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Attorneys for Plaintiff,
EDWARD GNAT, on behalf of himself and all similarly aggrieved employees

SUPERIOR COURT OF CALIFORNIA

COUNTY OF MONTEREY

EDWARD GNAT, on behalf of himself and
all similarly aggrieved employees,

Plaintiff,

v.

QUINN COMPANY; and DOES 1 through
50, inclusive,

Defendants.

Case No. 20CV003431

**DECLARATION OF MAX W. GAVRON
IN SUPPORT OF PLAINTIFF'S
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

Date: February 23, 2024
Time: 8:30 a.m.
Dept.: 15

Action Filed: December 21, 2020
Trial Date: Not Set

1 **DECLARATION OF MAX W. GAVRON**

2 I, Max W. Gavron, declare as follows:

3 1. I am an attorney at law duly admitted to practice before all courts in the State of
4 California and am a member of the law firm of the Diversity Law Group, P.C., one of the
5 attorneys of record for Plaintiff Edward Gnat ("Plaintiff") in the above-entitled action. I have
6 personal knowledge of the matters set forth herein, and if called upon as a witness to testify
7 thereto, I could and would competently do so.

8 **CASE SUMMARY**

9 2. On December 21, 2020, Plaintiff filed a representative action complaint in the
10 Superior Court of California, County of Monterey on behalf of himself and all similarly
11 aggrieved employees against Defendant.

12 3. On February 22, 2021, Plaintiff filed a First Amended Complaint, adding
13 individual claims for age discrimination, wrongful termination, and other claims.

14 4. After the Court granted Plaintiff's Motion for Leave to Amend, on June 21,
15 2022, Plaintiff filed a Second Amended Complaint, adding class action claims, which he
16 contended related back to the original filing of the complaint.

17 5. Thereafter, the Parties continued to exchange written discovery and extensively
18 meet and confer to address the appropriate scope of discovery. Ultimately, Plaintiff moved to
19 compel Defendant to respond to his written discovery. The Court granted Plaintiff's Motion,
20 which permitted Plaintiff to conduct discovery on his class claims as pleaded and relating back
21 to the initial filing of the complaint.

22 6. The Second Amended Complaint is the operative complaint ("Complaint"). The
23 Second Amended Complaint asserts claims for: (1) failure to provide meal periods or
24 compensation in lieu thereof in violation of Labor Code §§ 226.7 and 512; (2) failure to
25 provide rest periods or compensation in lieu thereof in violation of Labor Code § 226.7; (3)
26 failure to pay hourly and overtime wages in violation of Labor Code §§ 510 and 1194; (4)
27 failure to pay minimum wage in violation of Labor Code §§ 1197 and 1199; (5) failure to
28 comply with itemized employee wage statement provisions in violation of Labor Code §§ 226,

1 1174, and 1175; (6) failure and refusal to pay agreed wages in violation of Labor Code §§ 201,
2 202, 204, 216, 218, 221, 223, 1194, and 1198; (7) failure to pay all wages upon termination in
3 violation of Labor Code §§ 201, 202, and 203; (8) failure to timely pay wages in violation of
4 Labor Code § 204; (9) failure to reimburse work-related expenses in violation of Labor Code §
5 2802; (10) penalties under the Private Attorneys General Act of 2004, Labor Code § 2698, *et*
6 *seq.*; (11) unfair business practices in violation of Business and Professions Code § 17200, *et*
7 *seq.*; and claims under the FEHA.

8 7. With respect to his class and representative claims, Plaintiff alleges that
9 Defendant required employees to keep their personal cell phones on their person at all times
10 and respond to work-related calls and text messages while off-the-clock, including outside of
11 their normal working hours and during their meal and rest breaks. Employees were not paid
12 for work performed off-the-clock, nor were they adequately reimbursed for the costs of using
13 their personal cell phones. Moreover, Plaintiff alleges that employees regularly earned non-
14 discretionary incentive wages, which were not calculated in the regular rate of pay during
15 periods when said wages were earned and sick pay was disbursed. Furthermore, Plaintiff
16 alleges that Defendant precluded employees from leaving the premises during rest periods. As
17 such, employees did not receive proper, off-duty breaks as they remained subject to
18 Defendant's control. Plaintiff also alleges that Defendant failed to provide timely off-duty
19 meal periods to employees and did not pay premium compensation at the regular rate of pay
20 for improper meal and rest breaks. Plaintiff also alleged that Defendant improperly rounded
21 time entries through approximately March 2022. Plaintiff's PAGA claim is predicated on the
22 same violations of the Labor Code referenced above.

23 8. Defendant disputes and denies Plaintiff's allegations and claims asserted in the
24 operative Complaint.

25 9. Since the initiation of the lawsuit, the Parties have engaged in significant written
26 discovery as well as the informal exchange of data pertaining to the putative class and
27 aggrieved employees. Plaintiff has reviewed Defendant's production of its policies and
28 practices regarding meal and rest periods, overtime, final payment of wages, wage statements,

1 among others, as well as a twenty percent sample of payroll and punch data records. This
2 investigation enabled Plaintiff to perform an analysis of the putative class and Defendant's
3 liability.

4 **SETTLEMENT NEGOTIATIONS**

5 10. Thereafter, the Parties attended a full day of mediation with the Honorable
6 Steven Denton (Ret.), after which the Parties were able to reach the current settlement of the
7 class and PAGA claims. The Parties also reached a separate settlement of Plaintiff's individual
8 claims.

9 **SUMMARY OF THE SETTLEMENT TERMS**

10 11. A true and correct copy of the Parties' Joint Stipulation and Settlement
11 Agreement of Class Action and PAGA Claims ("Stipulation of Settlement" or "SA") is
12 attached hereto as **Exhibit A**.

13 12. The Stipulation of Settlement provides for Five Hundred Thousand Dollars
14 (\$500,000.00) as the total Gross Settlement Amount. *See* SA ¶ 13. The Net Settlement
15 Amount (calculated after deduction of Class Counsel's attorneys' fees (up to \$166,666.67),
16 costs (up to \$25,000.00), Class Representative Service Payment (up to \$5,000.00), payment of
17 PAGA penalties (\$30,000.00), and Settlement Administration Costs (up to \$15,750.00) is
18 estimated to be approximately \$257,583.33. *See* SA ¶¶ 18, 45.c, 45.d.v, 45.d.vi, 45.d.vii,
19 45.d.viii. Each Settlement Class Member that does not opt-out of the settlement will be
20 awarded a portion of the Net Settlement Amount on a pro-rata basis, based upon the number of
21 workweeks he or she was employed during the Class Period. *See* SA ¶ 45.d.i.

22 13. On a raw average, each Settlement Class Member potentially may recover
23 approximately \$1,542.42 (\$257,583.33 / 167 class members). The amount actually paid to
24 each Settlement Class Member will increase or decrease depending on the actual number of
25 workweeks he or she was employed during the Class Period.

26 14. Additionally, as part of the payment of PAGA penalties, 25% of the PAGA
27
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1 Payment, or \$7,500.00, shall be paid to PAGA Group Members¹ on a pro rata basis, based on
2 the number of pay periods they were employed during the PAGA Period. *See* SA ¶¶ 45.d.viii,
3 45.d.ix. On a raw average, each PAGA Group Member is estimated to receive approximately
4 \$5.86. (\$7,500 / 1280 PAGA Group Members).

