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

DANNY SWANSON, an individual, for himself and all members of the putative class,	)	Case No. BCV-20-102354-TSC
Plaintiff,	)	SETTLEMENT AGREEMENT
v.	)	
INTEGRITS CORPORATION, a California Corporation; and DOES 1 through 100, inclusive,	)	
Defendants.	)	

1 This Settlement Agreement is made and entered into by and between Plaintiff
2 Danny Swanson individually, and on behalf of all others similarly situated (“Plaintiff”)
3 and Defendant IntegrITS Corporation (“Defendant”). Plaintiff and Defendant are
4 collectively referred to herein as “the Parties.”

5 **PROCEDURAL HISTORY AND BACKGROUND FACTS**

6 1. On October 7, 2020, Plaintiff filed a Complaint against Defendant alleging
7 causes of action for: (1) Violation of California Labor Code § 1198 (Unpaid Overtime);
8 (2) Violation of California Labor Code § 226.7 (Unpaid Meal Period Premiums); (3)
9 Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums); (4)
10 Violation of California Labor Code §§ 515.5, 1194, 1197, and 1197.1 (Unpaid Minimum
11 Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not
12 Timely Paid); (6) Violation of California Labor Code § 226(a) (Non-Compliant Wage
13 Statements); (7) Violation of California Business & Professions Code §§ 17200, *et seq.*

14 2. On January 1, 2021, Plaintiff filed a First Amended Complaint adding an
15 eighth cause of action for Violation of California Labor Code § 2698 *et seq.* (California
16 Labor Code Private Attorney General Act of 2004).

17 3. The Parties participated in a private mediation before Lynn S. Frank, Esq.
18 of Frank and Feder Mediators on March 24, 2022. Effective March 29, 2022, the Parties
19 signed a short-form agreement outlining the general settlement terms, which are more
20 fully described in this Settlement Agreement.

21 4. Defendant denies any liability or wrongdoing of any kind whatsoever
22 associated with the claims alleged or which could have been alleged in this Action, and
23 Defendant further denies that, for any purpose other than settling this lawsuit, that the
24 Action is appropriate for class or representative treatment. With respect to Plaintiff’s
25 claims, Defendant contends, among other things, that Plaintiff and the Class Members
26 were properly classified as exempt or non-exempt employees, have been paid proper
27 wages, have been provided meal periods or they have been made available as required,
28 have been provided rest periods or they have been authorized and permitted as required,

1 have been paid timely and proper wages upon separation of employment, and have been
2 provided with accurate and complete itemized wage statements. Defendant contends,
3 among other things, that it has complied at all times with the California Labor Code and
4 the applicable Wage Orders of the Industrial Welfare Commission. Furthermore, with
5 respect to all claims, Defendant contends that it has complied at all times with the
6 California Business and Professions Code.

7 5. The Action, the negotiation and execution of this Settlement Agreement,
8 and all acts performed or documents executed pursuant to or in furtherance of the
9 Settlement Agreement (i) shall not be used as an admission or evidence of wrongdoing on
10 behalf of Defendant; (ii) shall not be an admission or evidence of fault on behalf of
11 Defendant in any action before a civil, criminal, or administrative agency; and (iii) shall
12 not be deemed to be, and may not be used as, an admission or evidence of the
13 appropriateness of these or similar claims for class certification in the Action or with
14 respect to any other proceeding.

15 6. Class Counsel represent that they have conducted a thorough investigation
16 into the facts of this case, including reviewing the time records, payroll records,
17 employment records, as well as Defendant's discovery responses in this case. Class
18 Counsel also spoke with numerous employees and witnesses, conducted a review of
19 documents, and have diligently pursued an investigation of Plaintiff's and the Class
20 Members' claims against Defendant. Based on data provided by Defendant, extensive
21 formal discovery, and their own independent investigation and evaluation, Class Counsel
22 are of the opinion that the settlement with Defendant for the consideration and on the
23 terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the
24 best interest of the Class Members in light of all known facts and circumstances,
25 including the risks and delay associated with continued litigation, the defenses asserted
26 by Defendant, and numerous potential appellate issues. Defendant also consider it
27 desirable to resolve this case on the terms stated herein in order to avoid further expense,
28 inconvenience, and interference with ongoing business operations, and to dispose of this

litigation, and thus have determined that settlement of this case on the terms set forth herein is in the best interest of the Class.

7. It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge all disputes and claims arising from or related to the Action.

NOW, THEREFORE, the Parties hereby agree to settle and resolve this case as follows:

DEFINITIONS

8. "Action" shall mean the case entitled *Swanson v. IntegrITS Corporation*, Case No. BCV-20-102354-TSC, pending before the Court.

9. "Class" shall mean all current and former individuals employed by Defendant within the State of California at any time during the Class Period. Members of the Class are referred to herein individually as a "Class Member" and collectively as "Class Members."

10. "Class Counsel" shall mean the Parris Law Firm.

11. "Class Notice" shall mean the notice that the Court approves and orders to be sent to all Class Members advising them of their rights under this Settlement Agreement.

12. "Class Period" shall mean October 7, 2016 to May 28, 2022.

13. "Defendant's Counsel" shall mean Lagasse Branch Bell + Kinkead LLP.

14. "Operative Complaint" shall mean Plaintiff's First Amended Complaint filed on January 1, 2021.

