

1 JUSTICE LAW CORPORATION
Douglas Han (SBN 232858)
2 ghan@justicelawcorp.com
Shunt Tatavos-Gharajeh (SBN 272164)
3 statavos@justicelawcorp.com
Jason Rothman (SBN 304961)
4 jrothman@justicelawcorp.com
Arsine Grigoryan (SBN 319517)
5 agrigoryan@justicelawcorp.com
751 N. Fair Oaks Ave., Suite 101
6 Pasadena, California 91103
Telephone: (818) 230-7502
7 Facsimile: (818) 230-7259

8 Attorneys for Plaintiffs Neil Fraser and Cody Lamont,
9 on behalf of themselves and all others similarly situated

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **FOR THE COUNTY OF LOS ANGELES**

12 NEIL FRASER and CODY LAMONT,
13 individually, and on behalf of other members
14 of the general public similarly situated,

15 Plaintiffs,

16 v.

17 VALLEY POWER SYSTEMS, INC., a
18 California corporation, VALLEY POWER
SYSTEMS NORTH, INC., a California
19 corporation; and DOES 1 through 100,
inclusive,

20 Defendants.
21

Case No.: 20STCV00279

CLASS ACTION

Assigned for All Purposes To:
Hon. Carolyn B. Kuhl
Dept.: 12

**SUPPLEMENTAL DECLARATION OF
DOUGLAS HAN IN SUPPORT OF
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

[[Proposed] Order filed concurrently
herewith]

Non-Appearence Case Review:

Hearing Date: July 21, 2022
Hearing Time: 4:30 p.m.
Place: Department 12

Complaint Filed: January 6, 2020
First Amended: March 26, 2021
Trial Date: None Set

DECLARATION OF DOUGLAS HAN

I, Douglas Han, declare as follows:

1. I am an attorney duly licensed to practice law before all courts of the State of California. I am the founding member of Justice Law Corporation. I am the attorney of record for Plaintiffs Neil Fraser and Cody Lamont ("Plaintiffs" or "Class Representatives") and the putative class members (the "Class" or "Class Members"), on behalf of similarly situated employees of VALLEY POWER SYSTEMS, INC., a California corporation, VALLEY POWER SYSTEMS NORTH, INC., a California corporation (collectively "Defendants") (Plaintiffs and Defendants are collectively referred to herein as the "Parties") I and my firm are referred to herein as Class Counsel. I have personal knowledge of the facts set forth below and if called to testify I could and would do so competently.

2. All of the matters set forth herein are within my personal knowledge, except those matters that are stated to be upon information and belief. As to such matters, I believe them to be true. I have represented Plaintiff and the putative Class since the inception of this matter. I submit this supplemental Declaration in support of the Motion for Preliminary Approval, filed by Plaintiffs, on behalf of themselves and other similarly situated employees of Defendants, and without opposition from Defendants. I submit this declaration pursuant to the Court's request for changes during the Preliminary Approval hearing on June 15, 2022.

3. Modification to the Installment Payment Distributions in the Settlement Agreement and Class Notice: The Parties have revised the Joint Stipulation of Class Action Settlement ("Stipulation") to comply with the Court's June 15, 2022, comments as to Plaintiff's Preliminary Approval motion. During said time the Court asked the Parties to breakdown the settlement distribution into two separate payments as the payment plan to fully fund the Maximum Settlement Amount is two years. After each installment payment is received, said installment will be used to pay the (i) Individual Settlement Amounts; (ii) the Class Representative Enhancement Payment; (iii) Attorneys' Fees and Costs; (iv) the PAGA Payment; and the (v) Settlement Administration Costs, in an amount equal to the installment payment. This will result in two payments to everyone who is to be paid under the Maximum Settlement

1 Amount. Each payment representing half of the Maximum Settlement Amount (outside of
2 accrued interest which will be included in the final distribution to those Participating Class
3 Members)

4 4. These changes are reflected on paragraphs 32, 33, 34, 36, 37(c), 38(c), and 52 of
5 the Stipulation. Attached hereto is the revised Stipulation, a true and correct copy of which is
6 attached hereto as Exhibit 1. A true and correct copy of the redlined Stipulation is attached
7 hereto as Exhibit 1(a).

8 5. These changes are also reflected in the Class Notice. Attached hereto is the
9 revised Class Notice, a true and correct copy of which is attached hereto as Exhibit 2. A true and
10 correct copy of the redlined Class Notice is attached hereto as Exhibit 2(a). The non-redlined
11 version of the Class Notice is also included as Exhibit A to the Stipulation (Exhibit 1).

12 6. Modifications to the Deadline for Class Members to Dispute Workweeks in the
13 Settlement Agreement: The Parties have revised the Joint Stipulation of Class Action
14 Settlement (“Stipulation”) to comply with the Court’s June 15, 2022, comments as to Plaintiff’s
15 Preliminary Approval motion. During said time the Court asked the Parties to establish a
16 deadline for Class Members to be able to dispute the workweeks worked. This change is
17 reflected in paragraph 45 of the Stipulation. Attached hereto is the revised Stipulation, a true
18 and correct copy of which is attached hereto as Exhibit 1. A true and correct copy of the
19 redlined Stipulation is attached hereto as Exhibit 1(a). This information is also included in the
20 Class Notice under Section III.B. entitled “Your Workweeks Based on Defendants’ Records,” a
21 true and correct copy of which is attached hereto as Exhibit 2.

22 7. Modifications to the Deadline for Class Members to Respond to the Class Notice
23 if a Notice Needs to be Re-Mailed: The Parties have revised the Joint Stipulation of Class
24 Action Settlement (“Stipulation”) to comply with the Court’s June 15, 2022, comments as to
25 Plaintiff’s Preliminary Approval motion. During said time the Court asked the Parties to provide
26 additional time for Class Members to respond if their Class Notice needed to be re-mailed due
27 to skip tracing and/or other tracking efforts done by the Settlement Administrator. This change
28 is reflected in paragraph 27 of the Stipulation. Attached hereto is the revised Stipulation, a true

1 and correct copy of which is attached hereto as Exhibit 1. A true and correct copy of the
2 redlined Stipulation is attached hereto as Exhibit 1(a).

3 8. Modifications to the Class Notice to Inform Class Members of the Multiple
4 Installment Payments and Importance to Keep Contact Information Updated: The Parties have
5 revised the Joint Stipulation of Class Action Settlement (“Stipulation”) to comply with the
6 Court’s June 15, 2022, comments as to Plaintiff’s Preliminary Approval motion. During said
7 time the Court asked the Parties to revise the Class Notice in a way that would best convey the
8 importance for each Class Member to keep the Settlement Administrator updated as to any
9 change of address and/or contact information updates. This change to the Class Notice is
10 reflected (i) on the very first page, very close to the top, in all capitalized terms, in bold font,
11 and also underlined, and again4 (ii) under Section III.A. Attached hereto is the revised Class
12 Notice, a true and correct copy of which is attached hereto as Exhibit 2. A true and correct copy
13 of the redlined Class Notice is attached hereto as Exhibit 2(a). The non-redlined version of the
14 Class Notice is also included as Exhibit A to the Stipulation (Exhibit 1).

15 9. Revisions to the [Proposed] Order to Conform to the Changes Requested by the
16 Court: Plaintiffs have revised the [Proposed] Order to include the above revisions to the
17 settlement agreement and class notice, to the extent to they were also referenced in the
18 [Proposed] Order. Plaintiffs have also included the proposed Final Approval date of December
19 15, 2022, at 11:30 a.m., if such a date and time works with the Court’s calendar. If such a date
20 does not, then any date after December 15, 2022, will also work with the Parties. Attached
21 hereto is the revised [Proposed] Order, a true and correct copy of which is attached hereto as
22 Exhibit 3.

23 I declare under penalty of perjury that the foregoing is true and correct. Executed on this
24 13th day of July, 2022, at Pasadena, California..

25 
26 _____

27 Douglas Han
28

EXHIBIT 1

1 JUSTICE LAW CORPORATION
2 Douglas Han (SBN 232858)
3 ghan@justicelawcorp.com
4 Shunt Tatavos-Gharajeh (SBN 272164)
5 statavos@justicelawcorp.com
6 Jason Rothman (SBN 304961)
7 jrothman@justicelawcorp.com
8 751 N. Fair Oaks Ave., Suite 101
9 Pasadena, California 91103
10 Telephone: (818) 230-7502
11 Facsimile: (818) 230-7259

12 Attorneys for Plaintiffs Neil Fraser and Cody Lamont,
13 on behalf of themselves and all others similarly situated

14 Lawrence H. Stone (SBN 146797)
15 lawrence.stone@jacksonlewis.com
16 Steven M. Zimmerman (SBN 279647)
17 steven.zimmerman@jacksonlewis.com
18 JACKSON LEWIS P.C.
19 725 South Figueroa Street, Suite 2500
20 Los Angeles, California 90017-5408
21 Telephone: (213) 689-0404
22 Facsimile: (213) 689-0430

23 Attorneys for Defendants Valley Power Systems, Inc., and
24 Valley Power Systems North, Inc.

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27
28
SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

NEIL FRASER and CODY LAMONT,
individually, and on behalf of themselves and
others similarly situated,

Plaintiff,

v.

VALLEY POWER SYSTEMS, INC., a
California corporation, VALLEY POWER
SYSTEMS NORTH, INC., a California
corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: 20STCV00279

CLASS ACTION

Assigned for All Purposes To:
Hon. Carolyn B. Kuhl
Dept.: 12

**AMENDED STIPULATION OF CLASS
ACTION SETTLEMENT**

Complaint Filed: January 6, 2020
Trial Date: None Set

1 This Amended Joint Stipulation of Class Action Settlement ("Settlement Agreement") is
2 made and entered into by and between Plaintiffs Neil Fraser and Cody Lamont ("Class
3 Representatives"), individually, and on behalf of all others similarly situated, and Defendants
4 Valley Power Systems, Inc., a California corporation, and Valley Power Systems North, Inc., a
5 California corporation (collectively "Defendants") (collectively with Plaintiffs, the "Parties").