5 **THE SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE**

6 15. In advance of mediation, Defendant provided a twenty percent sample of time
7 and pay records for the putative class.² Based on the class data provided by Defendant,
8 Plaintiff estimated that Defendant would face potential liability of up to approximately \$2.8
9 million for Plaintiff's class claims, as detailed below. Specifically, this amount was calculated
10 by Plaintiff's consultant based on the following approximate breakdowns for each class claim:

- 11 a. \$1.1 million for meal break violations calculated at a 51.8%³ violation rate;
- 12 b. \$1.2 million for rest break violations calculated at a 51.8% violation rate;
- 13 c. \$8,044 for unpaid minimum and overtime wages because of Defendant's rounding
14 policy;
- 15 d. \$305,260 for Labor Code § 226(e) penalties;
- 16 e. \$ 91,370 for unreimbursed business expenses (premised on \$5 reimbursement a
17 workweek for 18,274 workweeks); and
- 18 f. \$715,493 in waiting time penalties (premised on 111 former class members)⁴.

19 ¹ "PAGA Group" and "PAGA Group Members" are all current and former non-exempt
20 employees of Defendant who worked for Defendant in California at any time from June 14,
21 2022, through November 18, 2023. SA ¶ 22. The PAGA Period is June 14, 2022, through
22 November 18, 2023. *Id.* ¶ 24.

23 ² Although the Settlement Class is focused on the approximately 167 individuals who did not
24 sign a post-2013 settlement agreement, Defendant produced a twenty percent sampling of time
25 and pay records for the broader group of employees. Accordingly, Plaintiff analyzed the
26 records of approximately 427 individuals and utilized statistical analysis and extrapolation
27 techniques to create a damages model applicable to the Settlement Class and Aggrieved
28 Employees. Each of the estimated exposures is derived from the sampling provided.

³ The violation rate was deduced from analysis of the sample. Plaintiff's consultant also
deducted the value of any premiums paid to employees during the appropriate period for
purposes of calculating these values.

⁴ The potential exposure for Plaintiff's sick pay allegations is included in this analysis because
Defendant argued that sick pay wages themselves are not recoverable because there is no
private right of action. *See Wood v. Kaiser Found. Hosps.*, 88 Cal. App. 5th 742 (2023), as
modified (Mar. 23, 2023) (discussing interplay of PAGA and private right of action to enforce
sick pay law). Therefore, Plaintiff contended that waiting time penalties were owed to those
employees who did not receive sick pay at the correct rate of pay.

1 16. Plaintiff further estimated the maximum potential PAGA penalties to be
2 approximately \$3,069,800.00. This amount was calculated based on approximately 30,698 pay
3 periods during the relevant time period and a \$100 penalty per violation, which assumes that
4 the Court would not “stack” PAGA penalties for distinct violations of the Labor Code. Courts
5 have recently been hesitant to award a higher PAGA penalty for “subsequent” violations
6 where there is no prior citation by the Labor Commissioner, which renders the evaluation of
7 the potential PAGA penalties without “stacking” reasonable. *C.f. Bernstein v. Virgin Am., Inc.*,
8 3 F.4th 1127, 1144 (9th Cir. 2021) (“Virgin was not notified by the Labor Commissioner or
9 any court that it was subject to the California Labor Code until the district court partially
10 granted Plaintiffs’ motion for summary judgment. On this basis, we reverse the district court’s
11 holding that Virgin is subject to heightened penalties for any labor code violation that occurred
12 prior to that point.”). While *Bernstein* addresses whether the higher subsequent penalty should
13 be applied, defendants often argue that this decision supports their position that the court
14 should not award multiple penalties for different predicate violations of the Labor Code during
15 the same pay period. Accordingly, evaluating the settlement compared to a potential penalty of
16 \$100 per pay period is fair, adequate, and reasonable. Here, the proposed settlement is
17 approximately 8.5% (\$500,000 / ~\$5.87 million) of the potentially available penalties, which
18 factors in the risks described above if the case were to proceed through litigation and appeals.

19 17. On the merits, there are also significant risks presented if Plaintiff was to move
20 forward with litigation. Defendant argued that it complied with the Labor Code in all respects
21 and that class certification was not appropriate. As noted above, Defendant argued that class
22 claims were not appropriate in this case given the arbitration agreements at play, and, even if a
23 class claim could survive, the liability period should have been limited to the statute of
24 limitations calculated by the filing date of Plaintiff’s class allegations. *See Pointe San Diego*
25 *Residential Cmty., L.P. v. Procopio, Cory, Hargreaves & Savitch, LLP*, 195 Cal.App.4th 265,
26 279 (2011) (holding relations back only applies where original complaint alleged similar
27 facts); *but see Hutcheson v. Superior Ct.*, 74 Cal. App. 5th 932, 940 (2022) (applying relation
28 back in context of PAGA action). While Plaintiff prevailed on this argument in a motion to

1 compel discovery, Defendant likely would have raised the issue again in a motion for
2 summary adjudication following class certification.

3 18. Defendant also argued that its compliant policies limited its liability and/or
4 required denial of class certification. For example, Defendant would have argued that Plaintiff
5 could not demonstrate an underlying violation of the Labor Code to support the meal and rest
6 period claims. *See Brinker Rest. Corp. v. Superior Ct.*, 53 Cal. 4th 1004, 1040, 273 P.3d 513,
7 537 (2012) (“On the other hand, the employer is not obligated to police meal breaks and
8 ensure no work thereafter is performed.”). Defendant argued that it had legally compliant
9 written policies, which satisfied *Brinker* and that any failure to take a legally compliant meal
10 or rest period by employees was the result of individual choice and thus not capable of class
11 resolution. Defendant also disputed that it controlled employees during meal or rest periods.

12 19. Defendant would have argued that the waiting time penalties, which comprise a
13 significant portion of the estimated damages, are subject to a complete defense. Defendant
14 would have argued that a good faith dispute exists as to whether the allegedly underpaid wages
15 were due to Plaintiff and the class members considering Defendant’s legally compliant
16 policies. If Defendant was successful on the good faith defense, the Court may not have
17 awarded waiting time penalties at all, reducing the exposure by \$715,493 on the class claims.
18 *Hill v. Walmart, Inc.*, 32 F. 4th 811 (9th Cir. 2022) (upholding good faith defense because
19 defendant reasonably believed wages were not due and owing at time of separation of
20 employment); *Naranjo v. Spectrum Security Services, Inc.*, __ Cal. Rptr. 3d __, 2023 WL
21 2261253 (Feb. 27, 2023), *review granted* 2023 WL 3745105 (May 31, 2023); *Chavez v.*
22 *Converse, Inc.*, 2020 WL 1233919, at *1 (N.D. Cal. 2020) (holding that an employer’s failure
23 to pay is not willful where there is uncertainty in the law or a “good faith mistaken belief that
24 wages are not owed”).