15. "PAGA Employees" shall mean those Class Members employed by Defendant at any time from October 7, 2019 to May 28, 2022.

16. "PAGA Period" shall mean the period from October 7, 2019 to May 28, 2022.

17. "Response Deadline" shall mean the deadline by which Class Members must mail to the Settlement Administrator a valid request to be excluded from the settlement. The Response Deadline shall be thirty (30) calendar days from the initial

1 mailing of the Class Notice by the Settlement Administrator, unless the 30th day falls on
2 a Sunday or federal holiday, in which case the Response Deadline will be extended to the
3 next day on which the U.S. Postal Service is open.

4 18. "Settlement Administrator" shall mean a third-party class action settlement
5 administrator mutually agreed to by the Parties and approved by the Court for the
6 purposes of administering this settlement. Subject to Court approval, the Parties have
7 agreed to the appointment of ILYM Group, Inc. to perform the duties of the Settlement
8 Administrator.

9 19. "Settlement Class" or "Settlement Class Members" shall mean Class
10 Members who have not timely excluded themselves from the settlement, as detailed
11 below.

12 20. "Settlement Payments" means all of the payments to Settlement Class
13 Members ("Settlement Class Payments") and all of the payments to PAGA Employees
14 ("PAGA Settlement Payments").

15 **TERMS OF SETTLEMENT**

16 21. It is agreed by and among Plaintiff (on behalf of himself and the Class) and
17 Defendant that this Action and any claims, damages, or causes of action arising out of the
18 disputes which are the subject of this Action, be settled and compromised as between the
19 Class and Defendant, subject to the terms and conditions set forth in this Settlement
20 Agreement and the approval of the Court.

21 22. The terms of settlement embodied in this Settlement Agreement shall
22 become effective when all of the following events have occurred: (i) this Settlement
23 Agreement has been executed by all Parties and their respective counsel; (ii) the Court
24 has given preliminary approval to this Settlement Agreement; (iii) the Class Notice has
25 been mailed to the Class, providing them with an opportunity to dispute information
26 contained in the Class Notice, to opt out of the Settlement Agreement, or to object to the
27 Settlement Agreement; (iv) the Court has held a final approval hearing and entered a final
28 order and judgment approving this Settlement Agreement; and (v) the later of the

1 following events: (a) the day final approval is granted if there are no objections to the
2 Settlement Agreement; (b) if there are any objections by any Class Member and those
3 objections are overruled, and no appeal is taken of the order granting final approval, then
4 five (5) calendar days after the deadline to file an appeal of the order granting final
5 approval; or (c) if any appeal, writ or other appellate proceeding opposing this Settlement
6 Agreement has been filed, then five (5) calendar days after when any appeal, writ or other
7 appellate proceeding opposing the Settlement Agreement has been resolved finally and
8 conclusively with no right to pursue further remedies or relief (the “Effective Date”). In
9 this regard, it is the intention of the Parties that the Settlement Agreement shall not
10 become effective until the Court’s order approving the Settlement Agreement is
11 completely final, and there is no further recourse by an appellant or objector who seeks to
12 contest the Settlement Agreement.

13 23. Plaintiff agrees to settle all claims released herein in exchange for a
14 maximum payment of one million dollars (\$1,000,000.00) by Defendant (“Gross
15 Settlement Amount”). The payment of the Gross Settlement Amount is not being made
16 for any other purpose and will not be construed as compensation for determining
17 eligibility for any health and welfare benefits or unemployment compensation.

18 24. The Gross Settlement Amount resolves approximately 12,966 workweeks
19 worked by the Class Members during the Class Period. If the number of workweeks
20 increases by more than 10% of the original workweek estimate of 12,060 through the
21 Class Period, then, at Defendant’s election, either the Gross Settlement Amount will be
22 increased on a pro rata basis for each workweek above the 10% threshold, or the Class
23 Period will end on the date when 13,266 workweeks have been reached.

24 25. The Gross Settlement Amount, plus all employer payroll taxes due on wage
25 payments to be made under this Settlement Agreement, shall be electronically wired to
26 the Settlement Administrator no later than five (5) calendar days after the Effective Date.

27 26. Subject to approval by the Court, Defendant will not object to Class
28 Counsel’s application for attorney’s fees not to exceed \$350,000.00 (35% of the Gross

Settlement Amount), plus actual costs not to exceed \$15,000.00 incurred in this case. The payment of Class Counsel's attorneys' fees and costs shall be made out of the Gross Settlement Amount. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the payments made pursuant to this paragraph. IRS Form 1099 shall be provided to Class Counsel for the payments made pursuant to this paragraph. The Settlement Administrator shall electronically wire the approved amount of attorneys' fees and actual costs to the Parris Law Firm no later than five (5) calendar days after receipt of the Gross Settlement Amount from Defendant.

27. Subject to Court approval, and in exchange for a general release and waiver of California Civil Code section 1542 rights, Defendant will not object to Class Counsel's application for an additional payment to Plaintiff Danny Swanson of up to ten thousand dollars (\$10,000.00) from the Gross Settlement Amount, in addition to his share of the Settlement, for his service as class representative (the "Service Award"). Plaintiff will be individually responsible for correctly characterizing this compensation on personal income tax returns for tax purposes and for paying any taxes on the amounts received. Should the Court approve a Service Award in an amount less than that set forth above, the difference between the lesser amount(s) approved by the Court and the Service Award amount(s) set forth above shall be added to the Net Settlement Amount. Plaintiff agrees not to opt out or object to the Service Award as the class representative. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff in connection with the \$10,000.00. The Settlement Administrator shall issue the Service Award payment directly to Plaintiff no later than five (5) calendar days after receipt of the Gross Settlement Amount from Defendant.

