judge

Stoner, Mary (San Francisco)

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California Northern District

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Case Name: Fronda v. Staffmark Holdings, Inc. et al

Case Number: [3:15-cv-02315-MEJ](#)

Filer:

Document Number: [92](#)

Docket Text:

ORDER by Judge Maria-Elena James granting [86] Motion for Settlement; granting [86] Motion to Certify Class. Final Approval Motion and Motion for Attorneys' Fees, Costs, and Service Award due by 3/22/2018. Final Fairness Hearing set for 5/31/2018 10:00 AM. (mejlc2S, COURT STAFF) (Filed on 11/27/2017)

3:15-cv-02315-MEJ Notice has been electronically mailed to:

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3:15-cv-02315-MEJ Please see [Local Rule 5-5](#); Notice has NOT been electronically mailed to:

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Document description:Main Document

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_motion_for_preliminary_approval_of_settlement.636440524645040447.pdf

Electronic document Stamp:

[STAMP CANDStamp_ID=977336130 [Date=11/27/2017] [FileNumber=14297939-0
] [40f25b7d39a7bd73a92d6de25cbb025b0bcf651e35bb56137a8d9b4cde7f20e7045
cdcb82074192394a57f575d8868b423a58a4283cee1dca6f7bfb23db1159e]]

EXHIBIT 6

EXHIBIT 1

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Attorneys for Plaintiff
CLARENCE C. BELL III

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CLARENCE C. BELL, III, on behalf of
himself and all others similarly situated

Plaintiff(s),

v.

CEVA LOGISTICS, U.S., INC., a
Delaware corporation; RANDSTAD
INHOUSE SERVICES, LLC, a Delaware
limited liability company; and DOES 1 to
100, inclusive,

Defendants.

Case No. 5:19-cv-00352-SVW-KK

[Assigned to Hon. Stephen V. Wilson]

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

Action filed: November 15, 2018
Trial: December 10, 2019

1 This Joint Stipulation of Class Action Settlement Agreement and Release of
2 Claims is made and entered into between: (1) Plaintiff Clarence C. Bell III, individually
3 and on behalf of all CEVA Class Members and PAGA Members (both defined herein)
4 and (2) Defendant CEVA Logistics, U.S. Inc. (“Defendant” or “CEVA”) subject to
5 approval from the Court, as provided below.

6 This Agreement is intended by the Parties to fully, finally, and forever resolve,
7 discharge, and settle the Action (as defined below) and the Released Claims (as defined
8 below), upon and subject to the terms and conditions hereof, as follows:

9 **1. DEFINITIONS**

10 As used herein, for the purposes of this Agreement only, the following terms shall
11 be defined as set forth below:

12 1.1. **“Action”** refers to the civil action entitled: *Clarence C. Bell III v.*
13 *Randstad Inhouse Services, LLC.; CEVA Logistics, U.S., Inc.*; removed to the United
14 States District Court for the Central District of California as Case No. 5:19-cv-00352-
15 SVW-KK, and filed as Case No. RIC1824189 in Riverside Superior Court. The Action
16 was filed as a class action and was later amended to add representative claims under the
17 Private Attorneys General Act of 2004 (“PAGA”).

18 1.2. **“Agreement”** refers to this Joint Stipulation of Class Action
19 Settlement Agreement and Release of Claims, which includes all of the Recitals and the
20 Exhibits attached hereto.

21 1.3. **“Class Members”** refers to all current and former non-exempt,
22 hourly employees in California directly hired by CEVA between November 15, 2014
23 through the date of Preliminary Approval or January 31, 2020, whichever is earlier.

24 1.1. **“PAGA Members”** refers to all current and former non-exempt,
25 hourly employees in California directly hired by CEVA between November 15, 2017
26 through the date of Preliminary Approval or January 31, 2020, whichever is earlier.

27 1.2. **“Settlement Class” and “Settlement Class Members”** refers to all
28 CEVA Class Members who do not file a timely and valid opt-out Request for Exclusion.

1 1.3. **“Class Counsel”** refers to Kevin T. Barnes and Gregg Lander of The
2 Law Offices of Kevin T. Barnes and Raphael Katri, of the Law Offices of Raphael Katri.
3 For purposes of providing any notices required under this Agreement, Class Counsel
4 shall refer to Kevin T. Barnes (Barnes@kbarnes.com), 1635 Pontius Ave., Second Floor,
5 Los Angeles, CA 90025.

6 1.4. **“Class Period”** refers to the period of November 15, 2014 through
7 the date the Court enters a Preliminary Approval Order, or January 31, 2020, whichever
8 is earlier, as defined in this Agreement.

9 1.5. **“Complaint”** refers to the original Complaint filed on November 15,
10 2018, First Amended Complaint filed on January 18, 2019, and the operative Second
11 Amended Complaint filed on November 12, 2019, in this Action.

12 1.6. **“Defendant”** refers to Defendant CEVA Logistics, U.S., Inc.

13 1.7. **“Defendant’s Counsel”** refers to Jackson Lewis P.C. For purposes of
14 providing any notices required under this Agreement, Defendant’s Counsel shall refer to
15 Fraser A. McAlpine (fraser.mcalpine@jacksonlewis.com), and Mariko Mae Ashley
16 (mariko.ashley@jacksonlewis.com) at 50 California Street, 9th Floor, San Francisco,
17 California 94111.

18 1.8. **“Effective Date for Class Action Settlement”** refers to the 15th day
19 after the date by which the last of the following has occurred: (a) all conditions of
20 Settlement have been satisfied; (b) the Court has entered and filed the Final Approval
21 Order and Judgment; and (c) the time period for appeal of the Judgment has been
22 exhausted without any appeals having been filed, and/or all such appeals have been
23 voluntarily or involuntarily dismissed, and/or the appropriate appellate court or courts
24 have entered a final judgment affirming the Final Approval Order and Judgment of the
25 Court and the final judgment of such appellate court or courts is no longer subject to any
26 further appellate challenge or procedure. The Parties agree that only the Parties and/or
27 Class Members who file a valid and timely objection maintain the right to appeal.
28

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

1.10. **“Final Approval Order”** refers to the final order by the Court approving the Settlement following the Fairness Hearing.

1.11. **“Gross Class Action Settlement Amount”** refers to the maximum settlement payment CEVA may be obligated to make in connection with the Settlement or Agreement, which in this case is no more than \$1,500,000. This sum shall include all Individual Settlement Payments made to Class Members and PAGA Members, administration costs, the Class Members’ share of payroll taxes, the Incentive Payment, the LWDA Payment, interest, and attorneys’ fees and costs as set forth below. Employer side payroll taxes will be paid separate and in addition to this Gross Settlement Amount. Defendant shall not be required to make any payment in excess of the Gross Settlement Amount, for any cause or reason.

1.12. **“Incentive Payment”** refers to any payment, subject to Court approval, to Plaintiff from the Gross Settlement Amount in recognition of the Plaintiff’s efforts and work in prosecuting the Action.

1.13. **“Individual Settlement Payment”** refers to the amount calculated by the Settlement Administrator to be distributed to each individual Class Member based on Weeks Worked. The Individual Settlement Payment to Class Members shall be paid from the Gross Settlement Amount.

1.14. **“Judgment”** refers to the final judgment by the Court approving the Settlement.

1.15. **“LWDA Payment”** refers to a payment out of the Gross Settlement Amount to the California Labor & Workforce Development Agency (“LWDA”) as the LWDA’s share of the settlement of civil penalties paid under this Agreement.

1.16. **“Net Settlement Amount”** refers to the Gross Settlement Amount minus the administration costs, the Incentive Payment, the LWDA Payment, and

attorneys' fees and costs. The Net Settlement Amount shall include all Individual Settlement Payments due to Class Members PAGA Members, including the Class Members' share of payroll taxes. The Net Settlement Amount is the maximum amount that shall be available for distribution to Class Members and PAGA Members.

1.17. **"Notice of Class Action Settlement"** refers to the Notice of Class Action Settlement, substantially in the form attached as Exhibit A.

1.18. **"PAGA Period"** refers to November 15, 2017 through the date the Court enters a Preliminary Approval Order, or January 31, 2020, whichever is earlier, as defined in this Agreement.

1.19. **"Parties"** refer to (1) Plaintiff Clarence C. Bell III and (2) Defendant CEVA Logistics, U.S., Inc.

1.20. **"Plaintiff"** refers to Clarence C. Bell III.

1.21. **"Preliminary Approval Order"** refers to the order issued and entered by the Court following a Motion for Preliminary Approval of the Settlement.

