

SETTLEMENT AGREEMENT

This Settlement Agreement is made by Plaintiff Jesus Diaz Sanchez (“Sanchez” or “Plaintiff”), individually and on behalf all Class Members (as hereinafter defined) on the one hand, and Defendants Galleher LLC and Galleher Corporation (collectively “Galleher” or “Defendants”) on the other hand. This Settlement Agreement is subject to the approval of the Court.

NATURE OF THE CASE AND THE PARTIES’ SETTLEMENT

1. The Parties and Class Counsel. Plaintiff and Defendants are collectively referred to as “the Parties.” “Class Counsel” refers to Edwin Aiwazian, Arby Aiwazian, and Joanna Ghosh of Lawyers *for* Justice, PC and LippSmith LLP.
2. The Class Action. On October 3, 2019, Sanchez filed a class action in San Francisco Superior Court against Defendants, Case No. CGC-19-579749. On November 17, 2020, Sanchez filed a first amended complaint adding a claim under the Private Attorneys General Act (“PAGA”) based on the alleged violations described in the complaint. The operative first amended complaint (“FAC”) alleges claims against Defendants by Plaintiff on behalf of himself, and all persons who have either been, or currently are, employed by Defendants in California as non-exempt employees (“Class”) during the period beginning October 3, 2015 through final judgment (“Class Period”).
3. Plaintiff’s Contentions. As alleged in the FAC, Plaintiff contends that Defendants violated various provisions of the Labor Code by its alleged: failure to pay Class Members wages, minimum wages and overtime for all work hours at the correct regular and premiums rates; failure to provide Class Members with rest breaks or pay rest break premiums; failure to provide Class Members with meal breaks or pay meal break premiums; failure to provide Class Members with complete and accurate wage statements; failure to timely pay Class Members all wages during employment and at termination; failure to keep requisite payroll records; failure to reimburse employees for business expenses; and unfair business practices. Plaintiff also asserts a claim for civil penalties under PAGA based on the foregoing alleged

violations by Defendants. Plaintiff believes he filed a meritorious action and that the requirements for class certification can be satisfied.

4. Defendants' Contentions. Defendants deny any liability or wrongdoing as alleged by Plaintiff. Defendants contend that they correctly compensated Class Members for all compensable work hours at the appropriate regular and premium rates; provided Class Members with proper meal and rest periods or paid required premiums for missed or non-compliant breaks; provided Class Members with compliant wage statements and maintained requisite payroll records; timely paid Class Members all wages owing during their employment and at the time of termination; and reimbursed Class Members for all business expenses. Defendants further contend that for any purpose other than settlement, this action is not appropriate for class treatment.
5. The Mediation. The Parties participated in a mediation on June 16, 2020 with Mark Rudy, Esq. Prior to and during the mediation, the Parties informally exchanged voluminous information, including production of time and pay records for a random sample of Class Members, policies, paystub exemplars, and class information. At the conclusion of the mediation, Mr. Rudy made a mediator's proposal, which the Parties accepted thereafter. This Settlement Agreement is a result of the Parties' arms-length negotiations.
6. Investigation. Class Counsel has diligently investigated the facts and claims alleged in the Lawsuit, including a thorough analysis of voluminous documents, interviews of Class Members, and an analysis of the time and pay data Defendants informally produced prior to and during the mediation. Based on their independent investigation and evaluation, Plaintiff and Class Counsel believe that this Settlement is fair, reasonable, and adequate and is in the best interest of the Class in light of all known facts and circumstances, including the risks of significant delay, denial of a motion for class certification or decertification, the defenses asserted by Defendants, and potential appellate issues.
7. The Settlement Class. Class Members who do not timely opt out of the Settlement are referred to as "Settlement Class Members." The Class is defined as: "All current and former

non-exempt employees who worked for Defendants within California at any time during the period between October 3, 2015 and August 16, 2020.”

8. Cooperation. The Parties agree to cooperate and take all steps necessary and appropriate to effectuate the terms of this Settlement Agreement.

TERMS OF SETTLEMENT

9. Purpose of the Parties. The Parties agree that this action and any claims arising out of the Lawsuit be settled on the terms described herein as between the Class and Defendants, subject to the approval of the Court.
10. Settlement “Effective Date.” The Settlement embodied in this Settlement Agreement shall become effective on the later of:
 - a. The Court’s final approval of the Settlement, and the sixty (60) calendar day time period to appeal the Judgment entered by the Court incorporating the terms of the Settlement has expired, or
 - b. Upon the final resolution of any appeal that has been filed.
11. Gross Settlement Fund. In consideration for the release of the claims of the Settlement Class against Defendants, Defendants agree to create a “Gross Settlement Fund” of One Million Nine Hundred Twelve Thousand Seven Hundred Fifty Dollars (\$1,912,750.00) to be paid by Defendants, as a full and complete settlement of all claims that were or could have been asserted based on the facts alleged in the Lawsuit. This Gross Settlement Fund constitutes a common fund for the payment of all claims hereunder, attorney fees, and litigation costs to Class Counsel, settlement administration costs, the Class Representative’s Enhancement Award, and the amount allocated to PAGA. The Gross Settlement Fund does not include Defendants' share of the employer-side payroll taxes on the amount of the Settlement allocated to wages. The Settlement is non-reversionary, and Defendants will pay entire the Gross Settlement Fund.

12. Net Settlement Fund. The “Net Settlement Fund” is the balance of the Gross Settlement Fund after payments have been made for Court-approved attorney fees and litigation costs to Class Counsel, the Class Representative’s Enhancement Award, costs of settlement administration, and the amount allocated to PAGA.
13. Payments to Settlement Class Members from Net Settlement Fund. The Net Settlement Fund will be paid to Settlement Class Members as provided in this paragraph. Defendants will calculate and provide the Settlement Administrator with the total number of weeks worked by all Settlement Class Members as non-exempt employees in California during the Class Period (“Workweeks”), as well as the numbers of Workweeks each Class Member worked. Any calendar week that a Class Member worked at least one day will be considered a Workweek. Each Settlement Class Member will be paid their share of the Net Settlement Fund calculated by their *pro rata* shares of all Workweeks. To calculate this, the Settlement Administrator will divide the Net Settlement Fund by the total number of Workweeks, then multiply by the number of Workweeks each Settlement Class Member worked.
14. Attorney Costs. Class Counsel will apply to the Court for, and Defendants will not oppose, payment of Class Counsel’s litigation costs from the Gross Settlement Fund, in an amount up to Forty Thousand Dollars (\$40,000.00). Attorney Costs shall include, but are not limited to, all costs and expenses incurred by Plaintiff in the prosecution of this action, such as filing fees, expert fees, and mediation fees. If the Court approves less than the amount requested by Class Counsel, the difference between the requested and awarded amounts will be included in the Net Settlement Fund and distributed *pro rata* to the Settlement Class Members as set forth in Paragraph 13.
15. Attorney Fees. Class Counsel will apply to the Court for, and Defendants will not oppose, payment of attorney fees from the Gross Settlement Fund in an amount up to Six Hundred Sixty-Nine Thousand Four Hundred Sixty-Two Dollars and Fifty Cents (\$669,462.50) i.e., thirty five percent (35%) of the Gross Settlement Fund. If the Court approves less than the amount requested by Class Counsel, the difference between the requested and awarded

amounts will be included in the Net Settlement Fund and distributed *pro rata* to the Settlement Class Members as set forth in Paragraph 13.