28. The Parties agree that one hundred thousand dollars (\$100,000.00) of the Gross Settlement Amount shall be allocated as civil penalties pursuant to the Private Attorney General Act, California Labor Code sections 2699, *et seq.* ("PAGA Allocation"), 75% of which (\$75,000.00) shall be paid to the California Labor and Workforce Development Agency ("LWDA") and 25% of which (\$25,000.00) shall be

1 distributed pro rata to the PAGA Employees based on the number of pay periods worked
2 during the PAGA Period. Class Members who are PAGA Employees will not be
3 permitted to exclude themselves from this portion of the Settlement Agreement. PAGA
4 Settlement Payments to PAGA Employees in the appropriate amounts will be distributed
5 by the Settlement Administrator by mail to the PAGA Employees at the same time
6 Settlement Class Payments issue to the Settlement Class. Uncashed, unclaimed or
7 abandoned checks shall be transmitted by the Settlement Administrator to the *cy pres*
8 recipient, as set forth below. The Settlement Administrator shall issue the LWDA's
9 payment at the same time it sends Settlement Class Payments to the Settlement Class and
10 PAGA Settlement Payments to the PAGA Employees.

11 29. The Parties agree that the Settlement Administrator shall be paid out of the
12 Gross Settlement Amount for all costs associated with the administration of this
13 Settlement, including, *inter alia*, preparing the required tax reporting on the Settlement
14 Payments, issuing 1099 and W-2 IRS forms, distributing the Class Notice, calculating the
15 Settlement Payments, processing exclusion requests, resolving disputes with Class
16 Members, distributing the Net Settlement Amount as directed by the Court and as set
17 forth herein, and providing necessary reports and declarations. Settlement administration
18 costs are expected to total no more than six thousand five hundred dollars (\$6,500.00).
19 No fewer than the date the final approval papers are due, the Settlement Administrator
20 shall provide the Court and all counsel for the Parties with a statement detailing the
21 settlement administration costs. The Parties agree to cooperate in the settlement
22 administration process and to make all reasonable efforts to control and minimize the
23 costs and expenses incurred in the administration of the settlement. An IRS Form 1099
24 shall be issued to the Settlement Administrator.

25 **SETTLEMENT PAYMENT CALCULATION**

26 30. The Net Settlement Amount shall be determined by deducting the following
27 amounts from the Gross Settlement Amount of \$1,000,000.00: (1) Class Counsel's
28 attorneys' fees (in the amount not to exceed \$350,000.00, or 35% of the Gross Settlement

1 Amount); (2) Class Counsel's costs (in an amount not to exceed \$15,000.00); (3) the
2 Settlement Administrator's costs (estimated not to exceed \$6,500.00); (4) the LWDA's
3 portion of the PAGA Allocation (in the amount of \$75,000.00); and (5) the Service
4 Award.

5 31. Settlement Class Payments will be paid out of the Net Settlement Amount.
6 Each Settlement Class Member will be paid a pro-rata share of the Net Settlement
7 Amount as calculated by the Settlement Administrator. The pro-rata share will be
8 calculated by dividing the total number of weeks worked by each individual Settlement
9 Class Member during the Class Period as reflected in Defendant's records by the total
10 number of weeks worked by all Settlement Class Members during the Class Period.
11 Settlement Class Payments in the appropriate amounts will be distributed by the
12 Settlement Administrator by mail to the Settlement Class Members. Uncashed,
13 unclaimed or abandoned checks shall be transmitted by the Settlement Administrator to
14 the *cy pres* recipient, as set forth below.

15 32. The Parties have agreed that Settlement Class Payments shall be allocated
16 20% to wages and 80% penalties and interest. The PAGA Settlement Payments will be
17 entirely allocated to penalties. Appropriate federal, state, and local withholding taxes
18 will be taken out of the wage allocations, and each Settlement Class Member will receive
19 an IRS Form W-2 with respect to this portion of the Settlement Class Payment. The
20 Settlement Administrator will calculate and submit Defendant's employer share of
21 payroll taxes after advising Defendant of the total amount owed, in aggregate, as
22 employer-side payroll taxes and receiving a lump sum payment from Defendant in that
23 amount when the Gross Settlement Amount is delivered to the Settlement Administrator,
24 in addition to paying the Gross Settlement Amount. The Settlement Class Member's
25 share of payroll taxes and other required withholdings will be remitted by the Settlement
26 Administrator to the appropriate taxing authorities, based on the payment of claims to the
27 Settlement Class Members. IRS Forms 1099 will be issued by the Settlement
28 Administrator to each Settlement Class Member and/or PAGA Employee reflecting the

1 payments for penalties and interest. Settlement Class Members and PAGA Employees
2 are responsible to pay appropriate taxes due on the Settlement Class Payments and
3 PAGA Settlement Payments they receive. To the extent required by law, IRS Forms
4 1099 and W-2 will be issued to each Settlement Class Member and PAGA Employee
5 with respect to such payments.