1.22. **"Released Class Claims"** refers to those claims defined in Paragraph 6.1 of this Agreement. The Released Class Claims shall apply to all Class Members who do not file a Request for Exclusion (as defined in this Agreement).

1.23. **"Released PAGA Claims"** refers to those claims defined in Paragraph 6.2 of this Agreement. The Released PAGA Claims shall apply to all Class Members. A Class Member who submits a Request for Exclusion but also is a PAGA Member will still be subject to the Released PAGA Claims provision in Paragraph 6.2 of this Agreement.

1.24. **"Released Parties"** refers to Defendant and its current or former subsidiaries, parents, affiliates, predecessors, insurers, agents, employees, successors, assigns, officers, officials, directors, attorneys, personal representatives, executors, and shareholders, including their respective pension, profit sharing, savings, health, and other employee benefits plans of any nature, the successors of such plans, and those plans'

1 respective current or former trustees and administrators, agents, employees, and
2 fiduciaries.

3 1.25. **“Request for Exclusion”** refers to a timely, written, signed opt-out
4 request by someone who otherwise would be a Class Member who elects to be excluded
5 from the Class.

6 1.26. **“Settlement”** refers to terms of this Agreement, which includes the
7 Recitals and the Exhibits attached hereto.

8 1.27. **“Settlement Administrator”** refers to the third party administrator,
9 Rust Consulting, Inc., who has been mutually selected by the Parties, subject to Court
10 approval, to perform the notice, claims administration, and distribution of payment
11 functions further described in this Agreement. The Settlement Administrator shall
12 establish its own employer identification number and file an Internal Revenue Service
13 Form W-9. The Settlement Administrator shall meet all of the requirements to establish a
14 Qualified Settlement Fund (“QSF”) pursuant to U.S. Treasury Regulation Section 468B-
15 1.

16 1.28. **“Weeks Worked”** refers to any weeks when a Class Member worked
17 for CEVA according to CEVA’s records.

18 1.29. **“Weeks Worked Dispute”** refers to any dispute by a Class Member
19 as to their listed weeks worked by CEVA.

20 2. PROCEDURAL HISTORY AND RECITALS

21 2.1. **Causes of Action.** On November 15, 2018, Plaintiff filed his original
22 Complaint against Defendant on behalf of the Class. On January 18, 2019, Plaintiff filed
23 a First Amended Complaint on behalf of the Class. On November 12, 2019, Plaintiff
24 filed the operative Second Amended Complaint. Plaintiff asserted seven causes of action
25 in his Second Amended Complaint against Defendant: (1) “Failure to Pay All Paid Rest
26 Periods”; (2) “Failure to Provide All Second Meal Periods”; (3) “Failure to Pay All
27 Seventh Day Overtime Wages”; (4) “Failure to Timely Furnish Accurate Itemized Wage
28 Statements”; (5) “Violations of Labor Code § 203”; (6) “Penalties Pursuant to Labor

1 Code §2699”; and (7) “Unfair Business Practices.” The Second Amended Complaint
2 sought unpaid wages, actual damages, statutory damages, monetary damages, interest,
3 statutory penalties, civil penalties, liquidated damages, restitution, declaratory and
4 injunctive relief, equitable relief, pre-judgment interest, and attorneys’ fees and costs.

5 **2.2. The Parties Have Engaged in Extensive Discovery.** During the
6 litigation of this Action, the Parties have propounded and responded to several sets of
7 written discovery and produced hundreds of pages of documents and electronic records.
8 The Parties have also informally exchanged additional documentary evidence and
9 provided initial disclosures under Rule 26 of the Federal Rules of Civil Procedure.

10 **2.3. Class Counsel’s Investigation.** Class Counsel investigated the
11 claims against Defendant in the Action and also analyzed all applicable defenses raised
12 by Defendant.

13 **2.4. Defendant’s Denials.** Defendant denies and continues to deny: (a) all
14 of the allegations made in the Action; (b) that it violated any applicable laws; (c) that it is
15 liable or owe damages, penalties, or other compensation or remedies to anyone with
16 respect to the alleged facts or claims asserted in the Action; and, (d) that class
17 certification or representative treatment of the Action or any alleged claim is proper.
18 Defendant emphasizes that the Court has not made any findings of liability as to
19 Defendant. Nonetheless, without admitting or conceding any liability or wrongdoing
20 whatsoever and without admitting or conceding that class certification or representative
21 treatment is appropriate for any purpose other than settlement purposes alone, Defendant
22 has agreed to settle the Action on the terms and conditions set forth in this Agreement, to
23 avoid the burden, expense, and uncertainty of continuing the Action. Any stipulations or
24 statements by Defendant contained in this Agreement are made for settlement purposes
25 only.

26 **2.5. Class Counsel’s Evaluation.** Based on Class Counsel’s investigation
27 and evaluation, Class Counsel is of the opinion that the terms set forth in this Agreement
28 are fair, reasonable, adequate, and in the best interest of the Class Members. Class

Counsel diligently and effectively investigated Plaintiff's claims, drafted the Complaint, interviewed witnesses, prepared and responded to discovery, reviewed and analyzed documents produced, and attended mediation. Class Counsel is of the belief that the risk of further litigation resulting in no recovery of any relief for Plaintiff, the Class Members was a very significant factor in determining that this Agreement is fair, reasonable, and adequate.

2.6. **The Parties' Intent.** It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge any and all claims, rights, demands, charges, complaints, causes of action, obligations or liability of any and every kind that were or could have been asserted in the Action, to the extent that such claims arise out of the alleged facts, circumstances, and occurrences underlying the allegations as set forth in the claims filed in the Action.

2.7. **Certification of Settlement Class.** This Agreement is contingent upon approval of class certification under Fed. R. Civ. P. Rule 23 by the Court of the Class for settlement purposes only which consists of all claims asserted in the Second Amended Complaint even if they were not included in the Stipulation Regarding Class Certification filed on September 6, 2019. CEVA does not waive, and instead expressly reserves, its right to challenge the propriety of class certification for any other purpose should the Court not approve the Settlement or this Agreement.

2.8. **The Parties' Agreement to Cooperate.** The Parties agree to cooperate and to take all steps necessary and appropriate to effectuate all aspects of this Agreement, to obtain a Preliminary Approval Order and Final Approval Order of this Settlement, and to dismiss the Action and claims of Class Members and PAGA Members with prejudice upon final approval.

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

1 **3. NOTICE TO CLASS MEMBERS**

2 **3.1. Settlement Administrator.** The Parties request that the Court
 3 appoint Rust Consulting, Inc. as Settlement Administrator. The Parties agree that
 4 settlement administration costs shall not exceed \$20,000, based on a written bid received
 5 from the Settlement Administrator. All disputes relating to the Settlement
 6 Administrator's performance of its duties, after good-faith efforts by the Parties to first
 7 resolve such disputes, will be referred to the Court, if necessary, which will have
 8 continuing jurisdiction over this Agreement until all payments and obligations
 9 contemplated by this Agreement have been fully completed.

10 **3.2. Data For Settlement Administrator.** Within 21 calendar days of the
 11 entry of a Preliminary Approval Order of this Agreement, CEVA shall provide to the
 12 Settlement Administrator with the following information: (1) name of each CEVA Class
 13 Member and PAGA Member; (2) last known address of each CEVA Class Member and
 14 PAGA Member; (3) social security number of each CEVA Class Member and PAGA
 15 Member; and (4) the dates of employment for each CEVA Class and PAGA Member, in
 16 order to determine the total number of Weeks Worked by each CEVA Class Member and
 17 PAGA Member during the Class Period and PAGA Period.

18 **3.3. Confidentiality of Contact Information and Data.** The contact
 19 information is being provided confidentially, and the Settlement Administrator shall treat
 20 the information as private and confidential and take all necessary precautions to maintain
 21 the confidentiality of contact information of the Class Members and PAGA Members.
 22 This information is to be used only to carry out the Settlement Administrator's duties as
 23 specified in this Agreement. The Settlement Administrator shall return the data to
 24 Defendant or confirm its destruction upon completion of the Settlement Administrator's
 25 duties in administering the Settlement.

26 **3.4. Mailing of Notice of Class Action Settlement (hereinafter**
 27 **"Notice").** The Settlement Administrator shall mail the Notice of Class Action
 28 Settlement to all Class Members within 14 calendar days of receiving the Class Member

1 data from CEVA. The Settlement Administrator shall send the Notices to Class Members
 2 via First Class U.S. Mail, using the most current, known mailing address for each Class
 3 Member based on information provided by CEVA. Upon receipt of this information
 4 from CEVA, the Settlement Administrator shall perform a search based on the National
 5 Change of Address Database maintained by the United States Postal Service to update
 6 and correct any known or identifiable address changes.