16. Enhancement Award. Class Counsel will apply to the Court for, and Defendants will not oppose, payment from the Gross Settlement Fund of up to Eight Thousand Five Hundred Dollars (\$8,500.00) to Sanchez for his service as Class Representative (“Enhancement Award”). This amount shall be paid in addition to the Plaintiff’s *pro rata* share of the Net Settlement Fund as set forth in Paragraph 13. If the Court approves less than the amount requested by Class Counsel, the difference between the requested and awarded amounts will be included in the Net Settlement Fund and distributed *pro rata* to the Settlement Class Members as set forth in Paragraph 13.
17. Settlement Administration Costs. The reasonable costs of settlement administration through and beyond final approval, are estimated to be no greater than Eight Thousand Two Hundred Dollars (\$8,200.00) and shall be paid from the Gross Settlement Fund. If the Settlement Administrator’s fees and costs are less than that amount, the difference will be included in the Net Settlement Fund and distributed *pro rata* to the remaining Settlement Class Members as set forth in Paragraph 13. If the Settlement Administrator’s fees and costs are more than that amount, the additional fees and costs will be paid from the Gross Settlement Fund.
18. PAGA Payment. The sum of One Hundred Thousand Dollars (\$100,000.00) from the Gross Settlement Fund is allocated to alleged penalties pursuant to PAGA. Of this amount, seventy-five percent (75%) or Seventy-Five Thousand Dollars (\$75,000.00) shall be payable to the California Labor and Workforce Development Agency (“LWDA”). The remainder shall be paid to those Class Members who were employed by Defendants as non-exempt employees in California during the period from October 3, 2018 to August 16, 2020 (“PAGA Period”). To determine a Class Member’s PAGA payment, the Settlement Administrator will divide the 25% of the PAGA Penalty by the total number of weeks worked by all Class Members as non-exempt employees in California during the PAGA Period (“PAGA Workweeks”), multiplied by the number of PAGA Workweeks each Class Member worked. Workweeks

will be calculated by Defendants based on time records. The amount payable to Class Members as set forth in this Paragraph will be paid to all Class Members employed during the PAGA Period, including those who may opt out of the Class Action Settlement. Any Class Member who receives a payment pursuant to this Paragraph and who opts out of the Class Action Settlement is bound by the release set forth in Paragraph 30 only as to claims arising under PAGA.

19. Taxes. The Settlement Administrator will make appropriate wage deductions and report payments on IRS Forms W-2 and 1099 as appropriate. The settlement payments to Settlement Class Members will be allocated as follows: twenty percent (20%) to wages, eighty percent (80%) to non-wages and interest. No taxes will be withheld from the Class Member's share of the PAGA penalties. The employee and employer portion of payroll taxes will be based on the wage portion only. The employee's portion of payroll taxes shall be paid from the individual settlement payments to Settlement Class Members. The employer's portion of payroll taxes will be paid by Defendants in addition to the Gross Settlement Amount. Settlement Class Members will be responsible for any other taxes associated with their settlement payments. The Parties agree that it is the obligation of the Settlement Class Members to pay appropriate federal, state, and local income taxes on all payments they receive under this Settlement Agreement. Neither Class Counsel nor Defendants' Counsel intend anything contained in this Settlement to constitute legal advice regarding the taxability of any amount paid hereunder, nor shall anything in this Settlement be relied upon as such.
20. Circular 230 Disclaimer. Each Party to this Agreement acknowledges and agrees that:
 - a. No provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR part 10, as amended);

- b. Each Party has relied exclusively upon his, her or its own independent legal and tax counsel for advice (including tax advice) in connection with this Agreement; has not entered into this Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party; and is not entitled to rely upon any communication or disclosure by any attorney or advisor to any other Party to avoid any tax penalty that may be imposed; and
- c. No attorney or advisor to any Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by any other Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

SETTLEMENT ADMINISTRATOR

- 21. Appointment. The Parties have agreed to the appointment of Simpluris, Inc. to perform the duties of Settlement Administrator for the purpose of providing notice, status reports, resolving disputes regarding the number of Workweeks allocated to Class Members, issuing and mailing settlement checks, W-2's and 1099's, and reporting the payments to the appropriate taxing agencies. Within thirty (30) calendar days from the mailing of the final settlement payments to Settlement Class Members and eligible Class Members, the Settlement Administrator shall prepare a declaration for the Court certifying that all settlement payments have been made. The Settlement Administrator shall provide such other reports as requested by counsel for the Parties or the Court, including any required declarations in support of preliminary and final approval of the Settlement.
- 22. Resolution of Disputes. All disputes relating to the Settlement Administrator's duties may be referred to the Court, if necessary, which will have continuing jurisdiction over this Settlement Agreement until all obligations contemplated by the Settlement Agreement have been fully carried out.

NOTICE TO THE SETTLEMENT CLASS

23. Notice of Settlement. The Notice of Class Action Settlement (“Notice”) as approved by the Court, shall be mailed by the Settlement Administrator by First Class U.S. Mail, in English and Spanish, to the last known address of each Class Member. The Notice is attached hereto as **Exhibit 1**. Within fourteen (14) calendar days of the Court’s Order granting Plaintiff’s Motion for Preliminary Approval, Defendants shall provide to the Settlement Administrator the names, last known address, last known telephone number, social security number, date of hire and date of termination (if applicable), number of workweeks of Class Members (as set forth in Paragraph 13) (collectively referred to as “Class List and Information”). Within ten (10) calendar days of receipt of the Class List and Information for the Class, the Settlement Administrator will complete the mailing of the Notice to all Class Members. Prior to mailing the Notice, the Settlement Administrator shall perform a National Change of Address search on the entire list of Class Members to obtain updated mailing addresses.

24. Response Deadline. The response deadline to mail any of the following shall be thirty (30) calendar days from the initial mailing of the Notice (“Response Deadline”) :

- a. Any request to be excluded from the settlement (“Request for Exclusion”);
- b. Any written statement objecting to the Settlement or written notice of intention to appear at the Final Approval hearing and object (“Objection”); and
- c. Any dispute concerning the calculation on the number of workweeks as a non-exempt employee in California during the Class Period and PAGA Period based on Defendants’ records (“Dispute”).

The date of the postmark on the envelope for any Request for Exclusion, Objection, or Dispute shall be the exclusive means used to determine whether a Class Member has timely submitted a Request for Exclusion, Objection, or Dispute.

25. Request for Exclusion. Any Request for Exclusion from the Settlement must include the Class Member's full name, address, telephone number, case name, and case number of the Action. The Request for Exclusion shall be signed by the Class Member and should state, in effect, the following: "I WISH TO BE EXCLUDED FROM THE SETTLEMENT IN THE CLASS ACTION LAWSUIT. I UNDERSTAND BY REQUESTING EXCLUSION FROM THE SETTLEMENT, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THE LAWSUIT," or otherwise provide a clear a statement that the Class Member wishes to be excluded from the Settlement. Unsigned Requests for Exclusion, those that do not comply with the requirements listed herein, or those postmarked after the Response Deadline will not be honored unless mutually agreed to by counsel for all Parties or ordered by the Court. The Settlement Administrator will provide counsel for the Parties with copies of any completed Requests for Exclusion. Neither the Parties nor their counsel will solicit or encourage Class Members to request to be excluded from the Settlement. Any Class Member who requests to be excluded from the Settlement will not be entitled to any recovery under the Settlement other than a *pro rata* portion of the amount allocated to PAGA as set forth in Paragraph 18, if eligible. In addition, any Class Member who requests to be excluded from the Settlement will not be bound by the terms of the Settlement except the release of Released Claims that arise under PAGA, if eligible, nor will they have any right to object, appeal or comment thereon. Class Members who fail to submit a valid and timely Request for Exclusion shall be bound by all terms of the Settlement and any Final Judgment entered in this Action. The Settlement Administrator shall provide the Parties with weekly updates regarding the status of any Requests for Exclusion.
26. Objections. Any Objection must be signed by the Settlement Class Member, reference the case name and case number CGC-19-579749, and state all of the following: (1) the full name of the Class Member; (2) the dates of employment of the Class Member; (3) the grounds for the objection; (4) if the Class Member intends to appear at the final approval hearing; and (5) any legal briefs, papers, or memoranda the objecting Class Member proposes to submit to

the Court. Class Members who fail to object in the manner specified above still have the right to appear in Court at the Final Approval Hearing to state his or her objections. The Settlement Administrator will notify all Parties of any Objection within five (5) business days of receipt of the Objection. Plaintiff will file any such Objection(s) with the Court in advance of the Final Approval Hearing. If the Class Member does not submit an Objection or appear in Court to object at the Final Approval Hearing, the Class Member shall be deemed to have waived his or her right to object and shall be foreclosed from making any objections to the Settlement whether by appeal or otherwise. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to object to the Settlement. The Settlement Administrator shall provide the Parties with weekly updates regarding the status of any Objections.