6 33. All Settlement Payments to individual Settlement Class Members and
7 PAGA Employees shall be deemed to be paid to such Settlement Class Member or
8 PAGA Employee solely in the year in which such payments actually are issued to the
9 Settlement Class Member or PAGA Employee. It is expressly understood and agreed
10 that the receipt of such Settlement Payments will not entitle any Settlement Class
11 Member or PAGA Employee to additional wages, compensation or benefits under any
12 company bonus, contest or other compensation or benefit plan or agreement in place
13 during the period covered by the Settlement Agreement up to and including the date the
14 Settlement Agreement becomes effective, nor will it entitle any Settlement Class Member
15 or PAGA Employee to any increased retirement, 401(k) benefits or matching benefits or
16 deferred compensation benefits. It is the intent of all Parties that the Settlement
17 Payments provided for in this Settlement Agreement are the sole payments to be made by
18 Defendant to the Settlement Class Members and PAGA Employees, and that the
19 Settlement Class Members and PAGA Employees are not entitled to any new or
20 additional compensation or benefits as a result of having received the Settlement
21 Payments (notwithstanding any contrary language or agreement in any benefit or
22 compensation plan document that might have been in effect during the period covered by
23 this Settlement Agreement).

24 34. Within five (5) calendar days after preliminary approval, Defendant shall
25 provide the Settlement Administrator with a list containing each Class Member's full
26 name, his or her last known address, Social Security number, and number of weeks
27 worked during the Class Period (the "Class List"). The Class List information (other than
28 confirming the total number of Class Members, PAGA Employees, weeks worked and

1 pay periods) shall remain confidential and shall not be disclosed to anyone, including
2 Class Counsel, except to carry out reasonable efforts described below, or pursuant to
3 express written authorization by Defendant. The Settlement Administrator shall use due
4 care with respect to the storage, custody, use, and/or dissemination of the confidential
5 information, and shall return to Defendant or destroy, based on Defendant's instruction,
6 all confidential information once all payments are distributed as required under this
7 Settlement Agreement. The Settlement Administrator will perform address updates and
8 verifications as necessary prior to the first mailing.

9 35. The Class Notice shall be sent by the Settlement Administrator to the Class
10 Members, by first class mail through the United States Postal Service, as soon as
11 possible, but no later than ten (10) business days after receiving the Class List. For each
12 Class Member, there will be pre-printed information on the mailed Class Notice, based
13 on Defendant's records, stating the Class Member's workweeks during the Class Period,
14 PAGA pay periods during the PAGA Period, and the estimated total Settlement Payment
15 under the Settlement Agreement, including the Settlement Class Payment and the PAGA
16 Settlement Payment. The pre-printed information based on Defendant's records shall be
17 presumed to be correct. A Class Member may dispute the pre-printed information on the
18 Class Notice as to his or her workweeks during the Class Period or PAGA pay periods
19 during the PAGA Period. Class Members must submit any dispute regarding the
20 information on the Class Notice as to his or her workweeks or PAGA pay periods within
21 the Response Deadline. Unless a disputing Class Member submits documentary evidence
22 in support of his or her dispute, the records of Defendant will be determinative.

23 36. Any Class Notice returned to the Settlement Administrator as non-delivered
24 on or before the Response Deadline shall be sent to the forwarding address affixed
25 thereto, if a forwarding address is provided. If no forwarding address is provided, the
26 Settlement Administrator shall promptly, but no later than five (5) calendar days of
27 receiving notice that the Class Notice was undeliverable, attempt to determine a correct
28 address using a skip-trace, or other search using the name, address and/or social security

1 number of the Class Member involved, and shall re-mail the Class Notice. If after
2 performing a skip-trace search, the Class Notice is still returned to the Settlement
3 Administrator as non-deliverable, that individual will be deemed a Settlement Class
4 Member for purposes of the Released Claims (as defined below), and the Settlement
5 Administrator will have no further obligation to obtain the Class Member's current
6 address. The Response Deadline for any Class Member who is re-mailed a Class Notice
7 shall be extended fourteen (14) calendar days from the date of the re-mailing or the
8 original thirty (30) calendar day deadline, whichever is later.

9 37. Any Class Member may request to be excluded ("opt out") from the
10 Settlement Class by mailing a "Request for Exclusion" from the Settlement Agreement
11 within the Response Deadline. Any Request for Exclusion must include the name,
12 address, telephone number, last four digits of the Class Member's Social Security
13 Number, and the signature of the Class Member requesting exclusion. Any such request
14 must be made in accordance with the terms of the Class Notice, and the Class Notice will
15 advise Class Members of these requirements. A Class Member who does not properly
16 and timely submit a Request for Exclusion from the Settlement Agreement in the manner
17 and by the deadline specified above will automatically become a Settlement Class
18 Member and will be bound by all terms and conditions of the Settlement Agreement,
19 including the Released Claims (as defined below), if the Settlement Agreement is
20 approved by the Court, and be bound by the final approval order, regardless of whether
21 he or she has objected to the Settlement Agreement. Any Class Member who timely
22 requests exclusion in compliance with these requirements (i) shall not have any rights
23 under this Settlement Agreement other than a right to receive a pro-rata share of the
24 PAGA Settlement Payment if the Class Member is also PAGA Employee; (ii) shall not
25 be entitled to receive any Settlement Payments under this Settlement other than as stated
26 herein; and (iii) shall not be bound by this Settlement Agreement or the Court's order and
27 final judgment other than as it applies to the PAGA claim. The PAGA Settlement
28 Payment will be distributed irrespective of any exclusion request. If the Court approves

1 the compromise of the PAGA claim, all Class Members are bound by the Court's
2 resolution of that claim. Class Counsel shall submit this Settlement Agreement to the
3 LWDA at or before the time of the filing of the motion for preliminary approval.