7 **3.4.1 Re-mailing of Returned Notices.** Any mailing returned to the
 8 Settlement Administrator as undeliverable shall be sent within 3 business days via First
 9 Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is
 10 provided, the Settlement Administrator shall attempt to determine the correct address by
 11 again using the National Change of Address Database maintained by the United States
 12 Postal Service to update and correct any known or identifiable address changes.
 13 Following this procedure, the Settlement Administrator shall perform a single re-mailing
 14 via First Class U.S. Mail within 3 business days.

15 **3.5. Proof of Mailing.** At least 5 calendar days prior to the Fairness
 16 Hearing, the Settlement Administrator shall provide a declaration of due diligence and
 17 proof of mailing with regard to mailing of the Notice of Class Action Settlement to Class
 18 Counsel and Defendant's Counsel, which they shall in turn provide to the Court.

19 **4. CEVA CLASS MEMBERS' OPTIONS TO RESPOND**

20 **4.1. CEVA Class Members' Consideration Period.** Class Members
 21 shall be provided 45 calendar days to exercise any rights with regard to the Settlement,
 22 following the postmark date of the initial mailing of the Notice of Class Action
 23 Settlement. Except as specifically provided herein, no Class Member responses of any
 24 kind that are postmarked more than 45 calendar days after the initial mailing of Class
 25 Notice shall be considered.

26 **4.2. Request for Exclusion, Opt Out Rights and Workweek Disputes.**
 27 Class Members shall be given the opportunity to opt out of the Settlement.
 28

1 **4.2.1 Opt Out Procedures.** Class Members may opt out of the
 2 Settlement by mailing to the Settlement Administrator a Request for Exclusion. Any
 3 such Request for Exclusion must be postmarked not more than 45 calendar days after the
 4 postmark date of the initial mailing of the Notice of Class Action Settlement. To be a
 5 valid Request for Exclusion, a Class Member must provide his or her name (and former
 6 names, if any), current address, current telephone number, and last four digits of their
 7 Social Security Number. Any Request for Exclusion that does not include all of the
 8 required information or that is not submitted in a timely manner will be deemed null,
 9 void, and ineffective. If there is a dispute regarding the timeliness or validity of a
 10 Request for Exclusion, the Settlement Administrator shall make the determination, after
 11 consultation with Class Counsel and Defendant's Counsel.

12 **4.2.2 Effect of Opt Out.** Any Class Member who opts out of the
 13 Settlement may not object to the Settlement, shall not receive any Individual Settlement
 14 Payment, and shall not be bound by the Released Class Claims provisions in this
 15 Agreement. If a Class Member submits both a Request for Exclusion and an Objection,
 16 the Class Member's Objection will be valid and be deemed to invalidate the Request for
 17 Exclusion. Each Class Member who does not opt out of the Settlement shall be bound by
 18 the applicable Released Claims provisions in this Agreement.

19 **4.2.3 CEVA's Right to Withdraw.** CEVA has the right, at its sole
 20 option, to withdraw from this Settlement if the number of Class Members opting out
 21 exceeds five percent of the total number of Class Members. These rights to withdraw are
 22 material terms of the Agreement and CEVA has the right, at its sole option, to withdraw
 23 from this Agreement if this provision is not approved by the Court. If CEVA exercises
 24 this right to withdraw, it will be responsible for all Settlement Administration Costs
 25 incurred by the Settlement Administrator.

26 **4.3. Objection Rights.** Because the Class will be certified by the Court,
 27 only Class Members who do not opt out of the Settlement shall be entitled to object to the
 28 terms of the Settlement.

1 **4.3.1 Objection Procedures.** Class Members' objections to the
 2 Settlement must be made using the procedures set forth in the Notice of Class Action
 3 Settlement. Any objection must be sent to the Settlement Administrator and postmarked
 4 no later than 45 days after the first postmark date of mailing the Notice of Class Action
 5 Settlement. An objection shall be deemed to be submitted as of the postmarked date.
 6 The written objection must contain: (1) the name of this lawsuit; (2) the full name, last
 7 four digits of their Social Security Number, and current address of the CEVA Class
 8 Member making the objection; (3) the specific reason(s) for the objection; and (4) if
 9 applicable, any and all evidence and supporting papers (including, without limitation, all
 10 briefs, written evidence, and declarations) for the Court to consider. Class Members who
 11 submit an objection remain bound by this Agreement.

12 **4.3.2 Waiver of Objection Rights.** Class Members who fail to make
 13 objections in the manner specified in the Notice of Class Action Settlement shall be
 14 deemed to have waived any objections and shall be foreclosed from making any
 15 objection, whether by appeal or otherwise, to this Agreement.

16 **4.4. Workweek Disputes.** Class Members will have an opportunity to
 17 dispute the information provided in their Notice. To the extent Class Members dispute
 18 the number of workweeks to which they have been credited, Class Members may produce
 19 evidence to the Settlement Administrator showing that such information is inaccurate.
 20 Absent evidence rebutting Defendant's records, Defendant's records will be presumed
 21 determinative. However, if a Class Member produces evidence to the contrary, the
 22 Settlement Administrator will evaluate the evidence submitted by the Class Member and
 23 will make the final decision as to the number of eligible workweeks that should be
 24 applied to which the Class Member may be entitled. The workweek dispute must be
 25 returned by mail to the Settlement Administrator at the specified address and postmarked
 26 no later than 45 days after the first postmark date of mailing the Notice of Class Action
 27 Settlement. The date of the postmark will be the exclusive means to determine whether a
 28 workweek dispute has been timely submitted.

1 **4.5. Proof of Class Members' Responses.** By not later than 45 calendar
 2 days after the initial mailing of the Notice of Class Action Settlement, the Settlement
 3 Administrator will prepare and submit a declaration attesting to (by number of relevant
 4 individuals), its mailing of the Notice of Class Action Settlement, its inability to deliver
 5 any mailing due to invalid addresses, and its receipt of valid Requests for Exclusion.
 6 Prior to the Fairness Hearing, the Settlement Administrator will prepare a supplemental
 7 declaration to submit to the Court, to indicate the number of valid objections, Requests
 8 for Exclusion and workweek disputes.

9 **4.6. Binding Effect of Settlement.** Although some CEVA Class
 10 Members might not receive or timely submit the Notice of Class Action Settlement as
 11 provided under this Settlement and Agreement, due to inability to locate their current
 12 address following the procedures set forth in this Agreement, such individuals shall
 13 nonetheless be bound by all of the terms of this Settlement and Judgment.

14 **5. DISTRIBUTION OF SETTLEMENT PROCEEDS**

15 **5.1. Gross Settlement Amounts.** CEVA agrees to pay a maximum of
 16 \$1,500,000 as the Gross Settlement Amount. CEVA shall not be required to make any
 17 payment in excess of the Gross Settlement Amount.

18 **5.2. Attorneys' Fees and Costs.** Class Counsel intends to request—and
 19 Defendant agrees not to oppose—that the Court approve an attorneys' fees and costs
 20 award for (a) attorneys' fees in an amount up to 25% of the Gross Settlement Amount (or
 21 \$375,000); and (b) costs in the amount of up to \$13,400, supported by adequate
 22 documentation by Class Counsel. Except as expressly provided in this Agreement,
 23 Defendant shall have no liability for any other attorneys' fees or costs.

24 **5.2.1 Approval of Attorneys' Fees and Costs Award Not**
 25 **Material.** The Court's approval of an attorneys' fees or costs award is not a material
 26 term of this Agreement. If the Court does not approve or approves only a lesser amount
 27 than that requested by Class Counsel for attorneys' fees or costs, the other terms of this
 28 Agreement shall still apply. The Court's refusal to approve the attorneys' fees or costs

award requested by Class Counsel does not give Plaintiff or Class Counsel any basis to abrogate the Settlement or this Agreement. Any amount of an attorneys' fees and costs award requested by Class Counsel but unapproved by the Court shall be allocated on a proportionate basis to the Net Settlement Amount.