6 DEFINITIONS

7 The following definitions are applicable to this Settlement Agreement.

8 Definitions contained elsewhere in this Settlement Agreement will also be effective:

- 9 1. "Action" means *Neil Fraser, et al., v Valley Power Systems, Inc., et al.*, Los
10 Angeles County Superior Court Case No. 20STCV00279.
- 11 2. "Attorneys' Fees and Costs" means attorneys' fees and costs approved by the
12 Court for Class Counsel's litigation and resolution of this Action.
- 13 3. "Class Counsel" means Douglas Han, Shunt Tatavos-Gharajeh, and Jason
14 Rothman of Justice Law Corporation.
- 15 4. "Class List" means a complete list of all Class Members that Defendants will
16 diligently and in good faith compile from its records and provide to the Settlement
17 Administrator within twenty-one (21) calendar days after Preliminary Approval of this
18 Settlement. The Class List will be formatted in Microsoft Office Excel and will include the
19 following information from Defendants' records: each Class Member's full name; last-known
20 mailing address; Social Security number; and respective number of Workweeks and/or dates of
21 employment as a non-exempt employee in California during the Class Period.
- 22 5. "Settlement Class" or "Class Member" means all current and former
23 California-based (*i.e.*, currently "residing" in California with the intent to remain in
24 California indefinitely) hourly-paid or non-exempt employees (whether hired directly or
25 through a staffing agency or labor contractor) of Defendants within the State of California.
26 "Class Members" shall not include any person who submits a timely and valid request for
27 exclusion.

6. Defendants estimates that there are approximately Five Hundred and Twenty (520) combined Class Members and PAGA Members

7. “Settlement PAGA Members” or “PAGA Member” means all current and former California-based (*i.e.*, currently “residing” in California with the intent to remain in California indefinitely) hourly-paid or non-exempt employees (whether hired directly or through a staffing agency or labor contractor) of Defendants within the State of California.

8. “Class Period” means the period from January 6, 2016 through May 2, 2022.

9. “PAGA Period” means the period from January 6, 2019 through May 2, 2022.

10. “Class Representatives’ Enhancement Payment” means the amount approved by the Court to be paid to Plaintiffs in recognition for their contributions to the Action on behalf of Class Members and PAGA Members.

11. “Court” means the Superior Court of California, County of Los Angeles.

12. “Defendants” means Valley Power Systems, Inc., a California corporation, and Valley Power Systems North, Inc., a California corporation (including any and all affiliates, subsidiaries, and parents, and their shareholders, officers, directors, agents, and employees).

13. “Effective Date” will be the last to occur of the following: (a) the 61st day after service of notice of entry of the Court’s order granting final approval of the Settlement Agreement and Judgment; or (b) if an appeal, review or writ is sought from the order, the day after the order is affirmed or the appeal, review or writ is dismissed or denied, and the order is no longer subject to further judicial review.

14. “Individual Settlement Payment” means each Class Member’s share of the Net Settlement Amount.

15. “Maximum Settlement Amount” is the amount of Two Million Dollars and Zero Cents (\$2,000,000.00), which is the maximum amount to be paid by Defendants pursuant to this Settlement Agreement. The Maximum Settlement Amount includes all Individual Settlement Payments to Class Members and PAGA Members, the Class Representatives Enhancement Payments to Plaintiffs’, Attorneys’ Fees and Costs to Class Counsel, the Settlement Administration Costs to the Settlement Administrator, the Class Members’ share of

1 any employment taxes, and the PAGA Payment as specified in this Agreement. Defendants
2 shall pay the employer's share of payroll taxes due on the portion of Settlement Payments
3 allocated to wages separately and in addition to the Maximum Settlement Amount. The Parties
4 agree that Defendants will have no obligation to pay any amount in connection with this
5 Settlement Agreement apart from the Maximum Settlement Amount and the employer's share
6 of payroll taxes due on the portion of Settlement Payments allocated to wages, and that none of
7 the Maximum Settlement Amount will revert to Defendants.

8 16. "Net Settlement Amount" means the Maximum Settlement Amount, less the
9 Class Representatives Enhancement Payments, Attorneys' Fees and Costs, the Class Members'
10 share of any employment taxes, Settlement Administration Costs, and seventy-five percent
11 (75%) of the PAGA Payment as specified in this Agreement.

12 17. "Objection" means any written objection to this Settlement filed with the Court
13 and sent by a Class Member to the Settlement Administrator as specified herein and in the
14 Notice of Settlement. An Objection to Settlement must be filed and sent to the Settlement
15 Administrator within the time limitations set forth in this Stipulation.

16 18. "Notice of Class Action Settlement" means the notice of settlement, a draft of
17 which is attached as Exhibit A, to be mailed to all members of the Settlement Class upon
18 Preliminary Approval.

19 19. "PAGA" means the California Labor Code Private Attorneys General Act of
20 2004, Cal. Labor Code Section 2699, et. seq.

21 20. "PAGA Payment" means the payment made hereunder to the California Labor
22 and Workforce Development Agency and the Settlement PAGA Members for settlement of
23 claims for civil penalties under PAGA.

24 21. "Parties" means Plaintiffs and Defendants collectively.

25 22. "Plaintiffs" mean Neil Fraser and Cody Lamont.

26 23. "Preliminary Approval" means the Court order granting preliminary approval of
27 the Settlement Agreement.

28

1 24. “Released Claims” means all causes of action and factual or legal theories that
2 were alleged in the operative first amended complaint or that could have been alleged against
3 Defendants based on the facts contained in the operative complaints, including all of the
4 following claims for relief: (a) failure to pay all wages, including but not limited to regular
5 wages, minimum wages and overtime wages due; (b) failure to provide proper meal and rest
6 periods, and to properly provide premium pay in lieu thereof; (c) failure to provide complete,
7 accurate or properly formatted wage statements; (d) waiting time penalties; (e) failure to
8 reimburse business expenditures, (f) unfair business practices that could have been premised on
9 the claims, causes of action or legal theories of relief described above or any of the claims,
10 causes of action or legal theories of relief pleaded in the operative complaint; (g) any other
11 claims or penalties under the California Labor Code or other wage and hour laws pleaded in the
12 Action, including but not limited to California Labor Code Sections 201, 201.3, 201.5, 201.6,
13 201.8, 201.9, 202, 203, 204, 205.5, 218.5, 221, 226, 226(a), 226(g), 226.3, 226.7, 510, 512(a),
14 558, 1174(d), 1021.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802; and, the California
15 Business and Professions Code Section 17200; (h) all damages, penalties, interest and other
16 amounts recoverable under said claims, causes of action or legal theories of relief, and,
17 exclusively to PAGA Members, (i) all claims under the California Labor Code Private
18 Attorneys General Act of 2004 that could have been premised on the facts, claims, causes of
19 action or legal theories described above or any of the claims, the letter to the LWDA dated
20 November 20, 2020, and causes of action or legal theories of relief pleaded in the operative
21 complaints.

22 25. “Released Parties” means Defendants, and their past, present and/or future,
23 direct and/or indirect, owners, officers, directors, members, managers, employees, agents,
24 representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent
25 companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, legal
26 representatives, and joint venturers, if any.

27 26. “Request for Exclusion” means a timely written request by a Class Member to
28 be excluded from the Settlement. The Request for Exclusion must: (i) set forth the name,

1 address, and telephone number of the Class Member requesting exclusion; (ii) be signed by the
2 Class Member; (iii) be returned to the Settlement Administrator; (iv) clearly state that the Class
3 Member does not wish to be included in the Settlement; and (v) be postmarked on or before the
4 Response Deadline.

5 27. "Response Deadline" means the deadline by which Class Members must
6 postmark the Settlement Administrator Requests for Exclusion or Objection to the Settlement.
7 The Response Deadline will be forty-five (45) calendar days from the date of the initial mailing
8 of the Notice of Class Action Settlement by the Settlement Administrator, unless the 45th day
9 falls on a Sunday, State or Federal holiday, in which case the Response Deadline will be
10 extended to the next day on which the U.S. Postal Service is open.

11 However, if a Notice of Class Action Settlement needs to be re-mailed due to skip
12 tracing efforts and/or other tracking efforts by the Settlement Administrator, made in an effort
13 to locate a Class Member whose last known address by Defendants is now invalid, then said
14 Class Member will be provided additional time to request Exclusion or Objection, or otherwise
15 dispute the information within the Notice of Class Action Settlement. This additional amount
16 of time will vary by Class Member based on how long it took the Settlement Administrator to
17 locate a forwarding address, however it will not exceed ten (10) additional days beyond the
18 initial Response Deadline.

19 28. "Settlement Administrator" means CPT Group, or any other third-party class
20 action settlement administrator approved by the Parties and the Court for the purposes of
21 administering this Settlement. The Parties each represent that they have no financial interest in
22 the Settlement Administrator or otherwise have a relationship with the Settlement
23 Administrator that could create a conflict of interest.

24 29. "Settlement Administration Costs" includes all costs payable to the Settlement
25 Administrator for administering this Settlement, including, but not limited to, printing,
26 distributing, and tracking notice and other documents for this Settlement, tax reporting,
27 distributing all payments to be made pursuant to this Settlement, and providing necessary
28 reports and declarations, as requested by the Parties. After conference and consultation with the

Settlement Administrator, \$16,000.00 will be allocated to Settlement Administration as a “not to exceed” cost. This amount will be paid over the course of two installment payments to coincide with the installment payment schedule for the Maximum Settlement Amount as established in this Settlement Agreement

30. “Pay Periods” means the number of pay periods that the Class Member worked as a non-exempt employee in California during the Class Period.

31. “Workweek Value” means the value of each compensable Workweek, as determined by the formula set forth in herein.

TERMS OF AGREEMENT

Plaintiffs, on behalf of themselves, the Settlement Class, the Settlement PAGA Members, and Defendants agrees as follows:

32. Funding of the Maximum Settlement Amount. Defendants will make two separate installment payments, each in the amount of \$1,000,000.00, to an interest-bearing Qualified Settlement Fund, which the Settlement Administrator will manage and establish. The two payments shall be made on the following schedule:

- First Installment: January 2, 2023; and
- Second Installment: January 2, 2024

By January 3, 2024, the Qualified Settlement Fund will be fully funded by Defendants. The Maximum Settlement Amount will be used to pay: (i) Individual Settlement Amounts; (ii) the Class Representative Enhancement Payment; (iii) Attorneys’ Fees and Costs; (iv) the PAGA Payment; and the (v) Settlement Administration Costs.