25 20. Similarly, on Plaintiffs’ wage statement claim, Plaintiffs would face the
26 additional burden of demonstrating that any alleged omission of information from the wage
27 statements was a “knowing and intentional failure” by Defendant to comply with Labor Code
28 § 226(a). *See Harris v. Vector Mktg. Corp.*, 656 F. Supp. 2d 1128, 1145-46 (N.D. Cal. 2009)

1 (granting summary judgment in favor of employer and finding its conduct was not “knowing
2 and intentional”). Defendant also would have argued that penalties under Section 226 are
3 subject to a similar “good faith” defense as articulated above in the context of Plaintiffs’
4 claims for waiting time penalties. *See, e.g., Apodaca v. Costco Wholesale Corp.*, 2014 WL
5 2533427, at *3 (C.D. Cal. June 5, 2014) (“Where an employer has a good faith belief that it is
6 not in violation of Section 226, any violation is not knowing and intentional.”); *Wright v.*
7 *Adventures Rolling Cross Country, Inc.*, 2013 WL 1758815, at *9 (N.D. Cal. Apr. 24, 2013)
8 (same); *Ricaldai v. U.S. Investigations Servs., LLC*, 878 F. Supp. 2d 1038, 1047 (N.D. Cal.
9 2012) (same); *Dalton v. Lee Publ'ns, Inc.*, 2011 WL 1045107, at *5 (S.D. Cal. Mar. 22, 2011)
10 (same). *Naranjo* also permitted a good faith defense to rebut the plaintiff’s claim for penalties,
11 pursuant to Labor Code § 226.

12 21. Defendant also contended that it paid employees all minimum and overtime
13 wages. Defendant argued that any work performed off the clock was unauthorized and not
14 subject to a uniform policy and thus would not be susceptible of class resolution. To the
15 extent any employees worked while off-the-clock, Defendant argued that the practice was
16 voluntary. With respect to the rounding issue, Defendant argued that the potential exposure on
17 this claim was extremely limited and therefore would not subject it to significant liability, if at
18 all. Further, Defendant would have argued that neutral rounding policies are lawful and
19 therefore it should not be subjected to liability and certainly not penalties that require a
20 showing of “willfulness” as noted above.

21 22. Defendant argued that it implemented a lawful reimbursement policy. While
22 Plaintiff estimated \$5 a workweek in exposure for this claim above, the sampling provided by
23 Defendant in advance of mediation demonstrated that a majority of the workforce was
24 receiving reimbursements for use of cellular phones. Accordingly, this claim was heavily
25 disputed by Defendant.

26 23. With respect to the PAGA penalties, Defendant argued that following the
27 *Ruvalcaba* Settlement, its wage and hour compliance was high and thus the potentially
28 available PAGA penalties were minimal. Review of the sampling of time and pay records

1 demonstrated that the majority of the alleged violations were occurring during the putative
2 class period, and thus the potential value of the PAGA claims were appropriately discounted
3 given the higher compliance rate.

4 24. From the inception of the case, Plaintiff's counsel have zealously represented the
5 interests of the Settlement Class. The settlement was obtained for the benefit of the Settlement
6 Class, as opposed to the individual Class Representative. Further, Plaintiff's counsel have been
7 approved as class counsel on a number of prior cases, have litigated numerous other class
8 action cases, and are competent to represent the Settlement Class.

9 25. Both Plaintiff's and Defendant's counsel have a great deal of experience in wage
10 and hour class action litigation. Plaintiff's counsel have been approved as class counsel in a
11 number of wage and hour class action and have extensive litigation experience.

12 26. Each side has apprised the other of their respective factual contentions, legal
13 theories, and defenses, resulting in negotiations taking place between the Parties.

14 27. The Parties recognize the risk, expense, and delay in continuing litigation with
15 the class and PAGA claims, and believe the settlement to be fair, reasonable, and adequate.

16 28. Although Plaintiff believes that a class can be certified, Plaintiff also believes in
17 the fairness of the settlement that is based on factoring in the uncertainty and risks to Plaintiff
18 involved in not prevailing on one or more of the causes of action or theories alleged in the
19 operative Second Amended Complaint at trial, the possibility of non-certification, and the
20 potential for appeals.

21 29. Based on my review of all the information, and based on my experience in class
22 action litigation, I believe this settlement to be fair, adequate, and reasonable.

23 30. My office was retained based upon a contingency fee arrangement wherein
24 Plaintiff's counsel agreed to advance all costs and receive no fee unless a recovery was
25 accomplished. Specifically, had Plaintiff failed to prevail in this case, counsel for Plaintiff
26 would have spent a significant amount of time, money and other resources without any benefit
27 or return. In addition, had Plaintiff also failed to prevail in the present case, Defendant would
28 have been able to seek costs in connection with their defense of the case.

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1 prepared bench memoranda, on cases involving all types of civil litigation, including regularly
2 working on wage and hour class actions.

3 36. I am currently an associate at the law firm Diversity Law Group, P.C., an
4 employment law firm that has handled numerous wage and hour class and individual actions,
5 on both plaintiff and defense sides. My current practice focuses on employment matters
6 involving both class actions, and single plaintiffs. The firm currently has cases in the Los
7 Angeles Superior Courts, the Orange County Superior Courts, the San Diego County Superior
8 Courts, and the United States District Courts for the Central, Northern, and Eastern Districts of
9 California. I am currently handling numerous wage and hour class action lawsuits with the
10 firm, including, but not limited to: *Agar v. Sensient Natural Ingredients, LLC* (Case No. CV-
11 19-001906, Stanislaus County Superior Court); *Cunningham, et al. v. Diverse Business*
12 *Solutions* (Case No. CIVDS1817095, San Bernardino County Superior Court); *Heredia v.*
13 *Eddie Bauer LLC* (Case No. 16CV300475, United States District Court, Northern District of
14 California); *Parsons v. Estenson Logistics, LLC* (Case No. 34-2019-00252929, Sacramento
15 County Superior Court); *Wood v. Reeve Trucking Co., Inc.* (Case No. STK-CV-UOE-2018-
16 0004414, San Joaquin County Superior Court); and *Coronel v. Pinnacle Agriculture* (Case No.
17 18CV004287, Monterey County Superior Court).

18 37. On June 14, 2019, I argued two related cases in front of the Ninth Circuit Court
19 of Appeals. One of them was *Rodriguez v Nike Retail Service Inc.*, Case No. 17-16866. On
20 June 28, 2019, the Ninth Circuit issued a published decision, reversing and remanding in favor
21 of our clients. *Rodriguez v. Nike Retail Servs., Inc.*, 928 F.3d 810 (9th Cir. 2019).

22 38. I have also assisted the firm in numerous wage and hour class action mediations.

23 39. In conjunction with the filing of this Motion, my office will provide notice to the
24 Labor and Workforce Development Agency.

25 40. Plaintiff's counsel does not have any conflicts of interest with the Watsonville
26 Law Center, which is the proposed *cy pres* beneficiary.

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

1 Executed on this 30th day of January 2024, at Los Angeles, California.

2 
3 _____
4 Max W. Gavron

EXHIBIT A

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2 Laura L. Franklin (SBN 282642)
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17 Attorneys for Plaintiff,
18 EDWARD GNAT, on behalf of himself and all similarly aggrieved employees

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SUPERIOR COURT OF CALIFORNIA
COUNTY OF MONTEREY

EDWARD GNAT, on behalf of himself and
all similarly aggrieved employees,

Plaintiff,

v.

QUINN COMPANY; and DOES 1 through
50, inclusive,

Defendants.