5.2.2 Timing of Payment of Attorneys' Fees and Costs. The Settlement Administrator shall pay to Class Counsel any approved attorneys' fees and costs award 15 calendar days after the Effective Date. Class Counsel agrees that Class Counsel is responsible for allocating this payment among themselves and any other counsel for Plaintiff settling claims through this Agreement. The Settlement Administrator shall issue an Internal Revenue Service Form 1099 to Class Counsel for any attorneys' fees and costs award payment. Class Counsel shall be solely and legally responsible for paying all applicable taxes on any attorneys' fees and costs award payments and shall indemnify and hold harmless Defendant from any claim or liability for taxes, penalties, or interest arising as a result of the payment.

5.3. Incentive Payment. Class Counsel intends to request—and Defendant agrees not to oppose—that the Court approve an Incentive Payment of up to \$5,000 for Plaintiff, and such payments shall not be subject to payroll taxes or withholdings. Any Incentive Payment is in addition to Plaintiff's Individual Settlement Payment.

5.3.1 Incentive Payment Not Material. The Court's approval of an Incentive Payment is not a material term of the Settlement or this Agreement. If the Court does not approve or approves only a lesser Incentive Payment amount than that requested by Class Counsel, the other terms of this Settlement shall apply. The Court's refusal to approve the Incentive Payment requested by Class Counsel does not give the Plaintiff or Class Counsel any basis to abrogate the Settlement. Any amount of an Incentive Payment requested by Class Counsel but unapproved by the Court shall be allocated to the Net Settlement Amount.

1 **5.3.2 Timing of Incentive Payment.** The Settlement Administrator
2 shall pay to Plaintiff any approved Incentive Payments 15 calendar days after the
3 Effective Date. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff
4 for any Incentive Payment. Plaintiff shall be solely and legally responsible for paying all
5 applicable taxes on any Incentive Payments and shall indemnify and hold harmless
6 Defendant from any claim or liability for taxes, penalties, or interest arising as a result of
7 the payment.

8 **5.4. Settlement Administration Costs.** Class Counsel intends to
9 request—and Defendant agrees not to oppose—that the Court approve Settlement
10 Administration Costs of up to \$20,000. Any amount of Settlement Administration Costs
11 requested by Class Counsel but unapproved by the Court shall be allocated to the Net
12 Settlement Amount. Upon completion of administration of the settlement set forth in this
13 Agreement, the Settlement Administrator shall provide written certification of such
14 completion to Class Counsel and Defendant’s Counsel.

15 **5.5. LWDA Payment.** The Parties will seek approval for an LWDA
16 Payment consisting of 75% of the amounts allocated to claims under the Private
17 Attorneys General Act (“PAGA”). A total of \$10,000 of the Net Settlement Amount is
18 allocated to claims under PAGA with \$7,500 payable to the LWDA. The remaining 25%
19 of the amount allocated, which is \$2,500, will be payable to PAGA Members.

20 **5.6. Modification of LWDA Payment Not Material.** The Court’s
21 approval of a LWDA Payment is a material term of the Settlement. If the Court does not
22 approve a LWDA Payment, the other terms of the Settlement shall not apply. However,
23 the amount of the LWDA Payment is not a material term of the Settlement. If the Court
24 approves only a lesser amount or a higher amount than that requested by Class Counsel
25 for the LWDA Payment, the other terms of the Settlement shall apply. The Court’s
26 reduction or increase of the LWDA Payment requested by Class Counsel does not give
27 Plaintiff or Class Counsel any basis to abrogate the Settlement.
28

5.7. Individual Settlement Payments From the Net Settlement

Amount. This Settlement shall be a non-reversionary Settlement. Each Settlement Class Member and each PAGA Member shall be entitled to an Individual Settlement Payment consisting of their share of the Net Settlement Amount. Each Settlement Class Members' and PAGA Members' potential share of the Net Settlement Amount will be calculated by adding the following two amounts:

PAGA Settlement Amount to PAGA Members: This amount will be calculated by dividing the number of Weeks Worked by the CEVA PAGA Member by all Weeks Worked during the PAGA Period by all PAGA Members, multiplied by \$2,500(the amount of the Net CEVA Settlement Amount allocated to PAGA claims that is remaining after payment of the LWDA amount) [*i.e.*, (individual Weeks Worked ÷ total Weeks Worked by PAGA Members) x \$2,500].

Class Settlement Amount to Class Members: This amount will be calculated by dividing the number of Weeks Worked by the Class Member by all Weeks Worked during the Class Period by all Class Members, multiplied by the Net Settlement Amount of \$1,076,600[*i.e.*, (individual Weeks Worked ÷ total Weeks Worked by CEVA Class Members) x (Net CEVA Settlement Amount)].

5.8. Timing of Individual Settlement Payment. The Settlement Administrator shall issue the checks constituting the Individual Settlement Payments no later than 30 calendar days after the Effective Date.

5.9. Allocation of Individual Settlement Payment for Settlement Class Members. Each Settlement Class Member's Individual Settlement Payment will be characterized as one half (1/2) Form 1099 income and one half (1/2) W-2 income, to reflect that 1/2 of the payment will account for penalties and interest, while 1/2 will account for unpaid wages. In accordance with applicable tax laws, required tax withholdings and payroll deductions will be taken from each Individual Settlement Payment for the portion allocated to Form W-2 income and remitted to the appropriate

1 taxing authorities. The Settlement Administrator shall issue any necessary IRS Form
2 1099 and Form W-2 statements to Settlement Class Members for their respective
3 Individual Settlement Payments. Settlement Class Members shall be solely and legally
4 responsible for paying all other applicable taxes on their respective Individual Settlement
5 Payments and shall indemnify and hold harmless Defendant from any claim or liability
6 for taxes, penalties, or interest arising as a result of the payments.

7 **5.10. Allocation of Individual Settlement Payment for PAGA Members.**

8 Individual Settlement Payments to PAGA Members for the release of PAGA claims will
9 be characterized as 100% Form 1099 income.

10 **5.11. Undeliverable or Uncashed Checks.** Any settlement checks

11 distributing Individual Settlement Payments returned to the Settlement Administrator as
12 undeliverable shall be sent within 5 calendar days via First Class U.S. Mail to the
13 forwarding address affixed thereto. If no forwarding address is provided, the Settlement
14 Administrator shall attempt to determine the correct address using a single computer
15 skip-trace search, and it shall then perform a re-mailing within 5 calendar days. The
16 amount of any Individual Settlement Payments that remain undeliverable or uncashed
17 180 calendar days after the postmarked date of the initial mailing of the Individual
18 Settlement Payments will be sent to the California State Controller's Office to be held as
19 "Unclaimed Property" in the name of the Settlement Class Member. The Settlement
20 Administrator shall notify Class Counsel and Defendant's Counsel of any undeliverable
21 checks.

22 **5.12. Final Funding of Gross Settlement Amount.** CEVA shall deposit

23 the Settlement Amount into the Qualified Settlement Fund established by the Settlement
24 Administrator within 14 calendar days after the Effective Date.

25 **5.13. Tax Payment Considerations.** Class Counsel and Defendant are not

26 giving any tax advice in connection with the Settlement or any payments to be made
27 pursuant to this Agreement.
28

1 **5.14. No Tax Advice or Liability.** Each Settlement Class Member and
 2 PAGA Member agrees to indemnify, and to hold harmless, Defendant from any liability
 3 for taxes, fees, costs, or assessments resulting from his or her failure to timely pay taxes,
 4 interest, fees, or penalties owed.

5 **5.15. No Impact On Collective Bargaining Agreement And No ERISA**
 6 **Impact.** None of the payments made pursuant to the Settlement and this Agreement shall
 7 be considered to alter the terms or to grant any rights to additional payments under any
 8 applicable Collective Bargaining Agreement. Likewise, none of the payments made
 9 pursuant to the Settlement and this Agreement shall be considered for purposes of
 10 determining eligibility for, vesting or participation in, or contributions to any benefit
 11 plan, including, without limitation, all plans subject to the Employee Retirement and
 12 Income Security Act of 1974 (“ERISA”). Any distribution of payments to Plaintiff,
 13 Settlement Class Members or PAGA Members shall not be considered as a payment of
 14 wages or compensation under the terms of any applicable benefit plan and shall not affect
 15 participation in, eligibility for, vesting in, the amount of any past or future contribution
 16 to, or level of benefits under any applicable benefit plan. Any amounts paid will not
 17 impact or modify any previously credited hours of service or compensation taken into
 18 account under any benefit plan sponsored or contributed to by Defendant or any jointly-
 19 trusted benefit plan. For purposes of this Agreement, “benefit plan” means each and
 20 every “employee benefit plan,” as defined in 29 U.S.C. Section 1002(3), and, even if not
 21 thereby included, any 401(k) plan, bonus, pension, stock option, stock purchase, stock
 22 appreciation, welfare, profit sharing, retirement, disability, vacation, severance,
 23 hospitalization, insurance, incentive, deferred compensation, or any other similar benefit
 24 plan, practice, program, or policy.