4 38. The Settlement Administrator will notify the Parties of the total number of
5 valid Requests for Exclusion forms within five (5) calendar days after the deadline for
6 receipt of the Request for Exclusion forms. If more than ten percent (10%) of Class
7 Members timely and properly submit a Request for Exclusion, then Defendant shall have
8 the right, in its sole discretion, to void and revoke the Settlement Agreement. All
9 signatories and their counsel must not encourage opt-outs. The Parties specifically agree
10 not to solicit opt-outs, directly or indirectly, through any means. In the event of such a
11 rescission, no party may use the fact that the Parties agreed to settle this case as evidence
12 of Defendant's liability in this Action or the lack thereof.

13 39. Any Settlement Class Member may object to the Settlement Agreement.
14 To object, the Settlement Class Member may (1) appear at the final approval hearing,
15 remotely or in person, to explain any objection, (2) have an attorney object for the
16 Settlement Class Member, or (3) submit a simple written brief or statement of objection
17 to the Settlement Administrator. If any Settlement Class Member chooses to submit a
18 written objection, the written objection should contain sufficient information to confirm
19 the identity of the objector and the basis of the objection, including (1) the full name of
20 the Settlement Class Member; (2) the signature of the Settlement Class Member; (3) the
21 grounds for the objection; and (4) be postmarked within the Response Deadline to permit
22 adequate time for processing and review by the Parties of the written statement or
23 objection. Class Counsel shall ensure that any written objections are transmitted to the
24 Court for the Court's review (either by Class Counsel or as an attachment to a declaration
25 from the Settlement Administrator). Regardless of the form, an objection alone will not
26 satisfy the requirement that a Settlement Class Member must either make a timely
27 complaint in intervention before final judgment or by filing a motion to set aside and
28 vacate the class judgment under California Code of Civil Procedure § 663, to have

standing to appeal entry of judgment approving this Settlement Agreement, as is required under the California Supreme Court decision of *Hernandez v. Restoration Hardware* (2018) 4 Cal.5th 260. A Settlement Class Member who does not object prior to or at the final approval hearing, will be deemed to have waived any objections and will be foreclosed from making any objections (whether at the final approval hearing, by appeal, or otherwise) to the Settlement Agreement. If the objecting Settlement Class Member does not formally intervene in the action or move to set aside any judgment and/or the Court rejects the Settlement Class Member's objection, the Settlement Class Member will still be bound by the terms of this Settlement Agreement. Class Counsel and Defendant's Counsel may, at least five (5) court days (or some other number of days as the Court shall specify) before the final approval hearing, file responses to any written objections submitted to the Court.

40. Counsel for the Parties shall not discourage any Class Member from participating in, opting out of, or objecting to the Settlement Agreement.

41. The Settlement Administrator shall provide Class Counsel and Defendant's Counsel a weekly report which certifies: (a) the number of Class Members who have submitted a valid or defective Request for Exclusion; (b) whether any Class Member has submitted a challenge to any information contained in their Class Notice; (c) whether any Class Member has submitted an objection; and (d) the number of returned, undeliverable and/or re-mailed Class Notices. Additionally, the Settlement Administrator shall provide to Class Counsel and Defendant's Counsel any updated reports regarding the administration of the Settlement Agreement as needed or requested.

42. The Settlement Administrator will independently review the workweeks and PAGA pay periods attributed to each Class Member and PAGA Employee, respectively, and will calculate the estimated amounts due to each Class Member and the actual amounts due to each Settlement Class Member and PAGA Employee in accordance with this Settlement Agreement. Should any question arise regarding the amount of any Settlement Payment under the terms of this Settlement Agreement, Class

1 Counsel and Defendant's Counsel will meet and confer and attempt to reach agreement.
2 Any unresolved disputes concerning the administration of the Settlement Agreement will
3 be resolved by the Court, under the laws of the State of California.

4 43. No later than ten (10) calendar days after receipt of the Gross Settlement
5 Amount from Defendant, the Settlement Administrator will issue and send out the
6 Settlement Payment checks to the Settlement Class Members and the PAGA Settlement
7 Payments to the PAGA Employees. Tax treatment of the Class Settlement Payments and
8 PAGA Settlement Payments will be as set forth herein, and in accordance with state and
9 federal tax laws. Settlement Class Payments and PAGA Settlement Payments may be
10 combined into one check. Settlement Payment checks shall remain valid and negotiable
11 for one hundred twenty (120) calendar days from the date of their issuance. Settlement
12 Payment checks will automatically be cancelled by the Settlement Administrator if they
13 are not cashed by the Settlement Class Member within that time, and the Settlement Class
14 Member's relevant claims will remain released by the Settlement Agreement. Settlement
15 Payment checks which have expired will not be reissued.

16 44. Funds from uncashed or abandoned Settlement Class Payment checks or
17 PAGA Settlement Checks, based on a 120-day void date, shall be transmitted by the
18 Settlement Administrator to the *cy pres* recipient, Legal Aid at Work.