Case No. 20CV003431

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

Complaint Filed: December 21, 2020
Trial Date: Not Set

1 This Joint Stipulation and Settlement Agreement of Class Action and PAGA Claims
2 (“Stipulation of Settlement” or “Settlement”) is made and entered into by and between
3 Plaintiff Edward Gnat (the “Class Representative”), individually and on behalf of all others
4 similarly situated (“Plaintiffs”), and Defendant Quinn Group Inc. (“Defendant”).

5 THE PARTIES STIPULATE AND AGREE as follows:

6 **DEFINITIONS**

7 1. “Action” shall mean the lawsuit entitled *Edward Gnat, et al. v. Quinn Company*,
8 originally filed in the Superior Court of the State of California for the County of Monterey, on
9 December 21, 2020, Case No. 20CV003431.

10 2. “Attorneys’ Fees” shall mean, subject to the Court’s approval, the maximum
11 amount of attorneys’ fees provided for by the Settlement, which shall not exceed One Hundred
12 Sixty-Six Thousand Six Hundred and Sixty-Six Dollars and Sixty-Seven Cents (\$166,666.67),
13 or one-third of the Gross Settlement Amount

14 3. “Class Counsel” shall mean B. James Fitzpatrick and Laura L. Franklin of
15 Fitzpatrick & Swanston and Larry W. Lee, Howard L. Magee, Max W. Gavron, and Mai
16 Tulyathan of Diversity Law Group, P.C.

17 4. “Class Members” means members of the Settlement Class who do not opt out of
18 the class action portion of the settlement by submitting a valid request for exclusion as
19 described below.

20 5. “Class Period” means December 21, 2016, through November 18, 2023.

21 6. “Class Representative” or “Plaintiff” shall mean Plaintiff Edward Gnat.

22 7. “Class Counsel Costs” shall mean Class Counsel’s actual costs not to exceed
23 Twenty-Five Thousand Dollars (\$25,000.00).

24 8. “Court” means the Superior Court of the State of California for the County of
25 Monterey.

26 9. “Court’s Final Order and Judgment” means the Final Order Approving Class
27 Action Settlement and Judgment in a form to be agreed upon by the Parties and approved by
28 the Court.

1 10. “Defendant’s Counsel” shall mean Robert L. Wenzel and Carol A. Gefis of
2 Atkinson, Andelson, Loya, Ruud & Romo.

3 11. “Effective Date” shall mean the date when all of the following events have
4 occurred: (i) this Stipulation of Settlement has been executed by Plaintiff, Defendant, Class
5 Counsel, and Defendant’s Counsel; (ii) the Court has given preliminary approval to the
6 Settlement; (iii) the Notice has been sent to the Settlement Class, providing them the
7 opportunity to object to the Settlement and the opportunity to opt out of the Settlement; (iv)
8 the Court has held a formal fairness hearing and entered the Court’s Final Order and
9 Judgment; and (v) only in the event there are written objections filed prior to the formal
10 fairness hearing which are not later withdrawn, the later of the following events: (A) when the
11 period for filing any appeal, writ, or other appellate proceeding opposing the Settlement has
12 elapsed without any appeal, writ, or other appellate proceeding having been filed; (B) when
13 any appeal, writ, or other appellate proceeding opposing the Settlement has been dismissed
14 finally and conclusively with no right to pursue further remedies or relief; or (C) when any
15 appeal, writ, or other appellate proceeding has upheld the Court’s Final Order and Judgment
16 with no right to pursue further remedies or relief.

17 12. “Final Approval Hearing” shall mean the hearing where the Court shall consider
18 any timely objections to the Settlement from Settlement Class Members, testimony from the
19 Parties or their counsel, declarations regarding the claims process from the Settlement
20 Administrator, and otherwise make a final determination regarding the fairness of the
21 Settlement as set forth herein.

22 13. “Gross Settlement Amount” refers to Five Hundred Thousand Dollars
23 (\$500,000.00), which is the maximum amount that Defendant will pay pursuant to this
24 Settlement, excluding Defendant’s share of payroll taxes and the Individual FEHA Settlement.
25 The Gross Settlement Amount is also subject to the Escalation Clause set forth in Paragraph
26 13.a below.

27 a. Escalation Clause: The Gross Settlement Amount is based on Defendant’s
28 representation that there are 18,274 workweeks between December 21, 2016, and

July 31, 2023, for the Class and 30,698 pay periods between June 14, 2022, and July 31, 2023, for the Aggrieved Employees. Should the workweeks or pay periods represented by Defendant for the Class and/or Aggrieved Employees above increase by more than 10% of Defendant's estimate (18,274 workweeks for the Class and 30,698 pay periods for the Aggrieved Employees) during the Class Period or PAGA Period, Defendant shall have the option to increase the Total Settlement Amount on a pro rata basis for every 1 % increase in workweeks or pay periods over the 10% threshold (i.e. if the workweeks or pay periods increase by 11 %, the settlement will increase by 1 %), or to close the Class Period and PAGA Period on an earlier date than contemplated such that the number of workweeks or pay periods does not exceed the 10% threshold.

14. "Individual FEHA Settlement" means the confidential settlement amount to be paid by Defendant to Plaintiff Edward Gnat to resolve his claims under the Fair Employment Housing Act, and in exchange for a general release of claims.

15. "Individual PAGA Payment" means the amount payable from the Net PAGA Penalties to each PAGA Group Member.

16. "Individual Settlement Payment" means the amount payable from the Net Settlement Amount to each Class Member.

17. "LWDA Payment" means seventy-five percent (75%) of the PAGA Payment, i.e., the sum of Twenty-Two Thousand Five Hundred Dollars (\$22,500.00), which shall be paid to the California Labor and Workforce Development Agency ("LWDA").

18. "Net Settlement Amount" shall mean the Gross Settlement Amount less the Attorneys' Fees, Class Counsel Costs, Service Payment to the Class Representative, Settlement Administration Costs, and PAGA Payment.

19. "Net PAGA Penalties" means the portion of the PAGA Payment that will be distributed to the PAGA Group, which is Seven Thousand Five Hundred Dollars (\$7,500.00).

20. "Notice of Proposed Settlement" or "Notice" means the Notice of Pendency of Class Action, including a Spanish translation thereof, if necessary, in substantially the form

1 attached hereto as **Exhibit A**, and as approved by the Court.

2 21. "PAGA" shall mean the California Labor Code Private Attorneys General Act,
3 Labor Code § 2698, *et seq.*

4 22. "PAGA Group" or "PAGA Group Member" shall mean all current and former
5 non-exempt employees of Defendant who worked for Defendant in California at any time
6 from June 14, 2022, through November 18, 2023.

7 23. "PAGA Payment" means the portion of the Gross Settlement Amount that the
8 Parties have agreed will be allocated to resolve all claims, penalties, and remedies under
9 PAGA. The amount of the PAGA Payment is subject to Court approval pursuant to California
10 Labor Code § 2699(l). The Parties have agreed that Thirty Thousand Dollars (\$30,000.00) of
11 the Gross Settlement Amount shall be allocated to the resolution of the PAGA Group's claims
12 arising under PAGA. Pursuant to the PAGA, seventy-five percent (75%) of the PAGA
13 Payment, *i.e.*, the sum of Twenty-Two Thousand Five Hundred Dollars (\$22,500.00), shall be
14 paid to the LWDA. The remaining twenty-five percent (25%) of the PAGA Payment, *i.e.*, the
15 sum of Seven Thousand Five Hundred Dollars (\$7,500.00) ("Net PAGA Penalties"), shall be
16 distributed to the PAGA Group.