25 **6. RELEASES**

26 **6.1. Release by Settlement Class Members.** By operation of the entry of
 27 the Final Approval Order and judgment, and except as to such rights or claims as may be
 28 created by this Agreement, each Settlement Class Member, and each of their respective

executors, administrators, representatives, agents, heirs, successors, assigns, trustees, spouses, or guardians, will release each of the Released Parties of and from any and all claims, rights, demands, penalties, interest, wages, compensation, premium pay, guarantee, costs, expenses, attorney's fees, damages, charges, complaints, causes of action, obligations, or liability of any and every kind, contingent or accrued, between November 15, 2014 and the date of Preliminary Approval of the Settlement, or January 31, 2020, whichever is earlier, that were or could have been asserted in any version of the complaints filed in this Action that are based on or arise out of the facts alleged in any version of the complaints filed in this Action, including those for: (1) failure to provide meal periods or meal period premium pay under the California Labor Code, Cal. Labor Code Sections 226.7 and 512 and the applicable Wage Order; (2) failure to authorize rest periods or rest period premium pay under the California Labor Code, Cal. Labor Code Section 226.7 and the applicable Wage Order; (3) failure to provide accurate and itemized wage statements or maintain records under the California Labor Code, Cal. Labor Code Sections 226 and 1174 and the applicable Wage Order; (4) failure to pay minimum wage or failure to pay overtime under California Labor Code Sections 550-552; (5) failure to timely pay all wages owed upon termination of employment under California Labor Code Sections 201-204; and (5) unfair competition or unfair business practices under the California Unfair Competition Law and California Business and Professions Code, Cal. Bus. & Prof. Code Sections 17200 *et seq.* related only to the claims asserted above.

6.2. Release by PAGA Members. By operation of the entry of the Final Order and Judgment, and except as to such rights or claims as may be created by this Agreement, each PAGA Member, and each of their respective executors, administrators, representatives, agents, heirs, successors, assigns, trustees, spouses, or guardians, will release each of the Released Parties of and from any and all claims, whether known or unknown, contingent or accrued, between November 15, 2017 and the date of Preliminary Approval, or January 31, 2020, whichever is earlier, to recover civil penalties

1 pursuant to PAGA for any alleged violations of California Labor Code Sections 201-204,
2 226, 226.7 and the applicable California Industrial Welfare Commission Wage Orders.

3 **6.3. Additional Release by Plaintiff.** By operation of the entry of the
4 Final Approval Order and judgment, Plaintiff will generally release any and all claims,
5 known and unknown, against Defendant and the Released Parties. This general release of
6 all claims includes any and all claims arising from the employment relationship with
7 Defendant, or the termination thereof, including, without limitation, claims for
8 discrimination, harassment, or retaliation pursuant to Title VII of the Civil Rights Act of
9 1964, 42 U.S.C. Section 2000 *et seq.*, the California Fair Employment and Housing Act,
10 Cal. Gov't Code Section 12900 *et seq.*, or any claims for violation of public policy. For
11 the purpose of implementing a full and complete release and discharge of Defendant and
12 the Released Parties, Plaintiff expressly acknowledges that the release in this Paragraph is
13 intended to include in its effect, without limitation, all claims he did not know or suspect
14 at the time of execution hereof, regardless of whether the knowledge of such claims, or
15 the facts upon which they might be based, would materially have affected the settlement
16 of this matter, and that the consideration given under this Settlement is also for the
17 release of those claims and contemplates the extinguishment of any such claims. In
18 furtherance of this Settlement, Plaintiff expressly waives all rights provided by California
19 Civil Code section 1542, or other similar statutes that Plaintiff may have against
20 Defendant and the Released Parties. Section 1542 states:

21 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
22 THAT THE CREDITOR OR RELEASING PARTY DOES
23 NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER
24 FAVOR AT THE TIME OF EXECUTING THE RELEASE
25 AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE
26 MATERIALLY AFFECTED HIS OR HER SETTLEMENT
27 WITH THE DEBTOR OR RELEASED PARTY.
28

1 This general release and waiver of rights under California Civil Code Section 1542
2 shall include any and all claims based on conduct or omissions that occurred at any time
3 prior to the date of the Final Approval Order.

4 **6.4. Plaintiff Acknowledgements.** Plaintiff acknowledges that he has
5 read this Agreement in its entirety, including the above language from the California
6 Civil Code, and that he fully understands both this Agreement and the California Civil
7 Code section. By executing this Agreement, Plaintiff expressly waives any benefits and
8 rights granted pursuant to California Civil Code Section 1542 or any statute, rule, or
9 principle of common law or equity, in any jurisdiction, that is similar, comparable, or
10 equivalent, in whole or in part, to California Civil Code Section 1542. Plaintiff
11 acknowledges and agrees that this knowing and voluntary waiver is an essential and
12 material term of this Agreement, and the Agreement would not have been entered into
13 without such a waiver.

14 **6.5. No Admission of Liability.** By entering into this Agreement, Defendant in
15 no way admits any violation of law or any liability whatsoever to Class Members or
16 PAGA Members, individually or collectively, and expressly denies all such liability.
17 Neither this Agreement, nor any other Settlement documents, shall be offered in any case
18 or proceeding as evidence of any admission by Defendant of any liability on any claim
19 for damages, penalties, restitution, or any other relief. Likewise, by entering into this
20 Agreement, Defendant in no way admits to the suitability of this case for class action or
21 representative litigation, other than for purposes of Settlement. Rather, Defendant enters
22 into this Agreement to avoid further protracted litigation and to resolve and to settle all
23 disputes with the Settlement Class. The Parties understand and agree that this Agreement
24 and all exhibits thereto are settlement documents and shall be inadmissible for any
25 purpose in any proceeding, except an action or proceeding to approve, interpret, or
26 enforce the terms of this Agreement. The Parties agree that, to the extent permitted by
27 law, this Agreement may be pleaded as a full and complete defense to, and may be used
28

1 as the basis for an injunction against any action, suit, or other proceeding that may be
2 instituted, prosecuted, or attempted in breach of this Agreement.

3 **7. SETTLEMENT APPROVAL PROCEDURE**

4 **7.1. Preliminary Approval.** Plaintiff shall submit to the Court a Motion
5 for Preliminary Approval of Settlement by December 2, 2019. This motion shall seek an
6 order to preliminarily approve the proposed Settlement according to the terms in this
7 Agreement and provide for the Notice of Class Action Settlement to be sent to Class
8 Members as specified in this Agreement. This motion shall include the bases for the
9 Gross Settlement Amount and why the amount is reasonable in light of the facts and
10 controlling authorities pertaining to the claims alleged.

11 **7.2. Effect of Failure to Obtain Preliminary Approval.** If this
12 Settlement or Agreement or a substantially similar settlement mutually agreed to by the
13 Parties is not preliminarily approved, the Action shall proceed as if no settlement had
14 been attempted, unless the Parties jointly agree to seek reconsideration of the ruling or
15 Court approval of a renegotiated settlement. Defendant retains the right to contest
16 whether any aspect of the Action should be maintained as a class or representative action,
17 or to contest the merits of the claims being asserted by Plaintiff, Class Members and
18 PAGA Members in the Action.

19 **7.3. Final Approval and Entry of Judgment.** Plaintiff shall submit to
20 the Court a Joint Motion for Final Approval Order and Entry of Judgment. The motion
21 shall request the entry of a Final Approval Order, which shall include findings and
22 orders: (a) approving the Settlement and the Agreement, including the payment of
23 attorney fees, costs and incentive payment; (b) adjudging the terms to be fair, reasonable,
24 and adequate; (c) reciting the release terms in full; (d) directing that the Settlement terms
25 and provisions be carried out; (e) Entry of Judgment and (f) retaining jurisdiction to
26 oversee administration and enforcement of the terms of this Agreement and the Court's
27 orders.
28

1 **7.4. Effect of Failure to Obtain Final Judgment.** In the event the Court
2 fails to enter final judgment in accordance with this Agreement, or such final judgment is
3 vacated or reversed, the Action shall proceed as if no settlement had been attempted,
4 unless the Parties jointly agree to seek reconsideration or appellate review of the ruling or
5 Court approval of a renegotiated settlement. Defendant retains the right to contest
6 whether any aspect of the Action should be maintained as a class or representative action,
7 or to contest the merits of the claims being asserted by Plaintiff, Class Members, or
8 PAGA Members in the Action.