27. Disputes. Any Dispute must be signed by the Class Member, reference the case name and case number CGC-19-579749, and state all of the following: (1) the full name of the Class Member; (2) the number of workweeks the Class Member contends is correct; and (3) attach any documentation to support their contended number of workweeks. If there is a Dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Court will resolve any Disputes not resolved by the Settlement Administrator or the Parties. Prior to any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the Disputes without the necessity of involving the Court.

28. Returned Notice Processing. Any Notice returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto within five (5) calendar days. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address by use of skip-tracing or other search, using the name, address, and/or Social Security number of the Class Member involved. If the Settlement Administrator identifies another mailing address, the Administrator shall then perform a re-mailing. Class Members who receive a re-mailed

Notice of Class Settlement shall have fourteen (14) calendar days from the postmark date of the re-mailed Notice to submit any Request for Exclusion, Objection, or Dispute.

29. Funding of Settlement. The Gross Settlement Fund and the employer's share of payroll taxes as set forth in Paragraph 11 will be made by Defendant to the Settlement Administrator by wire transfer within ten (10) calendar days after the Effective Date. Settlement payments shall be mailed by First Class U.S. Mail to Settlement Class Members and eligible Class Members' last known mailing address within fourteen (14) calendar days after Funding. Settlement checks which are uncashed after One Hundred Twenty (120) days of issuance of the check shall be tendered to the State Controller's Office, Unclaimed Property Division in the name of the Settlement Class Member and the amount of the check that was cancelled.

RELEASE BY THE NAMED PLAINTIFF AND THE CLASS

30. Scope of Release. Upon the final approval by the Court of this Settlement Agreement, and except as to such rights or claims as may be created by this Settlement Agreement, each Class Member who has not timely requested exclusion from the settlement, fully releases and discharges Defendants, and all of their past, present, and future officers, directors, agents, employees, attorneys, insurers, re-insurers, parent companies, and subsidiaries (collectively "Released Parties"), from any and all claims, demands, rights, liabilities, actions, grievances, demands for arbitration, and causes of action, of every nature and description, that were or could have been asserted based on the facts alleged in the FAC, including but not limited to, any state or federal claims relating to the failure to pay wages and overtime, failure to provide meal or rest breaks, failure to provide accurate and complete wage statements, failure to keep requisite payroll records, failure to timely pay employees during employment or at termination, failure to reimburse employees for business expenses, unfair competition, PAGA penalties, waiting time penalties, interest, attorney fees, or any other alleged known or unknown wage and hour violations that were alleged or could reasonably have been alleged based on arising out of the acts, facts, transactions, occurrences, representations, or omissions

that were asserted in the Lawsuit (“Released Claims”). Any Class Member who receives a payment under PAGA pursuant to Paragraph 18 and who opts out of the Settlement is only bound by the release of PAGA claims.

31. Individual Release by Plaintiff. In addition to the releases made by the Settlement Class Members, Plaintiff makes the additional general release of all claims, known or unknown, in exchange and consideration of the Enhancement Award described in Paragraph 16. Plaintiff agrees to a general release of the Released Parties from all claims, demands, rights, liabilities, actions, grievances, demands for arbitration, and causes of action of every nature and description whatsoever, known or unknown, pending or threatened, asserted or that might have been asserted, whether brought in tort or in contract, whether under state, federal or local law during the Class Period. Except as otherwise specifically provided under this Settlement Agreement, Plaintiff expressly waives and relinquishes all rights and benefits afforded by § 1542 of the Civil Code of the State of California, which states: “A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”
32. Plaintiff does not release any claim which cannot be released by private agreement, such as unemployment compensation claims, workers’ compensation claims, claims of entitlement to vested benefits under any 401(k) plan or other ERISA-covered benefit plan provided by Defendants, or claims after the Effective Date of this Agreement.

JUDICIAL APPROVALS

33. Duties of Parties Prior to Preliminary Approval. The Parties shall submit this Settlement Agreement to the Superior Court for the County of San Francisco in support of Plaintiff’s Motion for Preliminary Approval. As soon as practicable after execution of this Settlement Agreement, Plaintiff shall apply to the Court for a Preliminary Approval Order substantially in the form attached hereto as **Exhibit 2** for the purpose of:

- a. Scheduling a final approval hearing on the question of whether the proposed settlement should be finally approved as fair, reasonable, and adequate as to the members of the Class;
- b. Approving Edwin Aiwarzian, Arby Aiwaizan, and Joanna Ghosh of Lawyers *for* Justice, PC and LippSmith LLP to serve as Class Counsel; and Jesus Diaz Sanchez to serve as Class Representative;
- c. Approving the form and content of the proposed Notice of Class Action Settlement (**Exhibit 1**);
- d. Approving Simpluris as the Settlement Administrator;
- e. Directing the distribution of the Notice of Class Action Settlement;
- f. Preliminarily approving the Settlement; and
- g. Provisionally certifying the Class for purposes of Settlement.

34. Duties of Parties Following Preliminary Approval. Plaintiff shall file a Motion for Final Approval of the Settlement following the completion of the Notice and opt-out process, and will submit a Proposed Final Approval Order and Judgment for review by the Court at the Final Approval hearing, substantially in the form attached hereto as **Exhibit 3** for the purpose of:

- a. Approving the Settlement, adjudging the terms thereof to be fair, reasonable, and adequate, and directing consummation of its terms and provisions;
- b. Filing a motion for attorney fees and litigation costs as set forth herein; and
- c. Entering a Judgment which permanently bars all Class Members who have not timely opted out of the Settlement from prosecuting the Released Claims against Defendants and Released Parties.

35. Voiding Settlement. If the Court declines to approve any material term or condition of this Settlement Agreement, then this entire Settlement Agreement shall be void and unenforceable as to all Parties herein at the option of any Party, within thirty (30) calendar days of receiving notice of the Court's action. Further, Defendants have the option to void

this Settlement Agreement within thirty (30) calendar days of receiving notice from the Settlement Administrator that more than five percent (5%) of the Class Members have timely completed valid Requests for Exclusion. In addition, the Settlement is predicated upon the estimated fifty-one thousand (51,000) workweeks for the time period from October 3, 2015 through June 30, 2020, i.e., Thirty-Seven Dollars and Fifty Cents (\$37.50) per workweek. If the number of workweeks is five percent (5%) higher or lower than fifty-one thousand (51,000) as of June 30, 2020, either Party, at its option, can revoke the Settlement unless the Parties both agree to adjust the Gross Settlement Fund up or down as appropriate by Thirty-Seven Dollars and Fifty Cents (\$37.50) for each workweek that exceeds the five percent (5%) threshold. Either Party may exercise its option to void this Settlement as provided in this paragraph by giving notice, in writing, to the other Party and to the Court. The Party voiding the Settlement pursuant to this paragraph shall be responsible for any costs of administration incurred up to that date.