17 24. "PAGA Period" means June 14, 2022, through November 18, 2023.

18 25. "Parties" shall refer to the Plaintiff and Defendant, each of whom is a "Party."

19 26. "Released Claims" means any and all claims made or which could have
20 reasonably been made based on the facts pled in the operative complaint that arose during the
21 Class Period, including claims for violation of Labor Code §§ 201, 202, 203, 204, 216, 218,
22 221, 223, 226, 226.7, 246, 510, 512, 515, 1174, 1175, 1194, 1197, 1198, 1199, and 2802.

23 27. "Released PAGA Claims" means any and all claims made or which could have
24 reasonably been made based on the facts pled in the operative complaint that arose during the
25 PAGA Period, including claims for civil penalties under the PAGA premised on the violation
26 of Labor Code §§ 201, 201.3, 202, 203, 204, 207, 208, 209, 216, 218, 218.5, 218.6, 223,
27 225.5, 226, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198, 1199, 2698 *et seq.*, and
28 2699(f) and (g).

36. Plaintiff, on behalf of himself, the State of California, and Settlement Class

Members, seeks to recover damages and penalties for alleged wage and hour violations by Defendant.

37. Procedural History.

a. On October 7, 2020, Plaintiff provided notice of alleged PAGA claims to Defendant and the LWDA, on behalf of himself and all similarly situated current and former employees of Defendant.

b. On December 21, 2020, Plaintiff filed a representative action complaint against Defendant. The initial complaint alleges the following cause of action: (1) violation of Labor Code § 2698.

c. On February 22, 2021, Plaintiff filed a First Amended Complaint which added individual claims premised on the Fair Employment Housing Act ("FEHA") and related tort causes of action.

d. Following significant meet and confer efforts, on March 23, 2022, Plaintiff moved for leave to file a Second Amended Complaint ("SAC"), which included putative class claims and pleaded a class period beginning December 2016.

e. On June 17, 2022, the Court granted Plaintiff's motion for leave to file the SAC over Defendant's objection.

f. The SAC is the operative complaint.

g. Since the filing of the original complaint, the Parties have engaged in significant litigation, motion practice, and discovery, including, but not limited to, the producing and reviewing the production of documents.

h. On September 19, 2023, the Parties participated in private mediation with mediator Steven R. Denton, Ret. After a full day of mediation, the Parties were able to reach an agreement.

i. The Parties ultimately entered a memorandum of understanding, with the agreement to prepare a more detailed, formalized settlement agreement to be submitted to the Court for preliminary and final approval. The Parties now enter this more detailed, formalized settlement agreement to submit to the Court for preliminary and final approval.

39. Defendant denies any liability or wrongdoing of any kind whatsoever associated with the claims in the Action, and further denies that, for any purpose other than settling this lawsuit, this Action is appropriate for class action or representative treatment.

41. It is the Parties' intention that this Stipulation of Settlement shall constitute a full and complete settlement and release of the Released Claims and Released PAGA Claims, which releases include the Released Parties.

43. Class Counsel has conducted a thorough investigation into the facts of this Action, including an extensive review of relevant documents and data produced by Defendant, and has diligently pursued an investigation of claims of the members of the Settlement Class against Defendant. Based on their own independent investigation and evaluation, Class Counsel are of the opinion that the Settlement with Defendant is fair, reasonable, and adequate and is in the best interest of the Settlement Class in light of all known facts and circumstances, including the risks of significant delay, the Settlement Class being decertified, and the defenses asserted by Defendant. Defendant and Defendant's Counsel also agree that the Settlement is fair and in the best interests of the Settlement Class.

TERMS OF SETTLEMENT

a. It is agreed by and between Plaintiff and Defendant that this case and any

1 claims, damages, or causes of action arising out of the disputes which are the subject to this
2 case, be settled and compromised as between the Settlement Class and Defendant, subject to
3 the terms and conditions set forth in this Stipulation of Settlement and the Court's approval.

4 b. If the Court declines to approve the Settlement, the entire Stipulation of
5 Settlement is deemed void and unenforceable as if no settlement of any claim was ever
6 reached; and all negotiations, statements, and proceedings and data relating thereto shall be
7 protected by California Evidence Code § 1152 and shall be without prejudice to the rights of
8 any of the Parties, all of whom shall be restored to their respective positions prior to the
9 September 19, 2023 mediation.

10 c. Settlement Amount: To implement the terms of this Settlement,
11 Defendant agrees to pay a maximum total payment of Five Hundred Thousand Dollars
12 (\$500,000.00) ("Gross Settlement Amount"). The Gross Settlement Amount shall be used to
13 satisfy all of Defendant's liabilities arising from this settlement, other than its liability for
14 employer-side payroll taxes on amounts paid to Class Members and the Individual FEHA
15 Settlement. The Gross Settlement Amount includes Individual Settlement Payments to Class
16 Members (excluding any appropriate and lawfully required employer-side payroll taxes owed
17 by Defendant on such payments which Defendant shall be separately responsible for apart
18 from the Gross Settlement Amount), Individual PAGA Payments to PAGA Group Members,
19 Service Payment to the Class Representative, LWDA Payment, Settlement Administration
20 Costs, approved Attorneys' Fees, and Class Counsel Costs. Defendant shall transfer the Gross
21 Settlement Amount to the Settlement Administrator within fifteen (15) calendar days of the
22 Effective Date.

23 d. Allocation of Gross Settlement Amount: The Parties agree the Gross
24 Settlement Amount, subject to Court approval, shall be allocated as follows:

25 i. Individual Settlement Payments: Settlement Class Members who
26 do not validly opt out shall receive their share of the Net Settlement Amount based upon the
27 number of workweeks employed during the Class Period.

28 ii. Each Settlement Class Member's respective number of applicable

workweeks and estimated share of the Net Settlement Amount shall be identified on the Notice of Proposed Settlement. The Parties agree that if any Settlement Class Member disputes the basis for determining their share of the Settlement, Defendant's records shall presumptively control unless the Settlement Class Member can produce documentation evidence of other workweeks worked during the relevant time period. Upon the submission of such evidence, the Settlement Administrator will make a determination as to any such dispute, which shall be final and binding.

iii. Twenty percent (20%) of each Individual Settlement Payment shall be classified as wages and the remaining eighty percent (80%) shall be classified as interest and other non-wage income. Settlement Class Members' shares of the Net Settlement Amount shall be paid within fifteen (15) calendar days of the Settlement Administrator's receipt of the Gross Settlement Amount. Class Members shall have one-hundred eighty (180) days from the date of issuance of the check to negotiate the check. The funds from any checks not negotiated within 180 days, shall be transmitted to the Watsonville Law Center as the *cy pres* recipient. In such event, those Class Members will nevertheless remain bound by the Settlement.

iv. Settlement Awards Do Not Trigger Additional Benefits: All Individual Settlement Payment checks to the Class shall be deemed to be income solely in the year in which such Individual Settlement Payment checks are actually received by the members of the Class. It is expressly understood and agreed that the receipt of such Individual Settlement Payment checks will not entitle any Class Member to additional compensation or benefits under any company bonus, contest, or other compensation or benefit plan or agreement in place (including, but not limited to, health and welfare benefits) during the period covered by the Settlement, nor will it entitle any Class Member to any increased retirement, 401(k) benefits or matching benefits, or deferred compensation benefits. It is the intent of this Settlement that the Individual Settlement Payments provided for in this Agreement are the sole payments to be made by Defendant to the Class in connection with this Settlement, and that the Class is not entitled to any new or additional compensation or benefits

1 as a result of having received the payments (notwithstanding any contrary language or
2 agreement in any benefit or compensation plan document that might have been in effect during
3 the period covered by this Settlement).