9 **7.5. Waiver of Appeal Rights.** By accepting this Settlement, authorizing
10 the dismissal of the Action with prejudice, and upon final approval of the Settlement
11 being granted, Plaintiff and Class Counsel hereby waive any and all rights they may have
12 to appeal any judgment, ruling, or order made by the Court in this Action, including,
13 without limitation, any order granting final approval of this Settlement or dismissing the
14 Action with prejudice. This includes all rights to any post-judgment proceeding and
15 appellate proceeding, such as, but not limited to, a motion to vacate judgment, a motion
16 for new trial, a motion for relief under Fed. R. Civ. P. 60, and any extraordinary writ, and
17 the Judgment therefore will become nonappealable at the time it is entered. The waiver
18 of appeal does not include any waiver of the right to oppose any appeal, appellate
19 proceedings, or post-judgment proceedings. If an appeal is taken from the Judgment, the
20 time for consummation of the Settlement (including making payments under the
21 Settlement) will be suspended until such time as their appeal is finally resolved and the
22 Judgment becomes final.

23 **8. MISCELLANEOUS**

24 **8.1. Interim Stay of Proceedings.** The Parties agree to refrain from
25 further litigation, except such proceedings necessary to implement and to obtain a
26 Preliminary Approval Order and Final Approval Order of the terms of the Agreement. If
27 the Settlement is not finally approved, the Parties agree that they will revert to their
28 positions in the lawsuit prior to the time the Settlement was reached, and no agreements

1 set forth in this Agreement or any documents generated or orders issued related to the
2 Settlement will be admissible in any future proceeding in this or any other action.

3 **8.2. Parties' Authority.** The signatories hereto represent that they are
4 fully authorized to enter into this Agreement and are fully authorized to bind the Parties
5 to all terms stated herein. It is agreed that Class Members are so numerous that it is
6 impossible or impractical to have each Class Member execute this Agreement. It is
7 agreed that this Agreement may be executed on behalf of Class Members by Plaintiff and
8 Class Counsel.

9 **8.3. Entire Agreement.** This Agreement, which includes the Definitions,
10 Recitals, and all Exhibits attached hereto, constitutes the entire agreement between the
11 Parties with regard to the subject matter contained herein, and all prior and
12 contemporaneous negotiations and understandings between the Parties shall be deemed
13 merged into this Agreement.

14 **8.4. Materiality of Terms.** The Parties have arrived at this Agreement as
15 a result of arm's-length negotiations. Except as otherwise stated in this Agreement, all
16 terms and conditions of this Agreement in the exact form set forth in this Agreement are
17 material to this Agreement and have been relied upon by the Parties in entering into this
18 Agreement.

19 **8.5. Counterparts.** This Agreement may be executed in counterparts, and
20 when each party has signed and delivered at least one such counterpart, each counterpart
21 shall be deemed an original, and when taken together with other signed counterparts,
22 shall constitute one signed Agreement, which shall be binding upon and effective as to all
23 Parties.

24 **8.6. Facsimile or Scanned Signatures.** Any party may sign and deliver
25 this Agreement by signing on the designated signature block, including by electronic
26 signature, and transmitting that signature page via facsimile or as an attachment to an e-
27 mail to counsel for the other party. Any signature made and transmitted by facsimile or
28 as an attachment to an e-mail for the purpose of executing this Agreement shall be

1 deemed an original signature for purposes of this Agreement and shall be binding upon
2 the party who transmits the signature page.

3 **8.7. Waivers and Modifications to Be in Writing.** No waiver,
4 modification, or amendment of the terms of this Agreement, whether purportedly made
5 before or after the Court's approval of this Agreement, shall be valid or binding, unless in
6 writing, signed by or on behalf of all Parties and then only to the extent set forth in such
7 written waiver, modification, or amendment, subject to any required Court approval.
8 Any failure by any Party to insist upon the strict performance by the other Party of any of
9 the provisions of this Agreement shall not be deemed a waiver of future performance of
10 the same provisions or of any of the other provisions of this Agreement, and such Party,
11 notwithstanding such failure, shall have the right thereafter to insist upon the specific
12 performance of any and all of the provisions of this Agreement. The time periods and
13 dates provided in this Agreement with respect to giving of notices and hearings are
14 subject to Court approval and modification by the Court or by written stipulation of Class
15 Counsel and Defendant's Counsel.

16 **8.8. Construction.** The determination of the terms and conditions of this
17 Agreement has been by mutual agreement of the Parties. Each party participated jointly
18 in the drafting of this Agreement, and the terms and conditions of this Agreement are not
19 intended to be, and shall not be, construed against any party by virtue of draftsmanship.

20 **8.8.1 Exhibits Incorporated by Reference.** The terms of this
21 Agreement include the terms set forth in any attached exhibit, which are incorporated by
22 this reference as though fully set forth herein. Any exhibit to this Agreement is an
23 integral part of the Settlement.

24 **8.8.2 Captions.** The captions or headings of the sections and
25 paragraphs of this Agreement have been inserted for convenience of reference only and
26 shall have no effect upon the construction or interpretation of any part of this Agreement.

27 **8.8.3 Invalidity of Any Provision.** Before declaring any
28 provision of this Agreement invalid, the Court shall first attempt to construe the

1 provisions valid to the fullest extent possible consistent with applicable precedents so as
2 to render all provisions of this Agreement valid and enforceable.

3 **8.9. Further Acts and Cooperation Between the Parties.** The Parties
4 shall cooperate fully with each other and shall use their best efforts to obtain the Court's
5 approval of this Agreement and all of its terms. Each of the Parties, upon the request of
6 another Party, agrees to perform such further acts and to execute and to deliver such other
7 documents as are reasonably necessary to carry out the provisions of this Agreement.

8 **8.10. No Prior Assignments or Undisclosed Liens.** Plaintiff and Class
9 Counsel represent and warrant that they have not assigned, transferred, conveyed, or
10 otherwise disposed of, or purported to assign, transfer, convey, or otherwise dispose of,
11 any Released Claims or the attorneys' fees and costs award to be paid pursuant to this
12 Agreement. Plaintiff and Class Counsel further represent and warrant that there are not
13 any liens or claims against any of the amounts to be paid by Defendant pursuant to this
14 Agreement. Plaintiff and Class Counsel agree to defend, to indemnify, and to hold
15 Defendant harmless from any liability, losses, claims, damages, costs, or expenses,
16 including reasonable attorneys' fees, resulting from a breach of these representations or
17 from any lien or assignment.

18 **8.11. Waiver of Right to Object by Plaintiff.** Plaintiff agrees to sign this
19 Agreement, and by signing this Agreement, Plaintiff is thereby bound by the terms of this
20 Agreement. Plaintiff further agrees that he shall not object to any of the terms of this
21 Agreement.

22 **8.12. No Solicitation of Objections.** The Parties further represent and
23 warrant that they have not and will not solicit, encourage, or assist in any fashion any
24 effort by any entity or person to object to or to seek exclusion from the Settlement set
25 forth in this Agreement.

26 **8.13. Discovery of Confidential Documents and Information.** Class
27 Counsel agree that they will destroy all confidential documents and information provided
28 to them by Defendant within 60 calendar days after the completion of the administration

1 of the Settlement. Class Counsel further agrees that none of the documents and
2 information provided to them by Defendant shall be used for any purpose other than
3 prosecution of this Action or the defense or prosecution of a malpractice action.

4 **8.14. No Tax Advice.** Neither Class Counsel nor Defendant's Counsel
5 intend anything contained in this Settlement or Agreement to constitute advice regarding
6 taxes or taxability, nor shall anything in this Settlement or Agreement be relied upon as
7 such within the meaning of United States Treasury Department Circular 230 (31 C.F.R.
8 Part 10, as amended) or otherwise.

9 **8.15. No Media Announcements.** Neither Plaintiff nor Class Counsel shall
10 publicize, or cause to be publicized, directly or indirectly, the discussions resulting in or
11 the existence of this Settlement or its terms, in any type of mass media, including, but not
12 limited to, speeches, press conferences, press releases, interviews, television or radio
13 broadcasts, newspapers, messages on the Internet, Facebook, Twitter or any other social
14 media, Class Counsels' or any other website. Breach of this provision shall entitle
15 Defendant, in the exercise of its sole discretion, to nullify the Settlement at any time
16 before final approval by the Court. Without limitation by the foregoing, Defendant also
17 may enforce this provision through an action for injunctive relief. Plaintiff waives any
18 obligation by Defendant to file a bond in connection with any such action.