After each installment payment is received, said installment will be used to pay the (i) Individual Settlement Amounts; (ii) the Class Representative Enhancement Payment; (iii) Attorneys’ Fees and Costs; (iv) the PAGA Payment; and the (v) Settlement Administration Costs, in an amount equal to the installment payment. This will result in two payments to everyone who is to be paid under the Maximum Settlement Amount. Each payment representing half of the Maximum Settlement Amount (outside of accrued interest which will be included in the final distribution to those Participating Class Members).

1 33. Attorneys' Fees and Costs. Class Counsel will seek an award of Attorneys' Fees
2 and Costs of not more than Seven Hundred Thousand Dollars and Zero Cents (\$700,000.00) in
3 attorney's fees and not more than Forty Thousand Dollars and Zero Cents (\$40,000.00) in costs,
4 and Defendants agree not to oppose such application. All Attorneys' Fees and Costs will be
5 paid from the Maximum Settlement Amount in two installment payments based on the timing
6 of Defendants installment payments. The amounts awarded by the Court shall be binding on the
7 Parties and shall not otherwise affect the validity of the Settlement. Plaintiffs and Class Counsel
8 will not have the right to revoke this Settlement in the event the Court fails to approve the
9 amount of Attorneys' Fees and Costs sought by Class Counsel. Should the Court approve a
10 lesser amount of Attorneys' Fees and Costs, the difference will be added to the Net Settlement
11 Amount.

12 34. Class Representative Enhancement Payment. Plaintiffs will apply to the Court for
13 a Class Representative Enhancement Payment of not more than Ten Thousand Dollars and Zero
14 Cents (\$10,000.00) to each, Plaintiffs Neil Fraser and Cody Lamont, for a combined total of
15 \$20,000.00. This amount will be paid over the course of two installment payments to coincide
16 with the installment payment schedule for the Maximum Settlement Amount as established in
17 this Settlement Agreement. This amount is for their efforts and work in prosecuting the Action on
18 behalf of Class Members and PAGA Members in exchange for a general release of all claims,
19 and Defendants agree not to oppose such application. This amount shall be reported as W-2
20 wages. The Class Representative Enhancement Payment, which will be paid from the Maximum
21 Settlement Amount, will be in addition to Plaintiffs' right to Individual Settlement Payments
22 pursuant to the Settlement. Plaintiffs will be solely and legally responsible to pay any and all
23 applicable taxes on the payments made pursuant to this paragraph and will hold Defendants
24 harmless from any claim or liability for taxes, penalties, or interest arising as a result of the
25 payments. Plaintiffs will not have the right to revoke this Settlement in the event the Court fails
26 to approve the amount sought by Plaintiffs as a Class Representative Enhancement Payment.
27 Any portion of the Class Representative Enhancement Payment not awarded to the Class
28 Representatives will be added to the Net Settlement Amount.

1 35. Settlement Administration Costs. The Settlement Administrator will be paid for
2 the reasonable costs of administration of the Settlement and distribution of payments. These
3 costs, which will be paid from the Maximum Settlement Amount, will include, *inter alia*, the
4 required tax reporting on the Individual Settlement Payments, the issuing of 1099 IRS Forms,
5 preparing and distributing Notices of Class Action Settlement, calculating and distributing all
6 payments to be made pursuant to the Settlement, and providing necessary reports and
7 declarations. Class Counsel has obtained a “not to exceed” quote from the Settlement
8 Administrator to complete the administration for \$11,000.00. The Settlement Administrator’s
9 “not to exceed” quote will represent the Settlement Administrator’s agreement that, based on
10 the class size and distributions under the terms of this Settlement, the costs for administration
11 of the terms of this Settlement will not exceed the specified amount. All of the Settlement
12 Administration Costs shall be paid from the Maximum Settlement Amount, upon completion of
13 all duties required to be performed by the Settlement Administrator under the terms of this
14 Settlement, or as otherwise required by the Court. The Settlement Administrator will establish
15 the Qualified Settlement Fund Account.

16 36. PAGA Payment. One Hundred Thousand Dollars and Zero Cents
17 (\$100,000.00) shall be allocated from the Maximum Settlement Fund for settlement of claims
18 for civil penalties under PAGA. The Settlement Administrator shall pay seventy-five percent
19 (75%) of the \$100,000.00 PAGA Payment, or \$75,000.00, to the LWDA, and twenty-five
20 (25%) of the \$100,000.00 PAGA Payment, or \$25,000.00, will be included in the Net
21 Settlement Amount and distributed to Settlement PAGA Members as described in this
22 Agreement. This amount will be paid over the course of two installment payments to coincide
23 with the installment payment schedule for the Maximum Settlement Amount as established in
24 this Settlement Agreement. Each Settlement PAGA Member’s pro rata share of that \$25,000.00
25 will be part of his or her Individual Settlement Payment.

26 37. Individual Class Members Settlement Payment Calculations. Individual
27 Settlement Payments will be calculated and apportioned from the Net Settlement Amount based
28 on the number of Workweeks a Class Member worked during the Class Period as a non-exempt

1 employee in California. Specific calculations of Individual Settlement Payments will be made
2 as follows:

3 37(a). The Settlement Administrator will calculate the total number of
4 Workweeks worked by each Class Member as a non-exempt employee in California during the
5 Class Period and the aggregate total number of Workweeks worked by all Class Members as
6 non-exempt employees in California during the Class Period.

7 37(b). To determine each Class Member's estimated "Individual Settlement
8 Payment," the Settlement Administrator will use the following formula: The Net Settlement
9 Amount will be divided by the aggregate total number of Workweeks, resulting in the
10 Workweek Value. Each Class Member's "Individual Settlement Payment" will be calculated by
11 multiplying each individual Class Member's total number of Workweeks by the Workweek
12 Value.

13 37(c). The entire Net Settlement Amount will be disbursed as Individual
14 Settlement Payments to Class Members over the course of two payments. This first distribution
15 will occur after the January 2, 2023 installment payment has been received. The second
16 distribution will occur after the January 2, 2024 installment payment has been received,
17 meaning the Maximum Settlement Amount has been fully funded. If there are any valid and
18 timely Requests for Exclusion from members of the Settlement Class, the Settlement
19 Administrator shall proportionately increase the Individual Settlement Payment for each Class
20 Member according to the number of Workweeks worked, so that the amount actually
21 distributed to the Settlement Class equals 100% of the Net Settlement Amount. Additionally, all
22 interest accrued from Defendants' payments into the Qualified Settlement Fund during the
23 funding process and through distribution will be added to the Net Settlement Amount and the
24 Individual Settlement Payments will be proportionally increased on a *pro rata* basis.

25 A Settlement Class Member who received the first installment payment, but moved and
26 did not update[d] their address with the Settlement Administrator and could not subsequently
27 be located through the Settlement Administrator's reasonable efforts, will have his/her
28

1 unclaimed settlement share go to the State Controller's Office consistent with the Un-Cashed
2 Settlement Checks.

3 38. Individual PAGA Member Settlement Payment Calculations. Individual
4 Settlement Payments will be calculated and apportioned from the PAGA Payment amount
5 based on the number of Pay Periods a PAGA Member worked during the PAGA Period as a
6 non-exempt employee in California. Specific calculations of PAGA Individual Settlement
7 Payments will be made as follows:

8 38(a). The Settlement Administrator will calculate the total number of Pay
9 Periods worked by each PAGA Member as a non-exempt employee in California during the
10 PAGA Period and the aggregate total number of Pay Periods worked by all PAGA Members as
11 non-exempt employees in California during the PAGA Period ("Pay Period Value").

12 38(b). To determine each PAGA Member's estimated "Individual Settlement
13 Payment," the Settlement Administrator will use the following formula: The PAGA Payment
14 amount's portion allocated to the PAGA Period will be divided by the aggregate total number of
15 Pay Periods within the PAGA Period, resulting in the Pay Period Value. Each PAGA Member's
16 "Individual Settlement Payment" will be calculated by multiplying each individual PAGA
17 Member's total number of Pay Periods by the Pay Period Value.

18 38(c). The entire PAGA Payment amount will be disbursed as Individual
19 Settlement Payments to PAGA Members over two separate installment payments. PAGA
20 Members will not be able to opt out or request exclusion from the settlement. For those Class
21 Members who are also PAGA Members, they will not be able to opt out or request exclusion
22 from their Individual Settlement Amount allocation of the PAGA Amount. This first
23 distribution will occur after the January 2, 2023 installment payment has been received. The
24 second distribution will occur after the January 2, 2024 installment payment has been received,
25 meaning the Maximum Settlement Amount has been fully funded. Additionally, all interest
26 accrued from Defendants' payments into the Qualified Settlement Fund during the funding
27 process and through distribution will be added to the Net Settlement Amount and the Individual
28 Settlement Payments will be proportionally increased on a *pro rata* basis

1 39. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
2 Class Members and PAGA Members under this Settlement, as well as any other payments made
3 pursuant to this Settlement, will not be utilized to calculate any additional benefits under any
4 benefit plans to which any Class Members and/or PAGA Members may be eligible, including,
5 but not limited to: (i) profit-sharing plans, (ii) bonus plans, (iii) 401(k) plans, (iv) stock
6 purchase plans, (v) vacation plans, (vi) sick leave plans, (vii) PTO plans, and (viii) any other
7 benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect
8 any rights, contributions, or amounts to which any Class Members and/or PAGA Members may
9 be entitled under any benefit plans.

10 40. Settlement Administration Process. The Parties agree to cooperate in the
11 administration of the settlement and to make all reasonable efforts to control and minimize the
12 costs and expenses incurred in administration of the Settlement.

13 41. Delivery of the Class List. Within twenty-one (21) calendar days of entry of the
14 Court's Order Granting Preliminary Approval, Defendants will provide the Class List to the
15 Settlement Administrator. This Class List will also be used to identify the PAGA Members
16 within the PAGA Period. In no event will this information ever be shared with or provided to
17 Class Counsel.