4 v. Settlement Administrator: The Settlement Administrator will
5 demonstrate the proven ability, and will contract to, maintain acceptable electronic and
6 physical security protocols to adequately protect and safeguard the private employee
7 information it will have access to as a result of the claims process. The fees and expenses of
8 the Settlement Administrator, up to a maximum amount of Fifteen Thousand Seven Hundred
9 and Fifty Dollars (\$15,750.00), for work done shall be paid from the Gross Settlement
10 Amount.

11 vi. Attorneys' Fees and Class Counsel Costs: Subject to the Court's
12 approval, Defendant will pay Class Counsel's attorneys' fees of up to a maximum of 1/3 of the
13 Gross Settlement Amount, not to exceed One Hundred Sixty-Six Thousand Six Hundred and
14 Sixty-Six Dollars and Sixty-Seven Cents (\$166,666.67). Subject to the Court's approval, the
15 Gross Settlement Amount will be used to pay Class Counsel Costs, not to exceed Twenty-Five
16 Thousand Dollars (\$25,000.00). Defendant will not object to Class Counsel's application for
17 attorneys' fees and costs in these amounts. The amount set forth above will cover all work
18 performed and all fees and costs incurred to date with respect to the Released Claims and
19 Released PAGA Claims, and all work to be performed and all fees and costs to be incurred in
20 the future in connection with the approval by the Court of this Stipulation of Settlement and
21 the administration of the Settlement with respect to the Released Claims and Released PAGA
22 Claims.

23 vii. Class Representative: Subject to the Court's approval, Defendant
24 will not oppose the Class Representative's request for a Service Payment up to a maximum of
25 Five Thousand Dollars (\$5,000.00) from the Gross Settlement Amount for reimbursement for
26 his service as the Class Representative. It is understood that the Service Payment is in addition
27 to any claimed Individual Settlement Payment, Individual PAGA Payment, and Individual
28 FEHA Settlement to which the Class Representative is entitled.

viii. PAGA Payment: Subject to the Court's Approval, the amount of Thirty Thousand Dollars (\$30,000.00) will be allocated from the Gross Settlement Amount for alleged penalties under PAGA. Twenty-Two Thousand Five Hundred Dollars (\$22,500.00), representing 75% of the penalties paid pursuant to the PAGA, shall be paid to the California Labor and Workforce Development Agency and Seven Thousand Five Hundred Dollars (\$7,500.00), representing 25% of the penalties paid pursuant to the PAGA, shall be paid to PAGA Group Members ("Net PAGA Penalties").

ix. Individual PAGA Payments: PAGA Group Members shall receive their share of the Net PAGA Penalties based upon the number of pay periods employed during the PAGA Period. Each PAGA Group Member's respective number of applicable pay periods and estimated share of the Net PAGA Penalties shall be identified on the Notice of Proposed Settlement. The Form of the Notice of Proposed Settlement shall be approved by Defendant prior to mailing. Parties agree that if any PAGA Group Member disputes the basis for determining their share of the Net PAGA Penalties, Defendant's records shall presumptively control unless the PAGA Group Member can produce documentation evidence of other pay periods worked during the relevant time period. Upon the submission of such evidence, the Settlement Administrator will make a determination as to any such dispute, which shall be final and binding. One hundred percent (100%) of the Individual PAGA Payment shall be classified as penalties. PAGA Group Members' shares of the Net PAGA Penalties shall be paid within fifteen (15) calendar days of the Settlement Administrator's receipt of the Gross Settlement Amount. PAGA Group Members shall have one-hundred eighty (180) days from the date of issuance of the check to negotiate the check. The funds from any checks not negotiated within 180 days, shall be transmitted to the Watsonville Law Center as the *cy pres* recipient. In such event, those PAGA Group Members will nevertheless release the Released PAGA Claims.

x. Tax Forms and Indemnification: The Settlement Administrator shall be responsible for issuing the payments and withholding all required state and federal taxes in accordance with this Stipulation of Settlement. The Settlement Administrator will

1 issue IRS Forms W-2 with respect to the amounts paid as wages to the Class Members, and
2 IRS Forms 1099 with respect to the amounts paid as interest and penalties to the Class
3 Members and PAGA Group Members. The Settlement Administrator will also issue IRS
4 Forms 1099 to: (1) Plaintiff for the Service Payment for his service as Class Representatives
5 and (2) Class Counsel for the amount paid for approved fees and costs. The Settlement
6 Administrator will be responsible for preparing these forms correctly. The Settlement
7 Administrator shall also be responsible for submitting Defendant's share of payroll taxes to the
8 appropriate government agencies on behalf of Defendant. Plaintiff, Class Members, PAGA
9 Group Members, and Class Counsel will be responsible for correctly characterizing this
10 compensation for tax purposes and for paying any taxes on the amounts received. Plaintiff,
11 Class Members, PAGA Group Members, and Class Counsel agree to indemnify Defendant for
12 any liability it incurs to any tax authority on account of Plaintiff, Class Members, PAGA
13 Group Members, and/or Class Counsel's failure to pay all taxes due on the Service Payment,
14 awarded attorneys' fees and costs, or any other amounts recorded on an IRS Form 1099.

15 **NOTICE TO THE SETTLEMENT CLASS**

16 46. Within fourteen (14) calendar days of preliminary approval of this Settlement by
17 the Court, Defendant shall provide to the Settlement Administrator a Settlement Class List,
18 consisting of the full names, last known addresses, Social Security numbers, total number of
19 workweeks Settlement Class Members were employed during the Class Period, and total
20 number of pay periods PAGA Group Members were employed during the PAGA Period.

21 47. The Settlement Administrator (along with any of its agents) shall represent and
22 warrant that it will: (1) provide reasonable and appropriate administrative, physical and
23 technical safeguards for any personally identifiable information ("PII"), which it receives from
24 Defendant's Counsel and/or Class Counsel; (2) not disclose the PII to third parties, including
25 agents or subcontractors, without Defendant's consent; (3) not disclose or otherwise use the
26 PII other than to carry out its duties as set forth herein; (4) promptly provide Defendant with
27 notice if PII is subject to unauthorized access, use, disclosure, modification, or destruction;
28 and (5) destroy the PII upon termination of its services. The Settlement Administrator may

1 provide notice to both Parties if the PII is subject to unauthorized access, use, disclosure,
2 modification, or destruction; however, all additional communications from the Settlement
3 Administrator regarding the scope, circumstances, and substance shall be communicated solely
4 to Defendant.