MISCELLANEOUS PROVISIONS

36. Voluntary Nature. The Parties acknowledge that they have entered into this Settlement Agreement voluntarily, on the basis of their own judgment, and without coercion, duress, or undue influence of any Party, and not in reliance on any promises, representations, or statements made by the other Parties other than those contained in this Settlement Agreement. Each of the Parties expressly waives any right to claim that this Settlement Agreement was in any way induced by fraud.
37. Informed Consent. Prior to execution of this Settlement Agreement, each Party has read this entire Settlement Agreement and been given the opportunity to consult with independent counsel of their choosing and to have such independent counsel advise as to the meaning of this Agreement and its legal effect.
38. Authority. The signatories hereby represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

39. Cooperation. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties shall use their reasonable best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein.
40. No Admissions. Nothing contained herein is to be construed or deemed an admission of liability by Defendants. Each Party hereto has entered into this Settlement Agreement with the intention to avoid further disputes and the expense and inconvenience of litigation.
41. Enforcement. If a Party to this Settlement Agreement institutes any legal action, arbitration, or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights or obligations under this Settlement Agreement, then the prevailing Party shall recover from the unsuccessful Party, reasonable attorney fees and costs.
42. Employee Benefits. The amounts paid under this Settlement Agreement do not represent a modification of any previously credited hours of service under any employee benefit plan or policy sponsored by Defendants or Released Parties. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under, any benefit plans, policies, or programs. Any payments made under the terms of this Settlement Agreement shall not be applied retroactively, currently, or on a going-forward basis as salary, earnings, wages, or any other form of compensation for the purposes of any sponsored benefit plan, policy, or bonus program, including, but not limited to, vacation, leave, and sick policies. Defendants and Released Parties retain the right to modify the language of any benefit plans, policies and programs to effectuate this intent and to make clear that any amounts paid pursuant to this Settlement Agreement are not for any measuring term as defined by applicable plans, policies, and programs for purposes of eligibility, vesting,

benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement.

43. Construction. The Parties agree that this Settlement Agreement is the result of lengthy, intensive, arms-length negotiations between the parties and that this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which that Party has participated in the drafting of this Settlement Agreement.
44. Captions and Interpretations. Paragraph titles or captions contained herein appear as a matter of convenience and for reference, and in no way define the scope of this Settlement Agreement or any provision hereof.
45. Modifications. This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by the Counsel of the parties hereto, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.
46. Waiver. No waiver of any of the terms of this Settlement Agreement shall be valid unless in writing and signed by the party to this Settlement Agreement against whom such waiver is sought to be enforced. The waiver by any Party to any provision of this Settlement Agreement shall not operate or be construed as a waiver of any subsequent breach by any Party, nor shall any waiver operate or be construed as a rescission of this Settlement Agreement.
47. Integration. This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, 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.
48. No Prior Assignments. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, and successors. The Parties hereto represent, covenant, and warrant that they have not directly or

indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights herein released and discharged except as set forth herein.

49. Governing Law. This Settlement Agreement is made and entered into under the laws of the State of California, and shall be interpreted, applied and enforced under those laws, and any litigation concerning this Settlement Agreement shall be in the Superior Court of the County of San Francisco.

50. Execution. This Settlement Agreement may be executed via facsimile or email, in multiple counterpart copies, each of which shall be deemed an original.

51. Signatories. The Parties agree that it is impossible or impractical to have each member of the Settlement Class execute this Settlement Agreement. The Notice of Class Action Settlement (**Exhibit 1**) will advise all Class Members of the binding nature of the release, and such shall have the same force and effect as if this Settlement Agreement were executed by each Class Member.

IN WITNESS WHEREOF: the undersigned have duly executed this Agreement as of the date indicated below:

Dated: Apr 1, 2021

By:  Jesus Diaz Sanchez (Apr 1, 2021 21:22 PDT)
Jesus Diaz Sanchez
Plaintiff and Class Representative

Dated: _____

By: _____
Defendant Galleher LLC

Dated: _____

By: _____
Defendant Galleher Corporation

indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights herein released and discharged except as set forth herein.

49. Governing Law. This Settlement Agreement is made and entered into under the laws of the State of California, and shall be interpreted, applied and enforced under those laws, and any litigation concerning this Settlement Agreement shall be in the Superior Court of the County of San Francisco.
50. Execution. This Settlement Agreement may be executed via facsimile or email, in multiple counterpart copies, each of which shall be deemed an original.
51. Signatories. The Parties agree that it is impossible or impractical to have each member of the Settlement Class execute this Settlement Agreement. The Notice of Class Action Settlement (**Exhibit 1**) will advise all Class Members of the binding nature of the release, and such shall have the same force and effect as if this Settlement Agreement were executed by each Class Member.

IN WITNESS WHEREOF: the undersigned have duly executed this Agreement as of the date indicated below:

Dated: _____

By: _____
Jesus Diaz Sanchez
Plaintiff and Class Representative

Dated: 4/2/2021

By: James M. White, CFO & SUP
Defendant Galleher LLC

Dated: 4/2/2021

By: James M. White, CFO & SUP
Defendant Galleher Corporation

APPROVED AS TO FORM:

Dated: April 2, 2021

By:



Counsel for Plaintiff and Class
Representative

Dated: April 2, 2021

By:



Counsel for Defendant Galleher LLC and
Defendant Galleher Corporation

EXHIBIT 1

NOTICE OF CLASS ACTION SETTLEMENT

Superior Court of California, County of San Francisco Sanchez v. Galleher LLC and Galleher Corporation; Case No. CGC-19-579749

This Notice provides important information about a proposed settlement in the class action lawsuit brought by Jesus Diaz Sanchez (“Plaintiff”) against Galleher LLC and Galleher Corporation (“Defendants”), and your right to participate in, exclude yourself from, or object to the settlement.

A. Summary of the Claims

Plaintiff contends that Defendants violated various provisions of the California Labor Code by their alleged: (1) failure to pay Class Members wages, minimum wages and overtime for all work hours at the correct regular and premiums rates; (2) failure to provide Class Members with rest breaks or pay rest break premiums; (3) failure to provide Class Members with meal breaks or pay meal break premiums; (4) failure to provide Class Members with complete and accurate wage statements; (5) failure to timely pay Class Members all wages during employment and at termination; (6) failure to keep requisite payroll records; (7) failure to reimburse Class Members for business expenses; and (7) unfair business practices. Plaintiff also asserts a claim for civil penalties under PAGA based on the foregoing alleged violations by Defendants. Plaintiff seeks to recover on behalf of himself and other Class Members, wages, missed meal and rest break premiums, penalties, interest, costs, and attorney fees.

Defendants deny all of Plaintiff's claims and maintain that they have complied with all applicable laws. Specifically, Defendants contend that they correctly compensated Class Members for all compensable work hours at the appropriate regular and premium rates; provided Class Members with proper meal and rest periods or paid required premiums for missed or non-compliant breaks; provided Class Members with compliant wage statements and maintained requisite payroll records; timely paid Class Members all wages owing during their employment and at the time of termination; and reimbursed Class Members for all business expenses. Defendants further contend that for any purpose other than settlement, this action is not appropriate for class treatment.

The Court has not decided if Defendants violated any laws or if Plaintiff or Class Members are entitled to any money or other relief. The Court has only determined that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the final hearing.