19 45. Upon completion of its calculation of Settlement Class Payments and
20 PAGA Settlement Payments, the Settlement Administrator shall provide Class Counsel
21 and Defendant's Counsel with a report listing the amounts of all payments to be made to
22 Settlement Class Members (to be identified anonymously by employee number or other
23 identifier). A declaration attesting to completion of all payment obligations will be
24 provided to Class Counsel and Defendant's Counsel and filed with the Court by Class
25 Counsel.

26 **RELEASE OF CLAIMS**

27 46. Upon the date of payment of the Gross Settlement Amount by Defendant
28 and in exchange for Defendant's payment of the Gross Settlement Amount, each and

1 every Class Member (who has not submitted a valid and timely request for exclusion as
2 to claims other than the PAGA claim) and each and every PAGA Employee, on behalf of
3 themselves and their heirs and assigns, hereby releases Defendant, its past and present
4 owners, officers, directors, managing agents, trustees, members, managers, shareholders,
5 attorneys, insurers, assigns, shareholders, successors, predecessors and agents,
6 Defendant's past and present parent and subsidiary entities, including DBAs (collectively
7 the "Released Parties") from the following rights or claims (the "Released Claims"):

- 8 a. Any and all claims, damages or causes of action during the Class
9 Period or PAGA Period alleged in, or arising out of, the allegations
10 in the Complaint and FAC, filed in this Action, and the PAGA
11 Notice (dated October 7, 2020), which were alleged or that could
12 have been alleged by Plaintiff and/or any Class Member or PAGA
13 Employee in such complaints and/or the PAGA Notice based on any
14 of the factual allegations contained in such complaints and/or the
15 PAGA Notice, including, but not limited to, claims under state,
16 federal, or local law, including, but not limited to claims for unpaid
17 wages, and claims for the failure to pay minimum wages, claims for
18 the failure to pay overtime wages, claims related to missed meal and
19 rest breaks or periods and nonpayment of premium pay for such,
20 failure to comply with itemized employee wage statement
21 provisions, failure to pay wages due at separation, the payment of
22 PAGA penalties, claims arising under the California Labor Code
23 sections 201, 202, 203, 204, 226, 226.7, 510, 512(a), 558, 558.1,
24 1174(d) 1194, 1197, 1197.1, 1198, and 2698 *et seq.*), the Wage
25 Order 4 of the California Industrial Welfare Commission, California
26 Business and Profession Code 17200, *et seq.*, and California
27 common law of contract, interest and claims for attorney's fees
28 (except as set forth herein) relating in any way to those claims

1 alleged and mentioned in the complaint(s) and/or PAGA Notice,
2 which occurred during the Class Period while a Class Member was
3 employed by Defendant or which arose out of a Class Member's
4 employment during the Class Period, or, for civil penalties only,
5 which occurred during the PAGA Period or which arose out of a
6 PAGA Employee's employment during the PAGA Period;

7 b. Any and all direct claims during the Class Period or PAGA Period
8 for violations of the California Labor Code sections alleged as
9 predicate violations to Plaintiff's unfair competition claims that any
10 Class Member or PAGA Employee could have asserted based on the
11 claims and facts alleged in the Action, including, but not limited to,
12 claims for meal and rest break premiums, wage statement penalties,
13 waiting time penalties, and claims pursuant to the PAGA;

14 c. Any and all claims during the Class Period or PAGA Period for
15 wages or compensation due for services based on any of the factual
16 allegations alleged in the Action in the Complaint, FAC, and the
17 PAGA Notice; and

18 d. Any and all claims during the Class Period or PAGA Period based
19 on any of the factual allegations alleged in the Action in the
20 Complaint, FAC, and the PAGA Notice, including the purported
21 payment or nonpayment of compensation for meal or rest period
22 violations, improper wage statements, failure to pay wages due at
23 separation of employment, or unfair business practices.

24 e. The Released Claims shall include all of the claims set forth above.

25 **RELEASE BY PLAINTIFF**

26 47. Upon the date of payment of the Gross Settlement Amount by Defendant,
27 Plaintiff shall release the Released Claims against the Released Parties, and shall make
28 the additional following General Release in favor of the Released Parties, other than

1 claims that cannot be waived by law:

- 2 a. Plaintiff individually hereby unconditionally waives and forever
3 releases, waives, discharges, any and all demands, damages, debts,
4 liabilities, contracts, obligations, actions, causes of action and claims
5 of every kind, nature, and description whatsoever, whether now
6 known or unknown, suspected or unsuspected, including in equity or
7 otherwise, which he ever had or now has against the Released
8 Parties arising or accruing at any time prior to the execution of this
9 Settlement Agreement, including without limitation any matter,
10 cause or claim arising out of or related to facts or events occurring
11 prior to the execution of this Settlement Agreement, and/or related to
12 Plaintiff's employment with Defendant and his separation therefrom.
13 At a minimum, the claims released by Plaintiff include but are not
14 limited to: (a) any claims that were or could have been brought
15 under California Labor Code sections 132a, 201, 202, 203, 204, 216,
16 218, 218.5, 218.6, 225.5, 226, 226.3, 226.7, 432.5, 510, 512, 558,
17 1050, 1054, 1194, 1194.2, 1197, 1198, 2698 et seq., 2800, et seq.,
18 the applicable Industrial Welfare Commission Wage Orders, the
19 FLSA, and all related or corresponding federal laws, and all
20 implementing regulations and interpreting guidance; (b) any claims
21 that were or could have been brought under California Corporations
22 Code, and California Business and Professions Code, including but
23 not limited to California Business and Professions Code section
24 17200 et seq. as unlawful, fraudulent or misleading based on the
25 claims, facts and allegations alleged in the Action (including, but not
26 limited to, claims of conduct unlawful under state or federal law); (c)
27 any other causes of action, including those seeking premiums,
28 penalties, interest, punitive damages, costs, attorneys' fees,