18 42. Notice by First-Class U.S. Mail. Within ten (10) business days after receiving
19 the Class List from Defendants, the Settlement Administrator will mail a Notice of Class Action
20 Settlement to all Class Members via regular First-Class U.S. Mail, using the most current,
21 known mailing addresses identified in the Class List.

22 43. Confirmation of Contact Information in the Class List and Undeliverable
23 Notices. Prior to mailing, the Settlement Administrator will perform a search based on the
24 National Change of Address Database for information to update and correct for any known or
25 identifiable address changes. Any Notices of Class Action Settlement returned to the Settlement
26 Administrator as non-deliverable on or before the Response Deadline will be sent promptly via
27 regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement
28 Administrator will indicate the date of such re-mailing on the Notice of Class Action

1 Settlement. If no forwarding address is provided, the Settlement Administrator will promptly
2 attempt to determine the correct address using an Accurint search/skip-trace and will then
3 perform a single re-mailing.

4 44. Notices of Class Action Settlement. All Class Members will be mailed a Notice
5 of Class Action Settlement in both English and Spanish in the form attached as Exhibit A¹, as
6 may be modified by Court order.

7 45. Disputed Information on Notices of Class Action Settlement. Class Members
8 will have an opportunity to dispute the information provided in their Notices of Class Action
9 Settlement. To the extent Class Members dispute their Individual Settlement Payment, their
10 employment dates, or the number of Workweeks as set forth on the Notice, Class Members may
11 produce evidence to the Settlement Administrator showing that such information is inaccurate.
12 The Settlement Administrator will advise the Parties of such dispute, allow Defendants five (5)
13 business days to respond with any additional information or records, and then decide the
14 dispute. Defendants' records will be presumed determinative, absent evidence to rebut
15 Defendants' records, but the Settlement Administrator will evaluate the evidence submitted by
16 the Class Member and Defendants and will make the final decision as to the merits of the
17 dispute. The deadline for Class Members to dispute information in the Notice of Class Action
18 Settlement will be the same as the Response Deadline (i.e., forty-five (45) calendar days from
19 the date of the initial mailing).

20 If necessary, Class Counsel, with the prior consent of Defendant, will be allowed to
21 access the class contact information for those individuals who dispute the information on the
22 Class Notice, in order to answer those individual Class Member's questions or otherwise
23 provide representations about the class.

24 45(a). Eligible PAGA Members will not be able to exclude themselves from
25 receiving their portion of the PAGA Payment. The Class Notice will inform Eligible PAGA
26

27 ¹ Only the English version of the Class Notice is being attached to the Stipulation of Class Action Settlement. Once
28 the above-entitled case receives Preliminary Approval then the Claim Administrator will translate the Class Notice
into Spanish.

1 Members that they cannot opt out of the PAGA portion of the settlement and explain that they
2 will not be permitted to pursue any action under PAGA against the Released Parties for any
3 claim that arose during the PAGA Period, even if they elect to Opt-Out of the Class Action
4 Settlement.

5 46. Requests for Exclusion. Any Class Member wishing to opt-out from the
6 settlement of the Class Claims must sign and postmark a written Request for Exclusion to the
7 Settlement Administrator within the Response Deadline. The postmark date will be the
8 exclusive means to determine whether a Request for Exclusion has been timely submitted. The
9 Parties and their counsel will not solicit or encourage any Class Member, directly or indirectly,
10 to opt out of the Settlement Agreement. More specifically, a Class Member may request to be
11 excluded from the settlement of the Class Claims, and any payment of amounts under this
12 Agreement excluding the PAGA Payment by timely mailing a Request for Exclusion letter to
13 the Settlement Administrator stating that the Class Member wants to be excluded from
14 settlement of the Class Claims. This letter must include the Class Member's name, address,
15 telephone number, and signature. To be valid and timely, the Request for Exclusion must be
16 postmarked by the Response Deadline date that will be specified in the Class Notice (no less
17 than forty-five (45) days from the initial mailing of the Class Notice by the Settlement
18 Administrator). However, if a Notice of Class Action Settlement needs to be re-mailed then that
19 individual Class Member will be provided forty-five (45) days to object or submit a Request for
20 Exclusion from the settlement from the date of the new mailing. A Class Member who
21 properly submits a valid and timely Request for Exclusion from the Action will not receive any
22 payment of the Class Claims in connection with this Agreement or this Action, will not be
23 bound by or receive any benefit of this Agreement other than the PAGA Payment, and will have
24 no standing to object to the Settlement of the Class Claims. Class Members who do not timely
25 submit a Request for Exclusion will be bound by the releases herein and receive an individual
26 settlement payment ("Participating Class Members"). A Request for Exclusion must be mailed
27 to the Settlement Administrator at its address to be provided in the Class Notice, and the
28

1 Settlement Administrator will promptly transmit the Requests for Exclusion to counsel for the
2 Parties.

3 47. Defective Submissions. If a Class Member's Request for Exclusion is defective
4 as to the requirements listed herein, that Class Member will be given an opportunity to cure the
5 defect(s). The Settlement Administrator will mail the Class Member a cure letter within three
6 (3) business days of receiving the defective submission to advise the Class Member that his or
7 her submission is defective and that the defect must be cured to render the Request for
8 Exclusion valid. The Class Member will have until the later of (i) the Response Deadline or (ii)
9 fifteen (15) calendar days from the date of the cure letter, whichever date is later, to postmark a
10 revised Request for Exclusion. If the revised Request for Exclusion is not postmarked and
11 mailed within that period, it will be deemed untimely.

12 48. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class
13 Member who does not affirmatively opt out of the Settlement Agreement by submitting a
14 timely and valid Request for Exclusion will be bound by all of its terms, including those
15 pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if
16 it grants final approval of the Settlement. If a PAGA Member submits a valid Request for
17 Exclusion from the Class Claims, such PAGA Member will still be deemed to have released the
18 PAGA Claims to the fullest extent permitted by law.

19 49. Objection Procedures. The Notice shall state that Settlement Class Members
20 who wish to object to the Settlement may do so by a written statement of objection ("Notice of
21 Objection") mailed by the Response Deadline to the Settlement Administrator or by appearing
22 at the hearing for Final Approval. If a Settlement Class Members wishes to submit a written
23 objection, the Objection must be signed by the Class Member and contain all information
24 required by this Settlement Agreement. The postmark date of the filing and service will be
25 deemed the exclusive means for determining that the Objection is timely. The Notice of
26 Objection must state: (1) the case name and number; (2) the name of the Settlement Class
27 Member; (3) the address of the Settlement Class Member; and (4) the basis for the objection.
28 The Settlement Class Member may appear at the Final Approval Hearing even if he does not

1 submit a Notice of Objection and may object orally. The Settlement Administrator will
2 promptly provide any Notices of Objection to the Parties' counsel upon receiving them. Class
3 Counsel will include all objections received and Plaintiffs' response(s) with Plaintiffs' motion
4 for final approval of the Settlement. Settlement Class Members may also have a right to have
5 their objections heard at the Final Approval/Settlement Fairness Hearing, however they will
6 need to adhere to the Court's COVID-19 protocols which will be outlined in the Class Notice
7 attached hereto as Exhibit A. Class Counsel will not represent any Class Members with respect
8 to any such Objections to this Settlement, and any Class Members who request exclusion from
9 the Settlement will have no standing to object to the settlement of the Class Claims.

10 50. Settlement Administrator Reports. The Settlement Administrator will provide
11 Defendants' counsel and Class Counsel a weekly report of the number of Class Members who
12 have submitted valid Requests for Exclusion, Objections, and disputes regarding Pay Periods
13 calculations. Additionally, the Settlement Administrator will provide to counsel for both Parties
14 any updated reports regarding the administration of the Settlement Agreement as needed or
15 requested.

16 51. Distribution and Timing of Payments. After the Effective Date, and after
17 Defendants have fully funded the Qualified Settlement Fund with the Maximum Settlement
18 Amount, within thirty (30) days the Settlement Administrator will issue payments to: (i) all
19 Class Members who have not submitted a valid and timely Request for Exclusion, including
20 any Class Member whose notice was returned as undeliverable; (ii) all PAGA Members, (iii)
21 Plaintiff; (iv) Class Counsel; and (iv) the LWDA. The Settlement Administrator will also issue
22 a payment to itself for Court-approved services performed in connection with the Settlement.
23 The Settlement Administrator will pay Individual Settlement Payments from the Net Settlement
24 Amount to all Participating Class Members and PAGA Members. The Settlement Administrator
25 will do so by sending a check in the appropriate amount to the Class Member and/or PAGA
26 Member at the address indicated in the list of Class Member names and addresses provided by
27 Defendants, or as subsequently determined by the Settlement Administrator to be correct.

1 Those Class Members who are also PAGA Members will receive two checks, one for their
2 Class Member share and a separate check for their PAGA Member share.

3 52. Un-Cashed Settlement Checks. Class Members and PAGA Members will
4 receive checks for their respective Individual Settlement Payments. Checks will remain
5 negotiable for 180 days ("Check-Cashing Deadline"). Any first and/or second installment
6 payment check not cashed within 180 calendar days will be void. The funds from the uncashed
7 checks shall be distributed by the Settlement Administrator to the State Controller's Unclaimed
8 Property Fund.

9 Any costs associated with administering the remaining funds under this section (e.g.,
10 bank stop-payment charges, settlement administration costs associated with any reserve
11 amount) or payments to the State Controller's Unclaimed Property Fund will be deducted
12 before the deposit into the State Controller's Unclaimed Property Fund.

13 53. Certification of Completion. Upon completion of administration of the
14 Settlement, the Settlement Administrator will provide a written declaration under oath to certify
15 such completion to the Court and counsel for all Parties.

16 54. Allocation of Individual Settlement Payments. All Individual Settlement
17 Payments will be allocated as follows: (a) 20% as wages and (b) 80% as penalties and interests.
18 The Settlement Administrator will be responsible for issuing to each claimant a form W-2 for
19 amounts deemed "wages" and an IRS Form 1099 for the portions allocated to penalties.