5 48. The Settlement Administrator shall send Notice of Proposed Settlement, in a
6 form approved by Defendant and attached hereto as Exhibit A, to each Settlement Class
7 Member by first class mail within ten (10) calendar days of receipt of the Settlement Class
8 List. Prior to mailing the Court approved Notice, the Settlement Administrator shall update the
9 addresses of the Settlement Class Members by reference to the National Change of Address
10 Database maintained by the United States Postal Service. If a Notice of Proposed Settlement is
11 returned as non-deliverable but with a forwarding address, the Settlement Administrator shall
12 resend the Notice of Proposed Settlement to the forwarding address. If a Notice of Proposed
13 Settlement is returned as non-deliverable with no forwarding address, the Settlement
14 Administrator shall conduct an advanced skip trace to locate the most current address of the
15 person to whom the Notice of Proposed Settlement was addressed and shall re-send the Notice
16 of Proposed Settlement within five (5) calendar days to any updated address. Upon completion
17 of these steps, the Parties shall be deemed to have satisfied their obligations to provide the
18 Notice of Proposed Settlement to the affected members of the Settlement Class.

19 49. The Settlement Administrator shall provide to the Court, concurrently with
20 Plaintiff's Motion for Final Approval, a declaration of due diligence and proof of mailing with
21 regard to the mailing of the Notice of Proposed Settlement.

22 **REQUESTS FOR EXCLUSION (OPT OUT)**

23 50. Each Settlement Class Member shall have forty-five (45) calendar days from the
24 mailing of the Notice of Proposed Settlement within which to postmark a written request for
25 exclusion, for return to the Settlement Administrator. The request need not be in any particular
26 form and will be considered a valid request for exclusion so long as it communicates a clear
27 desire by the Settlement Class Member not to be included in the Settlement and/or Class,
28 identifies his/her full name, last four (4) digits of his/her Social Security number, current

1 address, and his/her signature. No requests for exclusion shall be accepted if postmarked after
2 the forty-five (45) calendar day period for the filing of exclusions. Settlement Class Members
3 are responsible for maintaining a photocopy of their request for exclusion, reflecting that it
4 was submitted in a timely manner. Any disputes regarding the timeliness of a request for
5 exclusion or whether a written communication constitutes a valid request that cannot be
6 resolved between the Parties shall be determined by the Court, whose determination shall be
7 final.

8 Any Settlement Class Member who validly excludes him/herself from this Settlement
9 shall not be bound by this Settlement and shall not be entitled to any portion of the Net
10 Settlement Amount, except that in light of the binding nature of a PAGA judgment on non-
11 party employees, Settlement Class Members who are also PAGA Members who exclude
12 themselves from this Settlement shall still be bound by the release of the Released PAGA
13 Claims, as well as any Judgment that may be entered by the Court thereon. At no time shall
14 any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class
15 Members to submit a Request for Exclusion. Class Counsel shall not represent any Settlement
16 Class Members with respect to any such request.

17 **OBJECTIONS TO THE SETTLEMENT**

18 51. Each Settlement Class Member shall have forty-five (45) calendar days from the
19 mailing of the Notice of Proposed Settlement, or such number of days as the Court shall
20 specify, within which to postmark a written objection, for return to the Settlement
21 Administrator. Any Settlement Class Member wishing to object to the approval of this
22 settlement ("Objecting Class Member") shall inform the Court and the Parties in writing of his
23 or her intent to object. The written objection must contain: (1) the name and case number of
24 this lawsuit: *Edward Gnat v. Quinn Company*, Case No. 20CV003431; (2) full name and
25 current address of the Objecting Class Member; (3) the specific reason(s) for the objection;
26 and (4) any and all evidence and supporting papers (including, without limitation, all briefs,
27 written evidence, and declarations) to be considered by the Court. Any Objecting Class
28 Member who wishes to appear at the Settlement Hearing and be heard orally in support of, or

1 in opposition to the Settlement, may do so regardless of whether they submit a written
2 objection.

3 52. Counsel for the Parties shall file any response to the objections submitted by
4 Objecting Class Members, if any, at least seven (7) calendar days before the date of the Final
5 Approval Hearing.

6 53. Objecting Class Members will have the right to appear at the Court's hearing to
7 provide final approval of the Settlement in order to have their objections heard by the Court.
8 At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage
9 Settlement Class Members to submit written objections to the Settlement or to appeal from the
10 Court's Final Order and Judgment. Class Counsel shall not represent any Class Members with
11 respect to any such objections to this Settlement.

12 **RELEASE BY THE CLASS AND CLASS REPRESENTATIVE**

13 54. Release by All Class Members: Upon the Effective Date and funding of the
14 Gross Settlement Amount, Plaintiff and all Class Members hereby do and shall be deemed to
15 have fully, finally, and forever released, settled, compromised, relinquished, and discharged, to
16 the fullest extent possible, any and all of the Released Parties of and from any and all Released
17 Claims during the Class Period.

18 55. Release by PAGA Group Members: Upon the Effective Date and funding of the
19 Gross Settlement Amount, Plaintiff, the State of California, and all PAGA Group Members
20 hereby do and shall be deemed to have fully, finally, and forever released, settled,
21 compromised, relinquished, and discharged, to the fullest extent possible, any and all of the
22 Released Parties of and from any and all Released PAGA Claims during the PAGA Period.
23 Settlement Class Members who are also PAGA Members shall still be bound by the Released
24 PAGA Claims regardless of whether a timely and valid Request for Exclusion is submitted.

25 **DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL**

26 56. Class Counsel will be responsible for drafting all documents necessary to obtain
27 Preliminary approval.

28 57. Pursuant to Labor Code §2699k(2), the parties shall submit a copy of this

1 Stipulation to the LWDA at the same time that the Parties submit it to the Court for approval.

2 58. Class Counsel shall promptly submit this Stipulation of Settlement to the Court
3 in support of Plaintiff's Motion for Preliminary Approval and determination by the Court as to
4 whether the proposed Settlement is within the range of possible judicial approval. Plaintiff will
5 provide Defendant with a draft of the Motion at least 1 business day prior to the filing of the
6 Motion to give Defendant an opportunity to propose changes or additions to the Motion.

7 Promptly upon execution of this Stipulation of Settlement, Class Counsel shall apply to the
8 Court for the entry of an order substantially in the following form:

9 a. Scheduling of the Final Approval Hearing on the question of whether the
10 proposed Settlement, including payment of attorneys' fees and costs and the Class
11 Representative's Service Payment, should be finally approved as fair, reasonable, and
12 adequate as to the Settlement Class Members;

13 b. Certifying the Settlement Class;

14 c. Approving the manner and method for the Settlement Class Members to
15 request exclusion from the Settlement as contained herein and within the Notice of Pendency
16 of Class Action;

17 d. Approving the Notice of Pendency of Class Action before it is mailed to
18 the Settlement Class Members;

19 e. Directing the mailing of the Notice of Pendency of Class Action by first
20 class mail to the Settlement Class Members; and

21 f. Preliminarily approving the Settlement subject only to the objections of
22 the Settlement Class Members and final review by the Court.