19 **8.16. Continuing Jurisdiction.** The Court shall retain jurisdiction over the
20 implementation of this Agreement as well as any and all matters arising out of, or related
21 to, the implementation of this Agreement and Settlement. The Court shall not have
22 jurisdiction to modify the terms of the Agreement without the consent of all of the
23 Parties.

24 **8.17. Disputes.** If the Parties have a dispute with regard to the language of
25 this Agreement, they agree to first attempt to resolve the dispute informally through good
26 faith negotiations, but if those efforts are unsuccessful, they agree to mediate any such
27 dispute. The Parties will split the costs of the mediator, and all parties will bear their own
28 fees and costs.

1 8.18. **Governing Law.** This Settlement and Agreement was made and
 2 entered into in the State of California. All terms of this Agreement shall be governed by
 3 and interpreted according to the substantive laws of the State of California and the
 4 procedural laws of the United States of America.

5 **SO AGREED AND STIPULATED:**

6
 7 DATED: November 27, 2019

By:

DocuSigned by:

 B0E90B60FEDB40F

Clarence C. Bell, III

8
 9 DATED: November 26, 2019

CEVA LOGISTICS U.S., INC.

10
 11 By:

DocuSigned by:

 02659H1B0D7A48F

12 Name: Jerry Garcia

13 Its: VP - Litigation

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 15 DATED: November 27, 2019

LAW OFFICES OF KEVIN T. BARNES

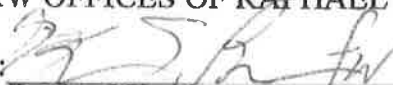
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 17 By:


 Kevin T. Barnes
 Gregg Lander
 Attorneys for Plaintiff
 CLARENCE C. BELL III

18
 19
 20
 21 DATED: November 27, 2019

LAW OFFICES OF RAPHAEL KATRI

22
 23 By:


 Raphael Katri
 Attorneys for Plaintiff
 CLARENCE C. BELL III

1 DATED: November 27, 2019

JACKSON LEWIS, P.C.

2 By: Fraser A. McAlpine

3 Fraser McAlpine
4 Mariko Mae Ashley
5 Attorneys for Defendant
6 CEVA LOGISTICS, U.S., INC.

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EXHIBIT A

LEGAL NOTICE:

If you worked in California for Ceva Logistics U.S., Inc. as an hourly-paid employee during the period from November 15, 2014 through **XXXX**, this class action settlement will affect your rights

A court authorized this Notice.

Bell, III, et al. v. Ceva Logistics U.S., Inc., United States District Court Central District of California Case No. 5:19-cv-00352-SVW (KKx)

- Clarence C. Bell, III, on behalf of himself and all others similarly situated (hereafter “Plaintiffs”) has sued Ceva Logistics U.S., Inc. (hereafter, “Defendant”) on behalf of himself and other similarly situated employees for the following claims: (1) failure to pay all paid rest periods; (2) failure to provide all second meal periods; (3) failure to pay all seventh day overtime wages; (4) failure to timely furnish accurate itemized wage statements; (5) violations of Labor Code § 203; (6) penalties Pursuant to Labor Code §2699; and (7) Unfair Business Practices. The operative Second Amended Complaint sought unpaid wages, actual damages, statutory damages, monetary damages, interest, statutory penalties, civil penalties, liquidated damages, restitution, declaratory and injunctive relief, equitable relief, pre-judgment interest, and attorneys’ fees and costs.
- These claims have been settled and the Court has preliminarily approved the settlement.
- If you qualify as a Class Member, you could receive money from the settlement.
- Your legal rights are affected whether you act or don’t act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	You will be paid your Claim Amount and you will give up any rights to sue for the Released Claims (defined below).
SUBMIT A WORKWEEK DISPUTE	Dispute the number of workweeks listed in your Notice. Receive a settlement share and give up any rights to sue for the Released Claims.
EXCLUDE YOURSELF	Waive all rights, including money, from the settlement. Retain all rights you may have against Defendant, explained below.
OBJECT	Write to the Court about why you don’t agree with the settlement. The Court may or may not agree with your objection.

**How Much
Can I Get?**

Look at Section 8 of this Notice.

- Your rights and options – and the deadlines to exercise them – are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after any appeals are resolved.

1. Why Did I Get This Notice Package?

You are not being sued. Plaintiffs sued Defendant in a class and/or representative action on behalf of similar employees like you.

Defendant's records show that you were employed as a non-exempt, hourly employee in California directly hired by CEVA between November 15, 2014 through XXXX.

You received this Notice because you have a right to know about a proposed settlement of a class action lawsuit and about your options, before the Court decides whether to provide final approval of this settlement. If the Court provides final approval of the settlement, and after any objections and appeals are resolved, a Settlement Administrator appointed by the Court will make the payments that the settlement allows.

This Notice explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them and how to get them.

2. What Is This Lawsuit About?

Plaintiff Clarence C. Bell III and all others similarly situated were employed in California by Defendant as non-exempt, hourly employee in California directly hired by CEVA between November 15, 2014 through XXXX. The Court has approved Clarence C. Bell III to represent the Class.

The lawsuit alleges that Defendant engaged in practices that violated California's labor and unfair competition laws by failing to (1) pay all paid rest periods; (2) provide all second meal periods; (3) pay all seventh day overtime wages; (4) timely furnish accurate itemized wage statements; (5) violations of Labor Code § 203; (6) penalties Pursuant to Labor Code §2699; and (7) Unfair Business

Practices.

Defendant denies any liability whatsoever and deny that wages, damages, or penalties are owed, or that they acted contrary to California or federal law.

3. Do I Need to Hire an Attorney?

You do not need to hire your own attorney. You are already represented by Class Counsel (see Section 16 for contact information). However, you may hire your own attorney at your own expense if you choose to do so.

4. What Is Defendant's Position?

Defendant denies and continue to deny each of the claims and contentions.

Defendant has concluded that any further defense of this litigation would be protracted and expensive for all Parties. Defendant has already spent substantial amounts of time, energy and resources defending this case and, unless this settlement is agreed to, will have to continue to devote time, energy and resources to the defense of the claims asserted by the Class. Defendant has also taken into account the risks of further litigation in reaching its decision. Defendant has therefore, agreed to settle in the manner and upon the terms set forth in the Settlement Agreement to put to rest the claims as set forth in the Action.

5. Why Is There a Settlement?

The Court did not decide in favor of Plaintiffs or Defendant. After a thorough investigation into the facts of this lawsuit, both sides agreed to a settlement after mediating with a neutral third- party mediator. The class claims were settled because Class Counsel and Plaintiffs believe that the amount of the settlement is fair and reasonable in light of the strength and weaknesses of the claims and other factors.

6. How Do I Know If I Am Part of the Settlement?

You are a member of the Class if you were a non-exempt, hourly employee in California directly hired by CEVA between November 15, 2014 through **XXXX**.

7. What Does the Settlement Provide?

Class Members who do not timely submit a signed and valid request for exclusion will receive payments from the Net Settlement Amount. The Net Settlement Amount is the portion of the Class Settlement available for distribution to Class Members who do not timely submit a signed and valid request for exclusion after deduction of the Court-approved Class Representative Incentive Payment, Class Counsel's Attorneys' Fees and Costs, Settlement Administration Costs, and the State of California's portion of the PAGA Payment.

Deductions for Class Representative's Incentive Payment, Class Counsel's Attorneys' Fees and Costs, Settlement Administration Costs, and the PAGA Payment. Class Counsel will ask the Court to award attorneys' fees in the amount of up to \$375,000, which represents twenty five percent (25%) of the Class Settlement Amount, and litigation costs estimated at \$13,400 from the Class Settlement Amount. In addition, Class Counsel will ask the Court to authorize a Representative Incentive Payment from the Class Settlement Amount in the amount of \$5,000 to Plaintiff Clarence C. Bell III to compensate for the risks, time and expense of Plaintiff's involvement in this Action. This payment is in addition to whatever payment named Plaintiff is otherwise entitled to as a Class Member. The Settlement Administrator will also be reimbursed for the expense of notifying the Class Members of the settlement, processing claims and requests for exclusions submitted by Class Members and distributing Individual Settlement Payments. Settlement Administration Costs are estimated at \$20,000. Finally, Class Counsel will ask the Court to approve a PAGA Payment in the amount of \$10,000 for claims under the Private Attorneys General Act of 2004, Labor Code §§2698, et seq., of which \$7,500 will be awarded to the State of California, and \$2,500 will be awarded to Class Members by adding this amount to the Net Settlement Amount.