20 55. Administration of Taxes by the Settlement Administrator. The Settlement
21 Administrator will be responsible for issuing to Plaintiffs, Class Members, PAGA Members,
22 and Class Counsel tax forms as may be required by law for all amounts paid pursuant to this
23 Settlement. The Settlement Administrator will also be responsible for forwarding all taxes and
24 penalties to the appropriate government authorities as may be required by law.

25 56. Tax Liability. Defendants makes no representation as to the tax treatment or
26 legal effect of the payments called for hereunder, and Plaintiffs, Class Members, and PAGA
27 Members are not relying on any statement, representation, or calculation by Defendants or by
28 the Settlement Administrator in this regard. Plaintiffs, Class Members, and PAGA Members

1 understand and agree that they will be solely responsible for the payment of any taxes and
2 penalties assessed on the payments described herein and will defend, indemnify, and hold
3 Defendants free and harmless from and against any claims resulting from treatment of such
4 payments as non-taxable damages.

5 57. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
6 PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
7 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER
8 PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
9 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN
10 OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR
11 WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
12 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN
13 THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31
14 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED
15 EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX
16 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
17 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
18 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO
19 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
20 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY
21 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
22 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
23 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
24 OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF
25 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
26 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
27 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
28 AGREEMENT.

1 58. No Prior Assignments. The Parties and their counsel represent, covenant, and
2 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
3 to assign, transfer, or encumber to any person or entity any portion of any liability, claim,
4 demand, action, cause of action or right herein released and discharged.

5 59. Nullification of Settlement Agreement. In the event that: (i) the Court does not
6 finally approve the Settlement as provided herein; (ii) the Court's final approval of the
7 Settlement is reversed or materially modified on appeal; or (iii) the Settlement does not become
8 final for any other reason, then this Settlement Agreement, and any documents generated to
9 bring it into effect, will be null and void, and the Parties will be deemed to be in the same
10 positions as if no settlement in principle had been reached with no waiver of any arguments or
11 defenses. Any order or judgment entered by the Court in furtherance of this Settlement
12 Agreement will likewise be treated as void from the beginning.

13 60. Preliminary Approval Hearing. Plaintiffs will obtain a date for hearing before
14 the Court to request the Preliminary Approval of the Settlement Agreement, and the entry of a
15 Preliminary Approval Order for: (i) conditional certification of the Settlement Class for
16 settlement purposes only, (ii) preliminary approval of the proposed Settlement Agreement, (iii)
17 setting a date for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval
18 Order will provide for the Notice of Class Action Settlement to be sent to all Class Members as
19 specified herein. In conjunction with the Preliminary Approval hearing, Plaintiffs will submit
20 this Settlement Agreement, which sets forth the terms of this Settlement, and will include the
21 proposed Notice of Class Action Settlement.

22 61. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of
23 the deadlines to postmark Requests for Exclusion and/or Objections to the Settlement
24 Agreement, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will
25 be conducted to determine the Final Approval of the Settlement Agreement along with the
26 amounts properly payable for (i) Individual Settlement Payments; (ii) the Class Representatives
27 Enhancement Payment; (iii) Attorneys' Fees and Costs; (iv) all Settlement Administration
28 Costs; and (v) the Class Members' and Defendants' share of any employment taxes. The Final

1 Approval/Settlement Fairness Hearing will be held no earlier than the date when all deadlines
2 for Class Members to object or exclude themselves have elapsed. Class Counsel will be
3 responsible for drafting all documents necessary to obtain final approval. Class Counsel will
4 also be responsible for drafting the attorneys' fees and costs application to be heard at the final
5 approval hearing.

6 62. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by
7 the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the
8 Judgment to the Court for its approval. After entry of the Judgment, the Court will have
9 continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement
10 of the terms of the Settlement, (ii) Settlement administration matters, and (iii) such post-
11 Judgment matters as may be appropriate under court rules or as set forth in this Settlement
12 Agreement.

13 63. General Release by Plaintiffs^{*}. In exchange for the consideration set forth in
14 this Agreement, Plaintiffs, for themselves, their heirs, successors and assigns, do waive, release,
15 acquit and forever discharge the Released Parties, from any and all claims, actions, charges,
16 complaints, grievances and causes of action, of whatever nature, whether known or unknown,
17 which exist or may exist on Plaintiffs' behalf as of the date of this Agreement, including but not
18 limited to any and all tort claims, contract claims, wage claims, wrongful termination claims,
19 disability claims, benefit claims, public policy claims, retaliation claims, statutory claims,
20 personal injury claims, emotional distress claims, invasion of privacy claims, defamation
21 claims, fraud claims, quantum meruit claims, and any and all claims arising under any federal,
22 state or other governmental statute, law, regulation or ordinance, including any claims arising
23 under the California Fair Employment and Housing Act (FEHA), the California Labor Code,
24 the Wage Orders of California's Industrial Welfare Commission, other state wage and hour
25 laws, the Americans with Disabilities Act, the Age Discrimination in Employment Act
26 (ADEA), the Equal Pay Act, the Employee Retirement Income Security Act, Title VII of the
27 Civil Rights Act of 1964, the California Family Rights Act, the Family and Medical Leave Act,
28 the Fair Labor Standards Act (to the maximum extent permitted by law), California's

1 Whistleblower Protection Act, California Business & Professions Code Section 17200 et seq.,
2 and any and all claims arising under any federal, state or other governmental statute, law,
3 regulation or ordinance. Plaintiffs hereby expressly waives and relinquish any and all claims,
4 rights or benefits that they may have under California Civil Code § 1542, which provides as
5 follows:

6
7 **A GENERAL RELEASE DOES NOT EXTEND TO**
8 **CLAIMS THAT THE CREDITOR OR RELEASING**
9 **PARTY DOES NOT KNOW OR SUSPECT TO**
10 **EXIST IN HIS OR HER FAVOR AT THE TIME OF**
11 **EXECUTING THE RELEASE, AND THAT, IF**
12 **KNOWN BY HIM OR HER, WOULD HAVE**
13 **MATERIALLY AFFECTED HIS OR HER**
14 **SETTLEMENT WITH THE DEBTOR OR**
15 **RELEASED PARTY.**

16 Plaintiffs may hereafter discover claims or facts in addition to, or different from, those
17 which they now know or believe to exist, but they expressly agree to fully, finally and forever
18 settle and release any and all claims against the Released Parties, known or unknown, suspected
19 or unsuspected, which exist or may exist against any Released Party at the time of execution of
20 this Agreement, including, but not limited to, any and all claims relating to or arising from
21 Plaintiffs' employment with Defendants. The Parties further acknowledge, understand and
22 agree that this representation and commitment is essential to the Agreement and that this
23 Agreement would not have been entered into were it not for this representation and
24 commitment.

25 64. Release by All Settlement Class Members. Plaintiffs and all Class Members
26 who do not submit a valid and timely Request for Exclusion, on behalf of himself or herself, his
27 or her heirs, descendants, dependents, executors, administrators, assigns, and successors, fully
28 and finally release and discharge the Released Parties from any and all of the Released Claims
for the entirety of the Class Period. This waiver and release will be final and binding on the
date in which Defendants fully funds the settlement, and will have every preclusive effect
permitted by law. Plaintiffs and the Settlement Class Members may hereafter discover facts or
legal arguments in addition to or different from those they now know or currently believe to be

1 true with respect to the Released Claims. Regardless, the discovery of new facts or legal
2 arguments shall in no way limit the scope or definition of the Released Claims, and by virtue of
3 this Agreement, Plaintiffs and the Settlement Class Members shall be deemed to have, and by
4 operation of the final judgment approved by the Court, shall have, fully, finally, and forever
5 settled and released all of the Released Claims. The Parties understand and specifically agree
6 that the scope of the release described in this Paragraph: (i) is a material part of the
7 consideration for this Agreement; (ii) was critical in justifying the agreed upon economic value
8 of this settlement and without it Defendants would not have agreed to the consideration
9 provided; and (iii) is narrowly drafted and necessary to ensure that Defendants is obtaining
10 peace of mind regarding the resolution of claims that were or could have been alleged based on
11 the facts, causes of action, and legal theories contained in the operative complaint in the Action.

12 65. Release by All Settlement PAGA Members: Plaintiffs agree that upon
13 Defendants fully funding the settlement agreement, Plaintiffs and the PAGA Members will
14 release any and all PAGA Released Claims against Defendants that arose during the PAGA
15 Period. Upon Defendants fully funding the settlement agreement, Plaintiffs and the PAGA
16 Members will be forever barred from pursuing any and all of the PAGA Released Claims that
17 arose during the PAGA Period against Defendants.

18 66. Exhibits Incorporated by Reference. The terms of this Settlement Agreement
19 include the terms set forth in any attached Exhibits, which are incorporated by reference as
20 though fully set forth herein. Any Exhibits to this Settlement Agreement are an integral part of
21 the Settlement.

22 67. Publicity Agreement. Plaintiffs and Class Counsel agree not to disclose or
23 publicize the Settlement, including the fact of the Settlement, its terms or contents, and the
24 negotiations underlying the Settlement, in any manner or form, directly or indirectly, to any
25 person or entity, except potential class members and as shall be contractually required to
26 effectuate the terms of the Settlement. For the avoidance of doubt, this section means Plaintiffs
27 and Class Counsel agree not to issue press releases, communicate with, or respond to any
28 media or publication entities, publish information in manner or form, whether printed or

1 electronic, on any medium or otherwise communicate, whether by print, video, recording or
2 any other medium, with any person or entity concerning the Settlement, including the fact of
3 the Settlement, its terms or contents and the negotiations underlying the Settlement, except as
4 shall be contractually required to effectuate the terms of the Settlement. However, for the
5 limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions
6 for the limited purpose of showing to the court that the case has settled, Class Counsel may
7 disclose the name of the Parties in this action and the venue/case number of this action (but not
8 any other settlement details) for such purposes. The Parties and their counsel agree that they
9 will not engage in any advertising or distribute any marketing materials specifying any material
10 terms relating to the Settlement, including but not limited to any postings on any websites
11 maintained by Class Counsel.