B. Why You Are Receiving This Notice

On _____, 20__, the Superior Court of California, County of San Francisco (“the Court”) preliminarily approved a class action settlement of the lawsuit on behalf of all persons who have either been, or currently are, employed by Defendants in California as non-exempt employees (collectively “Class Members”) during the period beginning October 3, 2015 through August 16, 2020 (“Class Period”). According to Defendants' records, you are a Class

Member. Because you are a Class Member, you have the right to participate in, object to, or exclude yourself from the settlement. This Notice explains your legal rights and options with respect to the settlement.

C. The Terms of the Settlement

Defendants have agreed to pay a maximum Gross Settlement Fund of \$1,912,750 in exchange for a release of the claims asserted by Plaintiff and Class Members in the lawsuit. Out of the Gross Settlement Fund, Class Counsel will be requesting the Court to award it up to \$669,462.50 in attorney fees, up to \$40,000 in litigation costs, an Enhancement Award to Plaintiff of up to \$8,500, settlement administration costs of no more than \$8,200, and \$100,000 allocated to PAGA, 75 % of which, or \$75,000 will be paid to the Labor Workforce Development Agency ("LWDA") under PAGA. It is estimated that after deducting the attorney fees, litigation costs, Enhancement Award, amount allocated to PAGA, and administrative expenses from the Gross Settlement Fund, at least \$1,086,587.50 in additional payments ("Net Settlement Fund") will be available for distribution to Class Members.

The Net Settlement Fund will be divided among Class Members as follows: To determine your share of the Net Settlement Fund, the Net Settlement Fund will be divided by the total number of weeks worked by all Settlement Class Members as non-exempt employees in California during the Class Period, multiplied by the number of weeks worked by you as a non-exempt employee in California during the Class Period. Unless you exclude yourself from the settlement as explained below, you will receive a settlement payment.

In addition, \$25,000 from the amount allocated to PAGA will be paid to Class Members who were employed with Defendants as non-exempt employees in California during the period October 3, 2018 to August 16, 2020 ("PAGA Period"). If you worked during the PAGA Period, to determine your share of the PAGA settlement, the PAGA settlement will be divided by the total number of weeks worked by all eligible Class Members as non-exempt employees in California during the PAGA Period, multiplied by the number of weeks worked by you as a non-exempt employee in California during the PAGA Period. You will receive your portion for the PAGA settlement even if you request exclusion from the settlement.

D. Your Options

You have three options: (1) participate in the settlement and not object to the settlement; (2) participate in the settlement and object to the settlement; or (3) request exclusion from the settlement.

If you choose to participate in the settlement (i.e., remain in the Class), you may also object to the settlement, as explained below. If you remain in the Class, you will be represented by Class Counsel. Class Counsel, however, will not represent you for purposes of making objections to the settlement. If you remain in the Class, you will be subject to any Judgment that will be entered in the Action, including the release of the Released Claims as described below.

1. Participate in the Settlement

Under the settlement, you will receive a settlement payment unless you request exclusion from the settlement. According to Defendants' records, you worked ____ weeks during the Class Period as a non-exempt employee in California. As such, your settlement payment is estimated to be \$_____.

Even if you request exclusion, you will receive a portion of the PAGA settlement if you worked during the PAGA Period. According to Defendants' records, you worked ____ weeks during the PAGA Period as a non-exempt employee in California. As such, your share of the PAGA settlement is estimated to be \$_____.

If you believe that the number of weeks worked is incorrect, you should provide the Settlement Administrator with an explanation, along with any documentation relating to your disagreement by no later than _____, 2021. If there is a dispute about the number of weeks you worked, the Settlement Administrator will review the Defendants' records and your records to attempt to resolve the dispute.

You should send your explanation and documentation regarding any dispute to the Settlement Administrator at the following address:

Galleher Class Action Settlement Administrator

c/o _____

P.O. Box _____

_____, _____
() ____ - ____

Settlement checks will be mailed to Settlement Class Members, so if your address changes, you should inform the Settlement Administrator of the change. Your settlement payment will be mailed to you some time after the Court grants final approval of the settlement at the Final Approval Hearing.

20 % of your settlement payment is allocated to wages, and taxes will be withheld from that portion and will be reported on a W-2. The remaining 80 % of your settlement payment is allocated to non-wages and interest. No taxes will be withheld from this portion and will be reported on a 1099. If you received a portion of the PAGA settlement, no taxes will be withheld from this portion and will be reported on a 1099. Settlement Class Members are responsible for the proper income tax treatment of their settlement payments. The Settlement Administrator, Defendants and their counsel, and Plaintiff and Class Counsel cannot and are not providing tax advice concerning the tax consequences and treatment of any settlement payment received by Settlement Class Members.

2. Object to the Settlement

If you do not exclude yourself from the settlement, you have the right to object to the settlement. To do so, you must mail to the Settlement Administrator at the address noted above, your objection in writing. To be valid, your objection must be filed mailed to Settlement

Administrator and postmarked no later than _____, 2021. Class Counsel will provide the Court with your objection prior to the final approval hearing. You can also hire an attorney at your own expense to represent you in your objection.

An objection must be signed by you, it must reference case number CGC-19-579749, and state all of the following: (1) your full name; (2) your dates of employment with Defendants in California; (3) the grounds for the objection; (4) if you intend to appear at the final approval hearing; and (5) include any legal briefs, papers or memoranda you propose to submit to the Court in support of your objection. If you fail to make your objection in the manner specified above, you still have the right to appear in Court at the Final Approval Hearing to state your objections. If you do not submit a written objection or appear in Court to object at the Final Approval Hearing, you will be deemed to have waived your right to object and shall be foreclosed from making any objections to the settlement whether by appeal or otherwise.

3. Exclude Yourself from the Settlement

If you wish to exclude yourself from the settlement, you must mail to the Settlement Administrator a valid request to be excluded from the settlement. The request must include your full name, address, telephone number, case name, and the case number CGC-19-579749. The request to be excluded from the settlement should state, in effect, the following: "I WISH TO BE EXCLUDED FROM THE SETTLEMENT IN THE CLASS ACTION LAWSUIT. I UNDERSTAND BY REQUESTING EXCLUSION FROM THE SETTLEMENT, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THE LAWSUIT." The request for exclusion from the settlement must be postmarked no later than _____, 2021, and mailed to the Settlement Administrator at the address noted above. If you exclude yourself from the settlement, you will not be entitled to recover any settlement payment except your share of the PAGA settlement if you worked during the PAGA Period. You will also not be allowed to object to the settlement but you will retain the right to bring any claims you may have against Defendants.

E. Release of Claims

Unless you timely exclude yourself from the settlement, upon the final approval by the Court of this Settlement Agreement, and except as to such rights or claims as may be created by this Settlement Agreement, each Class Member who has not timely requested exclusion from the Settlement, fully releases and discharges Defendants, and all of their past, present, and future officers, directors, agents, employees, attorneys, insurers, re-insurers, parent companies, and subsidiaries (collectively "Released Parties"), from any and all claims, demands, rights, liabilities, actions, grievances, demands for arbitration, and causes of action, of every nature and description, that were or could have been asserted based on the facts alleged in the FAC, including but not limited to, any state or federal claims relating to the failure to pay wages and overtime, failure to provide meal or rest breaks, failure to provide accurate and complete wage statements, failure to keep requisite payroll records, failure to timely pay employees during employment or at termination, failure to reimburse employees for business expenses, unfair competition, PAGA penalties, waiting time penalties, interest, attorney fees, or any other alleged known or unknown wage and hour violations that were alleged or could reasonably have been alleged based on arising out of the acts, facts, transactions, occurrences, representations, or omissions that were asserted in

the Lawsuit (“Released Claims”). Any Class Member who receives a payment under PAGA and who opts out of the Settlement is only bound to the release of PAGA claims.