1 injunctive relief, declaratory relief, or accounting, whether such
2 causes of action are in tort, contract, equity, statute, or common law;
3 (d) any claims under the Fair Employment and Housing Act,
4 Americans with Disabilities Act, Age Discrimination in
5 Employment Act, and Title VII of the Civil Rights Act of 1964, and
6 (e) any other claims Plaintiff could have made related to his
7 employment with Defendant. Plaintiff may hereafter discover facts
8 in addition to or different from those which he now knows or
9 believes to be true, but stipulates and agrees that, upon the date of
10 payment of the Gross Settlement Amount by Defendant, he fully,
11 finally, and forever settles and releases any and all claims, known or
12 unknown, suspected or unsuspected, contingent or non-contingent,
13 whether or not concealed or hidden, which now exist, or heretofore
14 have existed, upon any theory of law or equity and without regard to
15 the subsequent discovery or existence of such different or additional
16 facts. Plaintiff is deemed, by operation of the order granting final
17 approval, to have agreed not to sue or otherwise make a claim
18 against any of the Released Parties for any claim, other than to
19 enforce the provisions of this Settlement Agreement or breach
20 thereof.

- 21 b. Plaintiff acknowledges that he has had the opportunity to review,
22 and has reviewed, California Civil Code section 1542, which
23 provides:

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

1 Being fully informed of this provision of the Civil Code and
2 understanding its provisions, Plaintiff agrees to waive any rights
3 under that section, other than to enforce the provisions of this
4 Settlement Agreement or breach thereof, and acknowledges that this
5 Settlement Agreement and the release contained herein extends to all
6 claims that he has or might have against the Released Parties,
7 including those which are presently unknown to him or that he does
8 not know or suspect to exist, other than to enforce the provisions of
9 this Settlement Agreement or breach thereof, which, if known by
10 Plaintiff, might have affected his settlement with, and release of, the
11 Released Parties or might have affected his decision. This expressly
12 excludes any claims that cannot be waived by law.

13 **NULLIFICATION AND TERMINATION**

14 48. This Settlement Agreement will be null and void if any of the following
15 occur: (a) the Court should for any reason fail to certify a Class for settlement purposes;
16 (b) the Court should for any reason fail to preliminarily or finally approve this Settlement
17 Agreement in the form agreed to by the Parties, other than adjustments made to the
18 attorney's fees and costs or granting of the Service Award; (c) the Court should for any
19 reason fail to enter the final judgment; (d) the final judgment is reversed, modified, or
20 declared or rendered void; or (e) the Settlement Agreement does not become final for any
21 other reason.

22 49. As set forth above, if ten percent (10%) or more of the Class Members opt
23 out of this Settlement Agreement, then Defendant in its sole discretion may terminate,
24 nullify and void this Settlement Agreement. If Defendant exercises this option, it shall be
25 fully and solely responsible for all costs associated with the administration of this
26 Settlement incurred by the Settlement Administrator up to the date of termination. The
27 Settlement Administrator shall provide Class Counsel and Defendant's Counsel with the
28 information necessary to effectuate this provision on a regular basis, but no less

1 frequently than on a weekly basis.

2 50. In the event this Settlement Agreement is nullified or terminated as
3 provided above: (i) this Settlement Agreement shall be considered null and void, (ii)
4 neither this Settlement Agreement nor any of the related negotiations or proceedings shall
5 have any force or effect and no Party shall be bound by any of its terms, and (iii) all
6 Parties to this Settlement Agreement shall stand in the same position, without prejudice,
7 as if the Settlement Agreement had been neither entered into nor filed with the Court.

8 **PARTIES' AUTHORITY**

9 51. The signatories hereto hereby represent that they are fully authorized to
10 enter into this Settlement Agreement and bind the Parties hereto to the terms and
11 conditions hereof.

12 **MUTUAL FULL COOPERATION**

13 52. The Parties agree to fully cooperate with each other to accomplish the terms
14 of this Settlement Agreement, including, but not limited to, execution of such documents
15 and to take such other action as may reasonably be necessary to implement the terms of
16 this Settlement Agreement. The Parties shall use their best efforts, including all efforts
17 contemplated by this Settlement Agreement and any other efforts that may become
18 necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement
19 and the terms set forth herein.

20 **NO PRIOR ASSIGNMENTS**

21 53. The Parties and their respective counsel represent, covenant, and warrant
22 that they have not directly or indirectly assigned, transferred, encumbered, or purported
23 to assign, transfer, or encumber to any person or entity any portion of any liability, claim,
24 demand, action, cause of action or rights herein released and discharged except as set
25 forth herein, and that they are not on notice of any liens as to the Gross Settlement
26 Amount or any right to attorneys' fees or costs.