12 68. No Unalleged Claims. Plaintiffs and Class Counsel represent that they are not
13 currently aware of any: (a) unalleged claims in addition to, or different from, those which are
14 finally and forever settled and released against the Released Parties by this Settlement; and (b)
15 unalleged facts or legal theories upon which any claims or causes of action could be brought
16 against Defendants, except such facts and theories specifically alleged in the operative
17 complaints in this Action. Plaintiffs and Class Counsel will further represent that, other than the
18 instant Action, they have no current intention of asserting any other claims against Defendants
19 in any judicial or administrative forum and do not currently know of or represent any persons
20 who have expressed any interest in pursuing litigation or seeking any recovery against
21 Defendants. The Parties acknowledge, understand and agree that the representations described
22 in this paragraph are essential to the Settlement Agreement and that this Settlement Agreement
23 would not have been entered into were it not for this representation.

24 69. Defendants' Option to Revoke Settlement. If, after the Response Deadline, (i)
25 the number of Settlement Class Members who submitted timely and valid written Requests for
26 Exclusion from the Settlement is at least ten percent (10%) of all Settlement Class Members, or
27 (ii) a number of Class Members whose share of the Net Settlement is 10% or more either opt
28 out of and/or object to the Settlement, or both (i) and (ii), Defendants shall have, in its sole

1 discretion, the option to terminate this Settlement and all actions taken in its furtherance of it
2 will be thereby null and void. If Defendants exercise the option to terminate this Settlement,
3 Defendants shall: (a) provide written notice to Class Counsel within thirty (30) calendar days
4 after the Settlement Administrator notifies the Parties of the total number of opt-outs, and (b)
5 pay all Settlement Administration Costs incurred up to the date.

6 70. Entire Agreement. This Settlement Agreement and any attached Exhibits
7 constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous
8 written or oral agreements may be deemed binding on the Parties.

9 71. Amendment or Modification. This Settlement Agreement may be amended or
10 modified only by a written instrument signed by counsel for all Parties or their successors-in-
11 interest.

12 72. Authorization to Enter Into Settlement Agreement. Counsel for all Parties
13 warrant and represent they are expressly authorized by the Parties whom they represent to
14 negotiate this Settlement Agreement and to take all appropriate action required or permitted to
15 be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to
16 execute any other documents required to effectuate the terms of this Settlement Agreement. The
17 Parties and their counsel will cooperate with each other and use their best efforts to effect the
18 implementation of the Settlement. If the Parties are unable to reach agreement on the form or
19 content of any document needed to implement the Settlement, or on any supplemental
20 provisions that may become necessary to effectuate the terms of this Settlement, the Parties
21 may seek the assistance of the Court to resolve such disagreement.

22 73. Binding on Successors and Assigns. This Settlement Agreement will be binding
23 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously
24 defined.

25 74. California Law Governs. All terms of this Settlement Agreement and Exhibits
26 hereto will be governed by and interpreted according to the laws of the State of California.

27 75. Execution and Counterparts. This Settlement Agreement is subject only to the
28 execution of all Parties. However, the Settlement may be executed in one or more counterparts.

1 All executed counterparts and each of them, including facsimile and scanned copies of the
2 signature page, will be deemed to be one and the same instrument provided that counsel for the
3 Parties will exchange among themselves original signed counterparts.

4 76. Acknowledgement that the Settlement is Fair and Reasonable. The Parties
5 believe this Settlement Agreement is a fair, adequate and reasonable settlement of the Action
6 and have arrived at this Settlement after arm's-length negotiations and in the context of
7 adversarial litigation, taking into account all relevant factors, present and potential. The Parties
8 further acknowledge that they are each represented by competent counsel and that they have
9 had an opportunity to consult with their counsel regarding the fairness and reasonableness of
10 this Settlement. In addition, the Mediator may execute a declaration supporting the Settlement
11 and the reasonableness of the Settlement and the Court may, in its discretion, contact the
12 Mediator to discuss the Settlement and whether or not the Settlement is objectively fair and
13 reasonable.

14 77. Invalidity of Any Provision. Before declaring any provision of this Settlement
15 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest
16 extent possible consistent with applicable precedents so as to define all provisions of this
17 Settlement Agreement valid and enforceable.

18 78. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate
19 to class certification for purposes of this Settlement only; except, however, that Plaintiffs or
20 Class Counsel may appeal any reduction in Attorneys' Fees and Costs below the amount they
21 request from the Court, and either party may appeal any court order that materially alters the
22 Settlement Agreement's terms. If, for any reason, the Settlement is not approved, this
23 Stipulation of Class Action Settlement will have no force or effect.

24 79. Non-Admission of Liability. The Parties enter into this Settlement to resolve the
25 dispute that has arisen between them and to avoid the burden, expense and risk of continued
26 litigation. In entering into this Settlement, Defendants do not admit, and specifically denies,
27 that it violated any federal, state, or local law; violated any regulations or guidelines
28 promulgated pursuant to any statute or any other applicable laws, regulations or legal

1 requirements; breached any contract; violated or breached any duty; engaged in any
2 misrepresentation or deception; or engaged in any other unlawful conduct with respect to its
3 employees. Neither this Settlement, nor any of its terms or provisions, nor any of the
4 negotiations connected with it, will be construed as an admission or concession by Defendants
5 of any such violations or failures to comply with any applicable law. Except as necessary in a
6 proceeding to enforce the terms of this Settlement, this Settlement and its terms and provisions
7 will not be offered or received as evidence in any action or proceeding to establish (i) any
8 liability or admission on the part of Defendants; (ii) the existence of any condition constituting
9 a violation of, or a non-compliance with, federal, state, local or other applicable law; or (iii)
10 that a class should be certified as Plaintiffs propose.

11 80. Waiver. No waiver of any condition or covenant contained in this Settlement or
12 failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
13 constitute a further waiver by such party of the same or any other condition, covenant, right or
14 remedy.

15 81. Mutual Preparation. The Parties have had a full opportunity to negotiate the
16 terms and conditions of this Settlement. Accordingly, this Settlement Agreement will not be
17 construed more strictly against one party than another merely by virtue of the fact that it may
18 have been prepared by counsel for one of the Parties. It being recognized that, because of the
19 arms-length negotiations between the Parties, all Parties have contributed to the preparation of
20 this Settlement Agreement.

21 82. Representation By Counsel. The Parties acknowledge that they have been
22 represented by counsel throughout all negotiations that preceded the execution of this
23 Settlement Agreement, and that this Settlement Agreement has been executed with the consent
24 and advice of counsel. Further, Plaintiffs and Class Counsel warrant and represent that there are
25 no liens on the Settlement Agreement.

26 83. All Terms Subject to Final Court Approval. All amounts and procedures
27 described in this Settlement Agreement herein will be subject to final Court approval.
28

84. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

85. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

SO AGREED AND STIPULATED

PLAINTIFF

Dated: 06/27/2022


Neil Fraser

PLAINTIFF

Dated: 06/27/2022


Cody Lamont

DEFENDANT

Dated: 06/30/2022


By: Robert K. Humphries
Title: CFO

[SIGNATURES CONTINUE ON NEXT PAGE]

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DATED: 6/28/22

JUSTICE LAW CORPORATION.

By 
Douglas Han
Shunt Tatavos-Gharajeh
Jason Rothman
Attorneys for Plaintiffs Neil Fraser and Cody
Lamont, and all others similarly situated

DATED: 6/28/22

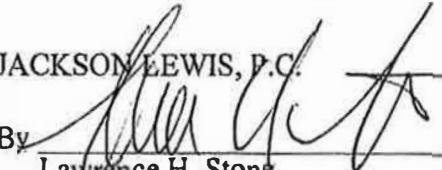
JACKSON LEWIS, P.C.
By 
Lawrence H. Stone
Attorneys for Defendants Valley Power
Systems, Inc., and Valley Power Systems
North, Inc.

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Neil Fraser, et al., v Valley Power Systems, Inc., et al.

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendants' records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced matter.

You do not need to take any action to receive a settlement payment and, unless you request to be excluded from the settlement, your legal rights may be affected.

This Notice is designed to advise you of your rights and options with respect to the settlement.

THE PAYMENT PLAN FOR THIS SETTLEMENT WILL BE MADE IN TWO SEPARATE PAYMENTS, EACH PAYMENT WILL BE ONE YEAR A PART, BEGINNING IN JANUARY OF 2023. THEREFORE IT IS EXTREMELY IMPORTANT FOR YOU TO KEEP THE SETTLEMENT ADMINISTRATOR NOTIFIED OF ANY CHANGES IN YOUR ADDRESS OR CONTACT INFORMATION

By order of the Superior Court of California for the County of Los Angeles (the "Court" or "Los Angeles County Superior Court"), you are notified that: preliminary approval of a class action settlement reached between Neil Fraser and Cody Lamont (collectively "Plaintiffs") and Defendants Valley Power Systems, Inc., a California corporation, and Valley Power Systems North, Inc., a California corporation (collectively "Defendant") was granted on [**Preliminary Approval Date**], in the case entitled *Neil Fraser, et al., v Valley Power Systems, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV00279, which may affect your legal rights.

If you are a Class Member (or member of the Class), you need not take any action to receive a settlement payment, but you have the opportunity to request exclusion from the settlement (in which case you will not receive payment under the settlement), object to the settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Section III below.

I. IMPORTANT DEFINITIONS

"Class Member" means all current and former California-based (*i.e.*, currently "residing" in California with the intent to remain in California indefinitely) hourly-paid or non-exempt employees (whether hired directly or through a staffing agency or labor contractor) of Defendants within the State of California

"PAGA Member" means all current and former California-based (*i.e.*, currently "residing" in California with the intent to remain in California indefinitely) hourly-paid or non-exempt employees (whether hired directly or through a staffing agency or labor contractor) of Defendants within the State of California.

"Class Period" means the period from January 6, 2016 through May 2, 2022.

"PAGA Period" means the period from January 6, 2019 through May 2, 2022.