F. Final Approval Hearing

The Court has scheduled a Final Approval Hearing for _____, 2021, at _____ a.m. in Department ____ of the Superior Court of California, County of San Francisco, located at 400 McAllister Street, San Francisco, CA 94102. At the Final Approval Hearing, the Court will decide whether to grant final approval of the settlement. The Court will also rule on the application by Plaintiff for an award of attorney fees, litigation costs, administration costs, payment to the LWDA, and an Enhancement Award to Plaintiff. You have the right to attend the Final Approval Hearing and address the Court. You also have the right to retain an attorney at your own expense to speak on your behalf. You are not required to attend the Final Approval Hearing.

G. Where to Get More Information

If you want more information about the lawsuit or the settlement, you can contact Class Counsel or any other advisor of your choice. You can also view and obtain copies of lawsuit and related documents in the Court’s file by going to the Clerk’s office. **DO NOT CONTACT THE JUDGE OR JUDGE’S COURTROOM CLERK.** Below is the contact information for the lawyers representing the Parties and for the Clerk of the Court.

Class Counsel

Edwin Aiwanian
Lawyers for Justice, PC
410 West Arden Ave., Suite 203
Glendale, CA 91203
Telephone: (818) 265-1020
Facsimile: (818) 265-1021
Email: edwin@calljustice.com

Graham B. LippSmith
LippSmith LLP
555 S. Flower Street, Suite 4400
Los Angeles, CA 90071
Telephone: (213) 344-1820
Facsimile: (213) 513-2495
Email: contact@lippsmith.com

Defendants' Counsel

Jeffrey Fuchsman
Ballard Rosenberg Golper &
Savitt, LLP
15760 Ventura Blvd., 18th Floor
Encino, CA 91436
Telephone: (818) 508-3700
Facsimile: (818) 506-4827
Email:
jfuchsman@brgslaw.com

The Court

Superior Court of California
County of San Francisco
400 McAllister St.
San Francisco, CA 94102
www.sfsuperiorcourt.org

BY ORDER OF THE COURT ENTERED ON _____ 2021.

EXHIBIT 2

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO**

JESUS DIAZ SANCHEZ, individually, and on
behalf of other members of the general public
similarly situated,

Plaintiff,

vs.

GALLEHER LLC, a California limited
liability company; GALLEHER
CORPORATION, an unknown business
entity; and DOES 1 through 100, inclusive,

Defendants.

Case No. CGC-19-579749

Hon. Garrett L. Wong, Dept. 610

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

DATE:
TIME:
DEPT.:

Action Filed: October 3, 2019
Trial Date: None Set

1 On _____, 2021, the Honorable Garrett L. Wong considered Plaintiff Jesus Diaz
2 Sanchez’s (“Plaintiff”) Motion for Preliminary Approval of Class Action Settlement and
3 Provisional Class Certification for Settlement Purposes Only (“Approval Motion”), Declarations
4 of Edwin Aiwazian, Graham B. LippSmith, Kimberly Sutherland, and Jesus Sanchez Diaz; the
5 Joint Stipulation for Class Action Settlement (“Settlement Agreement”); Notice of Class Action
6 Settlement (“Class Notice”); and other documents submitted in support of the Approval Motion.

7 Lawyers *for* Justice, PC and LippSmith LLP appeared for and on behalf of Plaintiff and the
8 Putative Class; Jeffrey Fuchsman of Ballard Rosenberg Golper & Savitt, LLP appeared on behalf
9 of Defendants Galleher LLC and Galleher Corporation (“Defendants”).

10 Having considered the Approval Motion, the Declarations, and all supporting legal
11 authorities and documents, the Court orders as follows:

12 **IT IS HEREBY ORDERED THAT:**

13 1. The Court grants preliminary approval of the Settlement Agreement.

14 2. This Order incorporates by reference the definitions in the Settlement Agreement,
15 attached as **Exhibit 1** to the Declaration of Graham B. LippSmith, and all terms defined therein
16 shall have the same meaning in this Order as set forth in the Settlement Agreement.

17 3. For settlement purposes only, the Court provisionally certifies the following
18 Settlement Class: All current and former non-exempt hourly employees of Defendants in
19 California during the period beginning October 3, 2015 through August 16, 2020. Excluded from
20 the Settlement Class are persons who validly and timely exclude themselves using the procedures
21 set forth in the Settlement Agreement, as well as any judicial officer who presides over this matter
22 and members of their family.

23 4. The Court preliminarily appoints named Plaintiff Jesus Diaz Sanchez as Class
24 Representative.

25 5. The Court preliminarily appoints Edwin Aiwazian, Arby Aiwazian, and Joanna
26 Ghosh of Lawyers *for* Justice, PC and LippSmith LLP as Class Counsel. For purposes of these
27 settlement proceedings, the Court finds Plaintiff’s Counsel adequate, competent, and capable of
28 performing their responsibilities as Class Counsel.

1 6. The Court preliminarily approves the proposed class Settlement upon the terms and
2 conditions set forth in the Settlement Agreement. The Court finds, on a preliminary basis, that the
3 Settlement appears to be within the range of reasonableness of settlement that the Court could
4 ultimately grant final approval. It appears to the Court, on a preliminary basis, that the Settlement
5 amount is fair, adequate, and reasonable as to all potential Class members when balanced against
6 the probable outcome of further litigation relating to liability and damages issues. It further
7 appears that the Parties have conducted extensive and costly investigation and research, such that
8 counsel for the Parties are reasonably able to evaluate their respective positions at this time. It
9 further appears to the Court that the Settlement will avoid the Parties incurring substantial
10 additional costs, as well as the delay and risks that further prosecution of the Action would
11 presented. It further appears that the Settlement has been reached as the result of intensive, non-
12 collusive, arm's-length negotiations utilizing an experienced mediator. Preliminary approval is not
13 a final finding that the Settlement Agreement is fair, reasonable, and adequate. Instead, the Court
14 has determined that reasonable cause exists to submit the proposed Settlement Agreement to
15 Settlement Class Members and to hold a hearing on the fairness of the proposed settlement and on
16 final approval of the settlement ("Final Approval Hearing"), and ultimately approve the
17 Settlement.

18 7. The Court approves, as to form and content, the proposed Class Notice attached as
19 **Exhibit 1** to the Settlement Agreement. These materials (a) provide the best practicable notice;
20 (b) are reasonably calculated, under the circumstances, to apprise Settlement Class Members of the
21 pendency of the action, the terms of the proposed settlement, and of their right to appear, object to,
22 or exclude themselves from the proposed settlement; (c) are reasonable and constitute due, adequate,
23 and sufficient notice to all persons entitled to receive notice; and (d) comply fully with the
24 requirements of the California Rules of Court, the California Code of Civil Procedure, the California
25 Civil Code, the Constitution of the State of California, the United States Constitution, and any other
26 applicable law.

27 8. The Court directs the mailing of the Class Notice by first-class mail to the Class
28 Members in accordance with the schedule and procedures set forth in the Settlement Agreement.

1 The Court finds that the dissemination of the Class Notice set forth in the Settlement Agreement
2 complies with the requirements of due process of law and appears to be the best notice practicable
3 under the circumstances.

4 9. The Court hereby preliminarily approves the definition and disposition of the Gross
5 Settlement Amount of \$1,912,750, which is inclusive of payment of attorney fees not to exceed
6 \$669,462.50 which is 35 % of the Gross Settlement Amount; costs not to exceed \$40,000;
7 Enhancement Award of \$8,500 to Plaintiff; PAGA penalties of \$100,000 (of which 75% or
8 \$75,000 will be paid to the LWDA and 25% or \$25,000 will be paid to eligible Class Members);
9 and cost of Settlement Administration not to exceed \$8,200. Defendants shall pay the employer's
10 share of payroll taxes on the portion of the Gross Settlement Amount payable to Settlement Class
11 Members as wages, in addition to the Gross Settlement Amount.