27 **NO ADMISSION OF LIABILITY**

28 54. Nothing contained herein, nor the consummation of this Settlement

1 Agreement, is to be construed or deemed an admission of liability, culpability,
2 negligence, or wrongdoing on the part of Defendant. Defendant denies all the claims and
3 contentions alleged by Plaintiff in this case. Defendants do not admit, and specifically
4 deny, that they have violated any federal, state, or local law; violated any regulations or
5 guidelines promulgated pursuant to any statute or any other applicable laws, regulations
6 or legal requirements; breached any contract; violated or breached any duty; engaged in
7 any misrepresentation or deception; or engaged in any other unlawful conduct with
8 respect to their current or former employees. Neither this Settlement Agreement, nor any
9 of its terms or provisions, nor any of the negotiations connected with it, will be construed
10 as an admission or concession by Defendant of any such violations or failures to comply
11 with any applicable law. Defendant has entered into this Settlement solely with the
12 intention to avoid further disputes and litigation with the attendant inconvenience and
13 expenses. Except as necessary in a proceeding to enforce the terms of this Settlement
14 Agreement, this Settlement Agreement and its terms and provisions will not be offered or
15 received as evidence in any action or proceeding to establish any liability or admission on
16 the part of Defendant or to establish the existence of any condition constituting a
17 violation of, or a non-compliance with, federal, state, local or other applicable law.

18 **ENFORCEMENT ACTIONS**

19 55. In the event that one or more of the Parties to this Settlement Agreement
20 institutes any legal action or other proceeding against any other party or parties to enforce
21 the provisions of this Settlement Agreement or to declare rights and/or obligations under
22 this Settlement Agreement, the successful party or parties shall be entitled to recover
23 from the unsuccessful party or parties reasonable attorney's fees and costs, including
24 expert witness fees incurred in connection with any enforcement actions.

25 **MODIFICATION**

26 56. This Settlement Agreement may not be changed, altered, amended or
27 modified, except in writing and signed by the Parties, and approved by the Court. This
28 Settlement Agreement may not be discharged except by performance in accordance with

its terms or by a writing signed by the Parties.

ENTIRE AGREEMENT

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

BINDING ON ASSIGNS

58. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

COUNTERPARTS

59. This Settlement Agreement may be executed in counterparts, 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 Settlement Agreement, which shall be binding upon and effective as to the Parties. For purposes of this Settlement Agreement, a facsimile signature shall be as valid and enforceable as an original.

CONSTRUCTION

60. The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms'-length negotiations between the Parties, including, but not limited to, an all-day mediation, and this Settlement 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 this Settlement Agreement.

CAPTIONS AND INTERPRETATIONS

61. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope

1 of this Settlement Agreement or any provision hereof. Each term of this Settlement
2 Agreement is contractual and not merely a recital.

3 **CLASS COUNSEL SIGNATORIES**

4 62. It is agreed that because the members of the Class are so numerous, it is
5 impossible or impractical to have each member of the Class execute this Settlement
6 Agreement. The Class Notice will advise all Class Members of the binding nature of the
7 Released Claims, and the release shall have the same force and effect as if this Settlement
8 Agreement were executed by each member of the Class.

9 **COURT'S CONTINUING JURISDICTION**

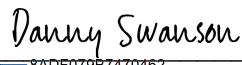
10 63. The parties consent to the Superior Court of the State of California, County
11 of Kern, in the above-entitled action, and to the Judge who approves the Settlement
12 Agreement (or other Judge as may in the future be assigned the case) to retain jurisdiction
13 over this action and this Settlement Agreement in order to enforce, construe, and interpret
14 this Settlement Agreement and the settlement, to supervise all notices, the administration
15 of the settlement and this Agreement and distribution of the Settlement Fund, and to hear,
16 adjudicate, and resolve any disputes arising from or related to the settlement and/or this
17 Agreement, pursuant to California Code of Civil Procedure section 664.6.

18 **INTERIM STAY OF PROCEEDINGS**

19 64. The Parties agree to hold all proceedings in this case, except such
20 proceedings necessary to implement and complete the Settlement, in abeyance pending
21 approval of this Settlement Agreement. This includes a complete stay of the deadline for
22 Plaintiff to bring this case to trial pursuant to California Code of Civil Procedure section
23 583.310.

24
25 **SO STIPULATED AND AGREED**

26
27 Date: 2/8/2023

28
DocuSigned by:

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Plaintiff Danny Swanson

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Date: Feb 16, 2023

IntegrITS Corporation

By: Clarence Carter
Clarence Carter
President / CEO

Signature: Clarence Carter
Clarence Carter (Feb 16, 2023 08:58 PST)

Email: carter_clarence@integrits.com

SWANSON - Settlement Agreement PLAINTIFF SIGNED

Final Audit Report

2023-02-16

Created:	2023-02-13
By:	Andrea Amezcua (aamezcua@lbbklaw.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAgvCnwqOwanuIZl3V3cgzBvaRD9Vs60pD

"SWANSON - Settlement Agreement PLAINTIFF SIGNED" History

-  Document created by Andrea Amezcua (aamezcua@lbbklaw.com)
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-  Document emailed to carter_clarence@integrits.com for signature
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-  Email viewed by carter_clarence@integrits.com
2023-02-16 - 4:57:35 PM GMT
-  Signer carter_clarence@integrits.com entered name at signing as Clarence Carter
2023-02-16 - 4:58:55 PM GMT
-  Document e-signed by Clarence Carter (carter_clarence@integrits.com)
Signature Date: 2023-02-16 - 4:58:57 PM GMT - Time Source: server
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