II. BACKGROUND OF THE ACTION

On January 6, 2020, Plaintiff Neil Fraser filed a class action complaint in Los Angeles Superior Court (Case No.20STCV00279) alleging the following violations under California law: (1) Failure to Pay Overtime Wages Under Labor Code §§ 510 & 1198, (2) Meal Period Liability Under Labor Code § 226.7, (3) Rest-Break Liability Under Labor Code § 226.7, (4) Failure to Pay Minimum Wages Under Labor Code §§ 1194 & 1197, (5) Waiting Time Penalties Under Labor Code §§ 201-203, (6) Failure to Provide Compliant Wage Statements Under Labor Code § 226(a), (7) Failure to Reimburse Expenses Under Labor Code § 2802, and (8) Violation of Business & Professions Code § 17200, *et seq.*

On November 11, 2020, Plaintiff Cody Lamont submitted a letter to the LWDA alleging the same causes of action in order to pursue an action brought under the PAGA. Then, on or around March 25, 2021, a First Amended Complaint was filed that added Codey Lamont as a named representative along with an additional cause of action pursuant to the Private Attorneys General Act.

Plaintiffs allege that Defendants violated the California Labor Code and California Business and Professions Code with respect to herself and the Class Members by, *inter alia*, failing to properly pay for all hours worked, failing to provide timely meal and rest breaks or one hour of premium pay in lieu thereof, failing to reimburse all necessary business expenditures, failing to provide accurate wage statements, and associated waiting time penalties thereby engaging in unfair business practices and owing penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* (“PAGA”).

Defendants deny all of the allegations in the Action or that it violated any law. Defendants contend that at all times it has fully complied with all applicable federal, state, and local laws. Defendants further contend that it paid employees for all time worked, accurately recorded all hours worked, accurately calculated pay, enforced California compliant meal and rest periods or provided one hour of premium pay in lieu thereof, and reimbursed any employees for any necessary business expenses which they paid or incurred. It is Defendants’ position that, if litigation continued, class certification would be denied on all claims and/or the claims would be subject to motions for summary adjudication and/or summary judgment. Defendants contend that the theories put forth by the Plaintiffs in the Action are contrary to the facts and that the PAGA claim lacks merit. Defendants further contends that the Plaintiffs are not an adequate class representative, their claims are not typical of the Class Members, and individual issues predominate over common ones.

Shortly after the mediation on February 17, 2022, the Parties reached a settlement with the assistance of a respected class action mediator. The Parties have since entered into the Joint Stipulation of Class Action Settlement (“Settlement” or “Settlement Agreement”).

On [Preliminary Approval Date], the Court entered an order preliminarily approving the Settlement. The Court has appointed CPT Group as the administrator of the settlement (“Settlement Administrator”), Plaintiffs as representatives of the Class (“Class Representative”), and the following law firm as counsel for the Class (“Class Counsel”):

Douglas Han
Shunt Tatavos-Gharajeh
Jason Rothman
JUSTICE LAW CORPORATION
751 Fair Oaks Avenue, Suite 101
Pasadena, California 91103

The settlement represents a compromise and settlement of highly disputed claims. Nothing in the settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiffs or to Class Members. Plaintiffs and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the settlement is fair, reasonable and adequate, and that the settlement is in the best interests of the Class Members.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total Maximum Settlement Amount is Two Million Dollars and Zero Cents (\$2,000,000.00) (the “Maximum Settlement Amount”). The portion of the Maximum Settlement Amount that is available for payment to Class Members who do not timely and validly request exclusion from the settlement (“Participating Class Members”) is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Maximum Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees in the amount of up to \$700,000.00 and reimbursement of litigation costs and expenses in the amount of up to \$40,000.00 to Class Counsel (“Attorneys’ Fees and Costs”); (2) service award to Plaintiff Neil Fraser in the amount of up to \$10,000.00 and a service award to Plaintiff Cody Lamont in the amount of up to \$10,000.00 (“Service Payment”); (3) fees and expenses of administration of the Settlement to the Settlement Administrator is expected not to exceed \$16,000.00 (“Settlement Administration Costs”); (4) the Class Members’ and Defendants’ employment taxes; and (5) the seventy-five percent (75%) share of PAGA Penalties (“LWDA Payment”) in the amount of \$75,000.00 to the California Labor and Workforce Development Agency (“LWDA”).

The Maximum Settlement Amount will be paid by Defendants in two separate installment payments of \$1,000,000.00. The first installment payment will occur on January 2, 2023. The second installment payment will occur on January 2, 2024. After

an installment payment is made, a distribution equal to half of your total individual settlement share will be paid out to those Participating Class Members. This means that a Participating Class Member will receive two payments towards their maximum individual settlement share. **Therefore if the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure your receipt of payment that you may be entitled to.**

Participating Class Members will be entitled to receive payment under the settlement of their share of the Net Settlement Amount (“Individual Settlement Amount”) based on the numbers of workweeks worked by Class Members as a non-exempt hourly employee for Defendants in California from January 6, 2016, to April 17, 2022 (“Workweeks”). Workweeks were calculated based on the start and end dates of each Class Member’s employment during the Class Period.

Participating PAGA Members will receive payment under the settlement for their share of the PAGA Payment based on the numbers of pay periods worked by PAGA Members as a non-exempt hourly employee for Defendants in California from January 6, 2019 to April 17, 2022 (“Pay Period”). Pay Periods were calculated based on the start and end dates of each PAGA Member’s employment during the PAGA Period. **Eligible PAGA Members will not be able to exclude themselves from receiving their portion of the PAGA Payment.**

The Net Settlement Amount will be divided by the aggregate total number of Workweeks, resulting in the Workweek Value. Each Class Member’s “Individual Settlement Amount” will be calculated by multiplying each individual Class Member’s total number of Workweeks by the Workweek Value.

Each Individual Settlement will be allocated as twenty percent (20%) wages (which will be reported on an IRS Form W2), and eighty percent (80%) penalties and interest (which will be reported on an IRS Form 1099, if applicable). Each Individual Settlement Amount will be subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Amount, resulting in a net payment to the Settlement Class Member referred to as the “Individual Settlement Payment.”

If the Court grants final approval of the settlement, Individual Settlement Payments will be mailed to Participating Class Members and PAGA Members at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure your receipt of payment that you may be entitled to.**

B. Your Workweeks Based on Defendants’ Records

According to Defendants’ payroll records:

From January 6, 2016 to May 2, 2022, you worked [REDACTED] Workweeks for either Valley Power Systems, Inc. and/or Valley Power Systems North, Inc.

A description of how Workweeks were calculated and credited to Class Members is described above in Section III.A. If you wish to dispute the Workweeks credited to you, you may submit such dispute (a “Workweeks Dispute”) in writing to the Settlement Administrator. The written dispute must: (a) contain your full name, address, telephone number, and signature; (b) contain the case name and number of the action *Neil Fraser, et al., v Valley Power Systems, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV00279); (c) contain a clear statement indicating that you dispute the number of Workweeks credited to you; (d) documentation that supports your belief that you should be credited with a different number of Workweeks; and (e) be mailed to the Settlement Administrator at the address listed in Section IV.B below, postmarked **no later than [Response Deadline]**.

C. Your Estimated Individual Settlement Amount

As explained above, your estimated Individual Settlement Payment is based on the number of Workweeks credited to you.

Your Individual Class Member Settlement Amount is estimated to be \$ [REDACTED].

Your Individual PAGA Member Settlement Amount is estimated to be \$ [REDACTED].

The Individual Settlement Amount is subject to reduction for employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Amount and will only be distributed if the Court approves the settlement and after the settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Amount reflected in this Notice is only an estimate. Your actual Individual Settlement Payment may be higher or lower.

D. Released Claims

Upon the Effective Date, each of the Participating Class Members (including the Class Representatives) will be deemed to have, and by operation of the Judgment will have fully, finally, and forever released, relinquished and discharged Defendants and the Released Parties from any and all Released Claims.

"Released Claims" means all causes of action and factual or legal theories that were alleged in the operative complaints or that could have been alleged against Defendants based on the facts contained in the operative complaints, including all of the following claims for relief: (a) failure to pay all wages, including but not limited to minimum wages and overtime wages due; (b) failure to provide proper meal and rest periods, and to properly provide premium pay in lieu thereof; (c) failure to provide complete, accurate or properly formatted wage statements; (d) waiting time penalties; (e) failure to reimburse business expenditures, (f) unfair business practices that could have been premised on the facts, claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; (g) any other claims or penalties under the California Labor Code or other wage and hour laws pleaded in the Action, including but not limited to California Labor Code Sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204, 205.5, 218.5, 221, 226, 226(a), 226(g), 226.3, 226.7, 510, 512(a), 558, 1174(d), 1021.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802; and, the California Business and Professions Code Section 17200; (h) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief, and, exclusively to PAGA Members, (i) all claims under the California Labor Code Private Attorneys General Act of 2004 that could have been premised on the facts, claims, the letter to the LWDA dated December 10, 2021, and causes of action or legal theories described above or any of the facts, claims, causes of action or legal theories of relief pleaded in the operative complaint.

"Released Parties" means Defendants Valley Power Systems, Inc., a California corporation, and Valley Power Systems North, Inc., a California corporation, and their past, present and/or future, direct and/or indirect, owners, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, legal representatives, and joint venturers, if any.

E. Attorneys' Fees and Costs to Class Counsel

Class Counsel will seek attorneys' fees in an amount of up to thirty-five percent (35%) of the Maximum Settlement Amount (i.e., an amount of up to \$700,000.00) and reimbursement of litigation costs and expenses in an amount of up to Forty Thousand Dollars (\$40,000.00), to be paid from the Maximum Settlement Amount, subject to approval by the Court. Class Counsel has been prosecuting the Action on behalf of Plaintiffs and Class Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Service Payments to Plaintiffs

Plaintiffs Neil Fraser and Cody Lamont will each seek an amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) as their respective Service Payment in recognition of their services in connection with the Action. The Service Payment will be paid from the Maximum Settlement Amount subject to approval by the Court, and if awarded, it will be paid to Plaintiffs in addition to their Individual Settlement Payment that they are entitled to under the settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator, CPT Group, costs are not to exceed Eleven Thousand Dollars and Zero Cents (\$16,000.00) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the settlement, processing Requests for Exclusion, Workweeks Disputes, and objections, calculating Individual Settlement Payments, and distributing payments and tax forms under the settlement, and shall be paid from the Maximum Settlement Amount subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to receive your Individual Settlement Payment from the settlement, you do not have to do anything. You will automatically be issued your Individual Settlement Payment in the form of a check unless you decide to exclude yourself from the settlement. Unless you elect to exclude yourself from the Settlement, you will be bound by the terms of the settlement and any judgment that may be entered by the Court based thereon, and you will be deemed to have released the Released Claims against the Released Parties as described in Section III.D above. You will have 180 days to cash the check. If you do not cash the check, the money will revert to the state, but you will still be deemed to have released your claims. As a Class Member, you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Settlement

If you do not wish to participate in the class action portion of the settlement, you may seek exclusion from the settlement by submitting a written request to be excluded from the settlement ("Request for Exclusion") to the Settlement Administrator at the following address:

[Settlement Administrator]
[Address]

A request for exclusion must: (a) contain your full name, address, and signature; (b) contain the case name and number of the Action (*Neil Fraser, et al., v Valley Power Systems, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV00279); (c) contain a statement indicating that you intend to be excluded from the Class Member portion of the settlement; and (4) be mailed to the Settlement Administrator at the address listed above, postmarked **no later than [Response Deadline]**.