12 10. The Court appoints Simpluris, Inc. as the Settlement Administrator and approves
13 payment of Settlement Administration costs, not to exceed \$8,200, out of the Gross Settlement
14 Amount for services to be rendered by Simpluris on behalf of the Class. The Settlement
15 Administrator shall prepare and submit to Class Counsel and Defendants' Counsel a declaration
16 attesting to the completion of the notice process as set forth in the Settlement Agreement,
17 including an explanation of efforts to resend any Class Notice returned undeliverable and the total
18 number of opt-outs and objections received before and after the deadline.

19 11. The Court directs Defendants to provide the Settlement Administrator with the
20 "Class List" for Class Members providing the following information: (1) names; (2) last known
21 home address and telephone numbers; (3) date of hire; (4) date of termination; (5) number of work
22 weeks; and (6) social security number, as set forth in the Settlement Agreement. Defendants shall
23 provide the "Class List" as referenced herein to the Settlement Administrator in accordance with
24 the procedure and deadlines set forth in the Settlement Agreement within fourteen (14) calendar
25 days of this Order.

26 12. The Settlement Administrator shall use the National Change of Address database
27 (U.S. Postal Service) to check for updated addresses for Class Members and shall then mail, via
28 first class U.S. mail, the Class Notice to Class Members as approved in paragraph 5 herein, in

1 accordance with the procedure and deadlines set forth in the Settlement Agreement. The
2 Settlement Administrator shall mail the Notice within ten (10) calendar days of receipt of the
3 Class List and Information for the Class. The deadline by which Class Members may dispute the
4 number of workweeks, opt-out or object shall be thirty (30) days from the date of the Settlement
5 Administrator's mailing of the Class Notice. Any Class Member who desires to be excluded from
6 the Settlement must timely mail his or her written request for exclusion in accordance with the
7 Class Notice. All such persons who properly and timely exclude themselves from the Settlement
8 shall not be Class Members and shall have no rights with respect to the settlement, no interest in
9 the settlement proceeds, and no standing to object to the proposed settlement. However, Class
10 Members who request exclusion but were employed during the PAGA Period as defined in the
11 Settlement Agreement will receive their pro rata portion of the PAGA settlement, upon final
12 approval of the Settlement.

13 13. The deadline for filing objections to any of the terms of the Settlement shall be
14 thirty (30) days from the Settlement Administrator's mailing of the Class Notice. Any Class
15 Member who wishes to object to the Settlement must either serve a written objection on the
16 Settlement Administrator or appear at the Final Approval hearing to object. The Settlement
17 Administrator will email a copy of any written objections to Class Counsel and counsel for
18 Defendants. Class Counsel will file any objections with the Court. The objection should set forth,
19 in a clear and concise manner, the factual and legal basis for the objection. Class Members who
20 fail to object in the manner specified above still have the right to appear in Court at the Final
21 Approval Hearing to state his or her objections. Any Class Member who fails to make his or her
22 objection in the manner provided for in this Order shall be deemed to have waived such objection
23 and shall forever be foreclosed from making any objection to or appeal of the fairness,
24 reasonableness or adequacy of the Settlement as incorporated in the Settlement Agreement, or to
25 the award of attorney fees, costs, or incentive award to class representative.

26 14. All papers filed in support of Final Approval, including supporting documents for
27 attorney fees and costs shall be filed fourteen (14) calendar days before the Final Approval
28 Hearing.

1 15. Class Counsel and Counsel for Defendants shall file any responses to any written
2 objections submitted to the Court in accordance with the time frame set forth in the Settlement
3 Agreement.

4 16. A Final Approval hearing shall be held with the Court on _____,
5 at _____ a.m./p.m., in Department ____ of the Superior Court of California County of San
6 Francisco, 400 McAllister St, San Francisco, CA 94102, to determine (1) whether the proposed
7 settlement is fair, reasonable, and adequate and should be finally approved by the Court; (2) the
8 amount of attorney fees and costs to award Class Counsel; and (3) the amount of incentive award
9 to the Class Representative. The Settlement Administrator shall provide Notice of any continuance
10 of the Final Approval hearing to any Class Members who have submitted an objection to the
11 Settlement.

12 17. In the event the Settlement does not become effective in accordance with the terms
13 of the Settlement, or the Settlement is not finally approved, or is terminated, cancelled or fails to
14 become effective for any reason, this Order shall be rendered null and void and shall be vacated,
15 and the Parties shall revert to their respective positions as of the commencement of the Action.
16 The Parties will be free to assert any claim or defense that could have been asserted at the outset of
17 the Action.

18 18. Class Counsel and Counsel for Defendants are authorized to establish other means
19 necessary to effectuate the terms of the Settlement Agreement.

20 **IT IS SO ORDERED.**

21
22 DATED: _____

Honorable Garrett L. Wong
Judge of the Superior Court

EXHIBIT 3

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO**

JESUS DIAZ SANCHEZ, individually, and on
behalf of other members of the general public
similarly situated,

Plaintiff,

vs.

GALLEHER LLC, a California limited
liability company; GALLEHER
CORPORATION, an unknown business
entity; and DOES 1 through 100, inclusive,

Defendants.

Case No. CGC-19-579749

Hon. Garrett L. Wong, Dept. 610

**[PROPOSED] ORDER GRANTING
FINAL APPROVAL OF CLASS ACTION
SETTLEMENT AND JUDGMENT**

DATE:
TIME:
DEPT.:

Action Filed:
Trial Date:

October 3, 2019
None Set

1 The Motion for Final Approval of the Settlement (the “Final Approval Motion”) as set
2 forth in the Stipulation of Class Action Settlement (the “Settlement Agreement”) came for hearing
3 on _____, in Department ____ of the above-entitled court. On _____, 2021, the
4 Court entered an order granting preliminary approval of the settlement. The Final Approval
5 Motion was unopposed by Defendants Galleher LLC and Galleher Corporation. Having
6 considered the Final Approval Motion, the Settlement Agreement, the Declarations, and all other
7 materials properly before the Court and having conducted an inquiry pursuant to California Rules
8 of Court, rule 3.769(g), the Court finds that the Settlement Agreement was entered by all parties in
9 good faith, and the Settlement Agreement is approved. Due and adequate notice having been given
10 to the Class, and the Court having considered the Settlement Agreement, all papers filed and
11 proceedings had herein and all oral and written comments received regarding the proposed
12 settlement, and having reviewed the record in this Litigation, and good cause appearing,

13 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED AS FOLLOWS:

- 14 1. The Court grants final approval of the Settlement Agreement.
- 15 2. The Court, for purposes of this Judgment and Order (“Judgment”), refers to all
16 defined terms as set forth in the Settlement Agreement.
- 17 3. The Court has jurisdiction over the subject matter over this Action, the Class
18 Representative, the Class Members, and Defendants.
- 19 4. The Court finds that the distribution of the Class Notice, as provided for in the
20 Order Granting Preliminary Approval of the Settlement, constituted the best notice practicable
21 under the circumstances to all Class Members and fully met the requirements of California law
22 and due process under the Constitution of the State of California and United States Constitution.
23 Based on evidence and other material submitted, the actual notice to the Class was adequate and
24 reasonably calculated, under the circumstances, to apprise Settlement Class Members of the
25 pendency of the action, the terms of the proposed settlement, and of their right to appear, object to,
26 or exclude themselves from the proposed settlement.
- 27 5. The Court finds that the instant Action presented a good faith dispute of the claims
28 alleged, and the Court finds in favor of settlement approval. Specifically, the claims on behalf of

1 the Class Members included the alleged (1) failure to pay Class Members wages, minimum wages
2 and overtime for all work hours at the correct regular and premiums rates; (2) failure to provide
3 Class Members with rest breaks or pay rest break premiums; (3) failure to provide Class Members
4 with meal breaks or pay meal break premiums; (4) failure to provide Class Members with
5 complete and accurate wage statements; (5) failure to timely pay Class Members all wages during
6 employment and at termination; (6) failure to keep requisite payroll records; (7) failure to
7 reimburse employees for business expenses; (7) unfair business practices; and (8) claims for civil
8 penalties under the California Private Attorneys General Act of 2004 (“PAGA”).