23 **DUTIES OF THE PARTIES FOLLOWING FINAL APPROVAL**

24 59. Following final approval by the Court of the settlement provided for in this
25 Stipulation of Settlement, Class Counsel shall submit a proposed Final Order and Judgment in
26 approximately the following form: Approving the Settlement, adjudging the terms thereof to
27 be fair, reasonable, and adequate, and directing consummation of its terms and provisions
28 including the approval of Class Counsel's application for an award of attorneys' fees and costs

1 and the Service Payment to the Class Representative.

2 **PARTIES' AUTHORITY**

3 60. The signatories hereto hereby represent that they are fully authorized to enter
4 into this Stipulation of Settlement and bind the Parties hereto to the terms and conditions
5 thereof.

6 **MUTUAL FULL COOPERATION**

7 61. The Parties agree to fully cooperate with each other to accomplish the terms of
8 this Stipulation of Settlement, including, but not limited to, execution of such documents and
9 taking of such action as may be reasonably necessary to implement the terms of this
10 Stipulation of Settlement. The Parties to this Stipulation of Settlement shall use their best
11 efforts, including all efforts contemplated by this Stipulation of Settlement and any other
12 efforts that may become necessary by order of the Court, or otherwise, to effectuate this
13 Stipulation of Settlement and the terms set forth herein. As soon as practicable after execution
14 of this Stipulation of Settlement, Class Counsel shall take all necessary steps to secure the
15 Court's final approval of this Stipulation of Settlement.

16 62. The Parties and their respective counsel agree that they will not attempt to
17 encourage or discourage Settlement Class Members from filing Requests for Exclusion.

18 **NO PRIOR ASSIGNMENTS**

19 63. The Parties and their respective counsel represent, covenant, and warrant that
20 they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign,
21 transfer, or encumber to any person or entity any portion of any liability, claim, demand,
22 action, cause of action, or right herein released and discharged except as set forth herein.

23 **NO ADMISSION**

24 64. Nothing contained herein, nor the consummation of this Stipulation of
25 Settlement, is to be construed or deemed an admission of liability, culpability, negligence, or
26 wrongdoing on the part of Defendant. Each of the Parties hereto has entered into this
27 Stipulation of Settlement solely with the intention to avoid further disputes and litigation with
28 the attendant inconvenience and expenses.

ENFORCEMENT ACTIONS

65. In the event one or more of the parties to this Stipulation of Settlement institutes any legal action or other proceeding against any other party or parties to enforce the provisions of this Stipulation of Settlement or to declare rights or obligations under this Stipulation of Settlement, the successful party or parties shall be entitled to recover from the unsuccessful party or parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions. All such disputes shall be resolved by the Court.

NOTICES

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

**To Plaintiff, the Settlement Class,
and Class Counsel:**

B. James Fitzpatrick
Laura L. Franklin
FITZPATRICK & SWANSTON
555 S. Main Street
Salinas, CA 93901
Telephone: (831) 755-1311
Facsimile: (831) 755-1319

Howard L. Magee
Larry W. Lee
Max W. Gavron
Mai Tulyathan
DIVERSITY LAW GROUP, P.C.
515 S. Figueroa Street, Suite 1250
Los Angeles, CA 90071
Telephone: (213) 488-6555
Facsimile: (213) 488-6554

**To Defendant and Defendant's
Counsel:**

Robert L. Wenzel
Carol A. Gefis
Atkinson, Andelson, Loya, Ruud &
Romo
20 Pacifica, Suite 1100
Irvine, California 92618-3371
Telephone: (949) 453-4260
Facsimile: (949) 453-4262

CONSTRUCTION

67. The Parties hereto agree that the terms and conditions of this Stipulation of Settlement are the result of lengthy, intensive arm's-length negotiations between the Parties

1 with the assistance of a neutral mediator, and this Stipulation of Settlement shall not be
2 construed in favor of or against any Party by reason of the extent to which any Party or his or
3 its counsel participated in the drafting of this Stipulation of Settlement.

4 **CAPTIONS AND INTERPRETATIONS**

5 68. Paragraph titles or captions contained herein are inserted as a matter of
6 convenience and for reference, and in no way define, limit, extend, or describe the scope of
7 this Stipulation of Settlement or any provision of it. Each term of this Stipulation of Settlement
8 is contractual and not merely a recital.

9 **MODIFICATION**

10 69. This Stipulation of Settlement may not be changed, altered, or modified, except
11 in writing and signed by the Parties or their counsel and approved by the Court. This
12 Stipulation of Settlement may not be discharged except by performance in accordance with its
13 terms or by a writing signed by the Parties hereto.

14 **INTEGRATION CLAUSE**

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

20 **BINDING ON ASSIGNS**

21 71. This Stipulation of Settlement shall be binding upon and inure to the benefit of
22 the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and
23 assigns.

24 **DISPUTES REGARDING LANGUAGE OF SETTLEMENT AGREEMENT**

25 72. If the Parties have a dispute with regard to the language of the terms of the
26 Agreement, the Parties agree to present any such dispute to the mediator Steven R. Denton,
27 Ret., for resolution.

28 **CLASS MEMBER SIGNATORIES**

73. It is agreed that because the Settlement Class Members are so numerous, it is impossible or impractical to have each member execute this Stipulation of Settlement. The Notice of Pendency of Class Action, Exhibit "A" hereto, will advise the Settlement Class of the binding nature of the release, and the release shall have the same force and effect as if this Stipulation of Settlement were executed by each member.

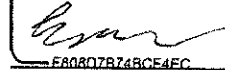
COUNTERPARTS

74. This Stipulation of Settlement may be executed in counterparts and by facsimile or electronic signatures, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with other signed counterparts, shall constitute one Stipulation of Settlement binding upon and effective as to all Parties.

IN WITNESS HEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation and Settlement Agreement of Class Action and PAGA Claims between Plaintiff and Defendant as of the date(s) set forth below.

Dated: 01/25/2024

DocuSigned by:



Edward Gnat, Plaintiff and Class Representative

Dated: _____

Defendant Quinn Group, Inc.

By: _____
Its _____

[SIGNATURES CONTINUED ON NEXT PAGE]

COUNTERPARTS

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation and Settlement Agreement of Class Action and PAGA Claims between Plaintiff and Defendant as of the date(s) set forth below.

DocuSigned by:

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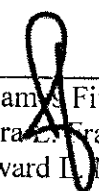
Defendant Quinn Group, Inc.

Its

[SIGNATURES CONTINUED ON NEXT PAGE]

1 Dated: 1/25/2024

FITZPATRICK & SWANSTON
DIVERSITY LAW GROUP, P.C.

By: 

B. James Fitzpatrick, Esq.

Laura E. Franklin, Esq.

Howard D. Magee, Esq.

Larry W. Lee, Esq.

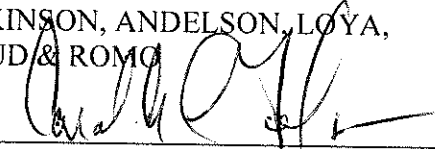
Max W. Gavron, Esq.

Mai Tulyathan, Esq.

Attorneys for Plaintiff Edward Gnat, on
behalf of himself and all similarly situated
employees

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3
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5
6
7
8
9
10 Dated: Jan 30, 2024

ATKINSON, ANDELSON, LOYA,
RUUD & ROMO

By: 

Robert L. Wenzel, Esq.

Carol A. Gefis, Esq.

Attorneys for Defendant Quinn Group, Inc.