8. What Can I Get From the Settlement?

Each Class Member will receive approximately \$_____ for each workweek worked in the Class Period.

Defendant's records indicate that you worked approximately _____workweeks between November 15, 2014 and _____.

Based on these records, your estimated payment as a Class Member would be \$_____.

Class Members who do not opt-out will be paid out of the Net Settlement Amount. Fifty percent (50%) of each Individual Settlement Payment will be designated for alleged unpaid wages, for which an IRS Form W-2 shall be issued and fifty percent (50%) will be designated for alleged interest and penalties, for which an IRS Form 1099 shall be issued, as appropriate.

If you do not timely submit a valid request for exclusion by the Response Deadline, you will receive your share of the Net Settlement Amount after the Court approves the settlement.

9. How Was My Share Calculated?

To determine the amount of the Net Settlement Amount to which each Class Member is entitled, the Settlement Administrator used the workweek information provided by Defendant to calculate the total number of weeks worked by an individual Class Member (“Individual Workweeks”) and the total number of workweeks worked by all Class Members (“Class Workweeks”) during the Class Period. To determine each Class Member’s Individual Settlement Payment, the Settlement Administrator used the following formula: Individual Settlement Payment = (Individual Workweeks ÷ Class Workweeks) × Net Settlement Amount.

The workweeks calculation shall be based on Defendant’s records.

Individual Settlement Payments are net of employee and employer portions of state and federal withholding taxes.

10. How Can I Get Payment?

You do not need to take any action to qualify for payment. However, if you dispute the number of workweeks to which you have been credited, as provided in this Notice, or the amount of your Individual Settlement Payment, you must contact the Settlement Administrator to register your dispute. You must mail or fax the Settlement Administrator with the details of your dispute and documentary evidence (for example, W-2s or paystubs). The deadline for this is _____, 2020. If you do nothing, you will receive your Individual Settlement Payment and be bound by the terms of the settlement (including the Released Claims described in Section 12 below).

California law protects Class Members from retaliation based on their decision to participate in a class action settlement.

11. When Would I Get My Payment?

The Court will hold the Final Approval Hearing to decide whether to approve the settlement on or about _____ in Courtroom 10A of the United States District Court, located at 350 W. 1st Street, Los Angeles, CA 90012.

If the Court approves the settlement, your settlement share will be mailed to you approximately 90 days from the date of final judgment unless there are objections, appeals, or other challenges to the final judgment. It is always uncertain when these issues can be resolved and resolving them can take time.

12. What Rights Do I Give Up If I Participate or Do Nothing?

Unless you exclude yourself, you will remain a Class Member, and you will be bound by the terms of the settlement, including releasing the Released Claims described below. That means that you will be unable to sue, or to continue to sue, or be part of any other lawsuit about the Released Claims. It also means that all of the Court's orders will apply to you and legally bind you.

Released Claims

As of the date of the Order Granting Final Approval, Class Members who do not opt out, will release each of the Released Parties of and from any and all claims, rights, demands, penalties, interest, wages, compensation, premium pay, guarantee, costs, expenses, attorney's fees, damages, charges, complaints, causes of action, obligations, or liability of any and every kind, , contingent or accrued, between November 15, 2014 and the date of Preliminary Approval of the Settlement, or January 31, 2020 that were or could have been asserted in any version of the complaints filed in this Action that are based on or arise out of the facts alleged in any version of the complaints filed in this Action, including those for: (1) failure to provide meal periods or meal period premium pay under the California Labor Code, Cal. Labor Code Sections 226.7 and 512 and the applicable Wage Order; (2) failure to authorize rest periods or rest period premium pay under the California Labor Code, Cal. Labor Code Section 226.7 and the applicable Wage Order; (3) failure to provide accurate and itemized wage statements or maintain records under the California Labor Code, Cal. Labor Code Sections 226 and 1174 and the applicable Wage Order; (4) failure to pay minimum wage or failure to pay overtime under California Labor Code Sections

550-552; (5) failure to timely pay all wages owed upon termination of employment under California Labor Code Sections 201-204; and (5) unfair competition or unfair business practices under the California Unfair Competition Law and California Business and Professions Code, Cal. Bus. & Prof. Code Sections 17200 *et seq.* related only to the claims asserted above.

13. How Do I Exclude Myself from the Settlement?

If you do not wish to participate in the settlement, you may exclude yourself (generally called “opting out”) by submitting a written opt-out request to the Settlement Administrator.

In order to opt-out, you must mail a written signed statement indicating that you wish to opt out from the Ceva Settlement; (2) state your name (and former names, if any), current address, telephone number and the last four digits of your Social Security number; and (3) ensure that your signed statement is postmarked no later than _____ (45 days after first mailing of Notice) (“Response Deadline”).

You must sign the request for exclusion personally and may not have someone sign for you, nor may you submit a request for exclusion on behalf of a group. Your request for exclusion must be signed and returned via fax or United States first class mail postmarked no later than the Response Deadline to:

**Rust Consulting
625 Marquette Ave, Suite 900,
Minneapolis, MN 55402**

If you submit a timely and valid request for exclusion, then upon its receipt you shall no longer be a member of the Class, you shall be barred from participating in any portion of the settlement, you may not object and you shall receive no benefits from the settlement. If you wish, you may pursue, at your own expense, any claims you may have against Defendant. If you do not submit a complete and timely written request for exclusion, you will be included in the Class, and be bound by the terms of the settlement (including the Released Claims described in Section 12 herein).

Do not submit both an objection and request for exclusion. If you submit both, the request for exclusion will be valid, and you will be excluded from the Class.

14. When Is the Final Approval and Fairness Hearing?

On _____ at _____ a.m./p.m., or such other, later date as the Court may authorize, the Court will hold a Final Approval Hearing in Courtroom 10A of the United States District Court, located at 350 W. 1st Street, Los Angeles, CA 90012, to determine whether the settlement is fair, reasonable, and adequate; and if there are objections, the Court will consider them. The Court will also be asked to approve named Plaintiff's Class Representative Incentive Payment, Class Counsel's request for Attorneys' Fees and Costs, the Settlement Administration Costs, and the PAGA Payment.

The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at this hearing unless you have timely filed an objection or notice of intention to appear with the Court. Notice of the Settlement documents and the final judgment will be posted on the Settlement Administrator's website at www.XXXX.com.

15. How Do I Object to the Settlement and Appear at the Final Approval and Fairness Hearing?

You may object to the terms of the settlement before the Final Approval Hearing. However, if the Court rejects your objection, you will still be bound by the terms of the settlement. To object, you must mail a written objection to the Settlement Administrator (at the address in Section 13 herein). Any written objection must contain a statement of your objection to this settlement, accompanied by legal support, if any. Your objection must also contain your full name, address, telephone number, and signature. To be valid and effective, any objections to approval of the settlement must be postmarked no later than the Response Deadline of _____. DO NOT TELEPHONE THE COURT.

Class Members who fail to make objections in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether by appeal or otherwise) to the settlement.

You do not have to attend the hearing, but you may do so at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

If the Court approves the settlement despite any objections, you will receive your settlement proceeds and will be bound by the terms of the settlement (including the Released Claims described in section 12 herein).

16. How Do I Get Additional Information?

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you should consult the detailed Stipulation And Settlement Of Class And Representative Action (“Settlement Agreement”) between Plaintiffs and Defendant, which is will be posted on the Settlement Administrator’s website at www.XXXX.com.

CLASS COUNSEL	DEFENDANT’S’ ATTORNEYS
Kevin T. Barnes, Esq. (#138477) Gregg Lander, Esq. (#194018) LAW OFFICES OF KEVIN T. BARNES 1635 Pontius Avenue, Second Floor Los Angeles, CA 90025-3361 Tel: (323) 549-9100 / Fax: (323) 549-0101 Email: Barnes@kbarnes.com	Fraser A. McAlpine, Esq. Mariko Mae Ashley, Esq. JACKSON LEWIS 50 California Street, Ninth Floor San Francisco, CA 94111 Tel.: (415) 394-9400 Fax: (415) 394-9401 Fraser.McAlpine@jacksonlewis.com

PLEASE DO NOT WRITE OR TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS.

If you have any questions, you can call the Settlement Administrator at _____ or Class Counsel at (323) 549-9100.

BY ORDER OF THE CENTRAL DISTRICT OF CALIFORNIA