9 6. ___ Class Members requested Exclusion from the Settlement following a full and
10 fair opportunity to do so, so all Class Members are entitled to payment pursuant to the Settlement
11 and this Judgment.

12 7. ___ Class Members objected to the Settlement following a full and fair
13 opportunity to participate in the Final Approval Hearing.

14 8. The Court approves the Settlement, as set forth in the Settlement Agreement and
15 each of the releases and other terms, as fair, just, reasonable, and adequate. The Parties are
16 directed to perform in accordance with the terms set forth in the Settlement Agreement.

17 9. The Parties are to bear their own costs, except as otherwise provided in the
18 Settlement Agreement.

19 10. For purposes of effectuating this Order and Judgment (including the Released
20 Claims), this Court makes final its earlier provisional certification of the following class: All
21 current and former non-exempt hourly employees of Defendants in California during the period
22 beginning October 3, 2015 through August 16, 2020. The Court deems this definition sufficient
23 for purposes of California Rules of Court, rule 3.765(a). Excluded from the Settlement Class are
24 persons who validly and timely exclude themselves using the procedures set forth in the
25 Settlement Agreement, as well as any judicial officer who presides over this matter and members
26 of their family.

27 11. With respect to the Settlement Class and for purposes of approving this Settlement,
28 this Court finds and concludes as follows: (a) the Class Members are ascertainable and so

1 numerous that joinder of all members is impracticable; (b) there are questions of law or fact
2 common to the Class Members, and there is a well-defined community of interest among the Class
3 Members with respect to the subject matter of the Action; (c) the claims of the Class
4 Representative are typical of the claims of the Class Members; (d) the Class Representative has
5 fairly and adequately protected the interests of the Class Members; (e) a class action is superior to
6 other available methods for an efficient adjudication of this controversy; and (f) Class Counsel are
7 qualified to serve as counsel for the Plaintiff in his individual and representative capacity and for
8 the Settlement Class.

9 12. The Court further finds that the Settlement is fair, adequate, and reasonable and in
10 the best interests of the Class. The Court finds that the Parties reached the Settlement following
11 meaningful discovery and investigation conducted by Class Counsel and that the Settlement is the
12 result of serious, informed, adversarial, and arms-length negotiations between the Parties. In so
13 finding, the Court has considered all of the evidence presented, including evidence regarding the
14 strength of Plaintiff's case; the risk, expense, and complexity of the claims presented; the likely
15 duration of further litigation; the amount offered in the Settlement; the extent of investigation and
16 discovery completed; and the experience and views of Class Counsel.

17 13. By this Judgment, the Class Representative shall release, relinquish, and discharge,
18 and each of the Settlement Class Members shall be deemed to have, and by operation of the
19 Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released
20 Claims, as defined in the Settlement Agreement.

21 14. Neither the Settlement Agreement nor the Settlement contained therein, nor any act
22 performed or document executed pursuant to or in furtherance of the Settlement Agreement or the
23 Settlement (i) is or may be deemed to be or may be used by the Plaintiff or Class Members as an
24 admission of, or evidence of, the validity of any of the Class Members' Released Claims, or of any
25 wrongdoing or liability of Defendants or any of the other Released Parties; or (ii) is or may be
26 deemed to be or may be used by the Plaintiff or Class Members as an admission of, or evidence of,
27 any fault or omission of Defendants or any of the other Released Parties in any civil, criminal, or
28 administrative proceeding in any court, administrative agency, or other tribunal.

1 15. The Gross Settlement Amount to be paid under the Settlement Agreement is
2 \$1,912,750. From this amount, Class Counsel collectively sought an award of attorney fees of
3 \$669,462.50, litigation expenses of \$_____, an Enhancement Award for Plaintiff of
4 \$8,500, \$8,200 to Simpluris as the Settlement Administrator, and \$100,000 for PAGA penalties,
5 \$75,000 of which is paid to the California Labor and Workforce Development Agency (“LWDA”)
6 and \$25,000 to eligible Class Members who were employed during the PAGA Period as set forth
7 in the Settlement Agreement. Defendants do not oppose these requests.

8 16. The Court finds that the amounts for the attorney fees, litigation costs and
9 expenses, Enhancement Award, costs of settlement administration, and allocation toward PAGA
10 penalties are fair, reasonable, and appropriate in light of the services and work performed, costs
11 incurred and to be incurred, and the results achieved in this Action.

12 17. The Court finds that the Settlement Amount is fair, reasonable and adequate, and
13 awards the payments set forth below from the Settlement Amount:

- 14 A) \$_____ to Class Counsel for attorney fees;
15 B) \$_____ to Class Counsel for litigation costs and expenses;
16 C) \$_____ to Plaintiff as an Enhancement Award;
17 D) \$8,200 to the Settlement Administrator for the costs of settlement
18 administration; and
19 E) \$75,000 to the LWDA; and
20 F) After deducting the foregoing payments from the Settlement Amount, the
21 remainder shall form the Net Settlement Fund payable to the Settlement Class Members as set
22 forth in the Settlement Agreement and as calculated by the Settlement Administrator.

23 18. The Settlement Administrator is directed to calculate the Class Members’
24 Individual Settlement Amounts from the Net Settlement Fund and issue all payments within and in
25 accordance with the Settlement Agreement and the timeline set forth below:

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27

_____, 2021	The Effective Date occurs
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28

_____, 2021	Defendant to issue the Gross Settlement Amount of \$1,912,750 plus the employer's share of payroll taxes on the wage portion of the Settlement to the Settlement Administrator.
_____, 2021	The Settlement Administrator shall issue payments to the Settlement Class Members, Class Counsel, Plaintiff, the LWDA and itself.
_____, 2022 (120 days after date of issuance of settlement check by the Settlement Administrator)	Deadline for Class Members to cash checks. Settlement Administrator shall issue the uncashed check fund to the California State Controller's Office, Unclaimed Property Division.
_____, 2021	Class Counsel shall file a declaration from the Settlement Administrator setting forth the disbursements that were actually made.

19. Settlement Class Members shall have 120 days to negotiate the settlement check from the date of issuance by the Settlement Administrator. If a Class Member does not negotiate their check within this time period, the check shall be tendered to the State Controller's Office, Unclaimed Property Division in the name of the Settlement Class Member and the amount of the check that was cancelled. The value of the unclaimed funds in the Settlement Administrator's account as a result of a failure to timely cash a settlement check shall be sent to the California State Controller Unclaimed Property.

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1 20. This document shall constitute a Judgment for purposes of California Rule of Court
2 3.769(h). The Court reserves exclusive and continuing jurisdiction over the Action, the Class
3 Representative, the Class Members, and Defendants for the purposes of supervising the
4 implementation, enforcement, construction, administration, and interpretation of the Settlement
5 Agreement and this Judgment.

6
7 **IT IS SO ORDERED.**

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9
10 DATED: _____

Honorable Garrett L. Wong
Judge of the Superior Court