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be entitled to receive any payment from the Class Member portion of the settlement, will not be bound by the settlement (and the release of Released Claims stated in Section III.D above), except for the release of PAGA claims which is binding on all PAGA Members, and will not have any right to object to, appeal, or comment on the settlement. Any Class Members who do not submit a timely and valid Request for Exclusion will be deemed Participating Class Members and will be bound by all terms of the settlement, including those pertaining to the release of Released Claims stated in Section III.D above, as well as any judgment that may be entered by the Court based thereon.

C. Objecting to the Settlement

You can object to the terms of the Class Member settlement as long as you have not submitted a Request for Exclusion.

To object, you must do so by way of a written objection that: (a) contains your full name, dates of employment as a non-exempt or hourly-paid employee of Defendants in California, and signature; (b) contains the case name and number of the Action (*Neil Fraser, et al., v Valley Power Systems, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV00279); (c) all legal and factual bases for the objection to the Settlement; (d) whether you intend to appear at the Final Approval Hearing; (e) whether you are represented by legal counsel, and if so, identify the legal counsel and their address; and (f) is mailed to the Settlement Administrator and postmarked **no later than [Response Deadline]**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 12 of the Los Angeles County Superior Court located at 312

N. Spring Street., Los Angeles, CA 90012, on **[Final Approval Hearing Date]**, at **[Time]**. This hearing will determine whether the Settlement should be finally approved as fair, reasonable, and adequate and whether the attorneys' fees, costs to Class Counsel, the Service Payment to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator should be awarded.

The hearing may be continued without further notice to the Class Members. It is not necessary for you to appear at the Final Approval Hearing.

- i. If you wish to appear in person at the Final Approval hearing: You must adhere to the Los Angeles Superior Court's COVID-19 guidelines should they still be in effect. There are currently no social distancing requirements within Los Angeles Superior Court, however face masks are mandatory in order to enter the building. This protocol may change from the time of this notice to the date of the final approval hearing and if you wish to appear in-person you are strongly encouraged to first review the court's website which has up-to-date COVID-19 precautions. The website is at the following address www.lacourt.org and covid protocol information can be found on the front page.
- ii. If you wish to appear virtually at the Final Approval hearing: You must visit www.lacourt.org and on the front page will be the following phrase "Visit the AccessLACourt | Your Way News Center for more information on remote courtroom appearances via LACourtConnect (more information **here**) and remote service options you can access without coming to court." The word "here" (bolded above for reference) is a link that will allow you to schedule a remote appearance. You then need to select the picture with the word "Civil" on it and follow the prompts. You will need to create an account and you may need to pay a remote appearance fee to the court. The attorneys for Plaintiffs and/or Defendants are not responsible for any fees you incur associated with the remote appearance.

A. Notice of Final Judgment

Notice of final judgment, once granted by the court, will be posted on the claim administrator's website at the following website address < **[REDACTED]** >.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other court records in the Action at the Los Angeles Superior Court, located at 111 N. Hill Street, Los Angeles, CA 90012, during business hours Or by visiting the court website at < <http://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil> > and typing in the case number

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

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR CPT GROUP AT THE FOLLOWING TOLL-FREE NUMBER: **[INSERT].**

EXHIBIT 1(a)

1 JUSTICE LAW CORPORATION
2 Douglas Han (SBN 232858)
3 ghan@justicelawcorp.com
4 Shunt Tatavos-Gharajeh (SBN 272164)
5 statavos@justicelawcorp.com
6 Jason Rothman (SBN 304961)
7 jrothman@justicelawcorp.com
8 751 N. Fair Oaks Ave., Suite 101
9 Pasadena, California 91103
10 Telephone: (818) 230-7502
11 Facsimile: (818) 230-7259

12 Attorneys for Plaintiffs Neil Fraser and Cody Lamont,
13 on behalf of themselves and all others similarly situated

14 Lawrence H. Stone (SBN 146797)
15 lawrence.stone@jacksonlewis.com
16 Steven M. Zimmerman (SBN 279647)
17 steven.zimmerman@jacksonlewis.com
18 JACKSON LEWIS P.C.
19 725 South Figueroa Street, Suite 2500
20 Los Angeles, California 90017-5408
21 Telephone: (213) 689-0404
22 Facsimile: (213) 689-0430

23 Attorneys for Defendants Valley Power Systems, Inc., and
24 Valley Power Systems North, Inc.

25
26 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
27
28 **FOR THE COUNTY OF LOS ANGELES**

NEIL FRASER and CODY LAMONT,
individually, and on behalf of themselves and
others similarly situated,

Plaintiff,

v.

VALLEY POWER SYSTEMS, INC., a
California corporation, VALLEY POWER
SYSTEMS NORTH, INC., a California
corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: 20STCV00279

CLASS ACTION

Assigned for All Purposes To:

Hon. Carolyn B. Kuhl

Dept.: 12

**AMENDED STIPULATION OF CLASS
ACTION SETTLEMENT**

Complaint Filed: January 6, 2020

Trial Date: None Set

1 This Amended Joint Stipulation of Class Action Settlement (“Settlement Agreement”) is
2 made and entered into by and between Plaintiffs Neil Fraser and Cody Lamont (“Class
3 Representatives”), individually, and on behalf of all others similarly situated, and Defendants
4 Valley Power Systems, Inc., a California corporation, and Valley Power Systems North, Inc., a
5 California corporation (collectively “Defendants”) (collectively with Plaintiffs, the “Parties”).

6 DEFINITIONS

7 The following definitions are applicable to this Settlement Agreement.

8 Definitions contained elsewhere in this Settlement Agreement will also be effective:

9 1. “Action” means *Neil Fraser, et al., v Valley Power Systems, Inc., et al.*, Los
10 Angeles County Superior Court Case No. 20STCV00279.

11 2. “Attorneys’ Fees and Costs” means attorneys’ fees and costs approved by the
12 Court for Class Counsel’s litigation and resolution of this Action.

13 3. “Class Counsel” means Douglas Han, Shunt Tatavos-Gharajeh, and Jason
14 Rothman of Justice Law Corporation.

15 4. “Class List” means a complete list of all Class Members that Defendants will
16 diligently and in good faith compile from its records and provide to the Settlement
17 Administrator within twenty-one (21) calendar days after Preliminary Approval of this
18 Settlement. The Class List will be formatted in Microsoft Office Excel and will include the
19 following information from Defendants’ records: each Class Member’s full name; last-known
20 mailing address; Social Security number; and respective number of Workweeks and/or dates of
21 employment as a non-exempt employee in California during the Class Period.

22 5. “Settlement Class” or “Class Member” means all current and former
23 California-based (*i.e.*, currently “residing” in California with the intent to remain in
24 California indefinitely) hourly-paid or non-exempt employees (whether hired directly or
25 through a staffing agency or labor contractor) of Defendants within the State of California.
26 “Class Members” shall not include any person who submits a timely and valid request for
27 exclusion.
28

6. Defendants estimates that there are approximately Five Hundred and Twenty (520) combined Class Members and PAGA Members

7. -“Settlement PAGA Members” or “PAGA Member” means all current and former California-based (*i.e.*, currently “residing” in California with the intent to remain in California indefinitely) hourly-paid or non-exempt employees (whether hired directly or through a staffing agency or labor contractor) of Defendants within the State of California.

8. “Class Period” means the period from January 6, 2016 through May 2, 2022.

9. “PAGA Period” means the period from January 6, 2019 through May 2, 2022.

10. “Class Representatives’ Enhancement Payment” means the amount approved by the Court to be paid to Plaintiffs in recognition for their contributions to the Action on behalf of Class Members and PAGA Members.

11. “Court” means the Superior Court of California, County of Los Angeles.

12. “Defendants” means Valley Power Systems, Inc., a California corporation, and Valley Power Systems North, Inc., a California corporation (including any and all affiliates, subsidiaries, and parents, and their shareholders, officers, directors, agents, and employees).

13. “Effective Date” will be the last to occur of the following: (a) the 61st day after service of notice of entry of the Court’s order granting final approval of the Settlement Agreement and Judgment; or (b) if an appeal, review or writ is sought from the order, the day after the order is affirmed or the appeal, review or writ is dismissed or denied, and the order is no longer subject to further judicial review.

14. “Individual Settlement Payment” means each Class Member’s share of the Net Settlement Amount.

15. “Maximum Settlement Amount” is the amount of Two Million Dollars and Zero Cents (\$2,000,000.00), which is the maximum amount to be paid by Defendants pursuant to this Settlement Agreement. The Maximum Settlement Amount includes all Individual Settlement Payments to Class Members and PAGA Members, the Class Representatives Enhancement Payments to Plaintiffs’, Attorneys’ Fees and Costs to Class Counsel, the Settlement Administration Costs to the Settlement Administrator, the Class Members’ share of

1 any employment taxes, and the PAGA Payment as specified in this Agreement. Defendants
2 shall pay the employer's share of payroll taxes due on the portion of Settlement Payments
3 allocated to wages separately and in addition to the Maximum Settlement Amount. The Parties
4 agree that Defendants will have no obligation to pay any amount in connection with this
5 Settlement Agreement apart from the Maximum Settlement Amount and the employer's share
6 of payroll taxes due on the portion of Settlement Payments allocated to wages, and that none of
7 the Maximum Settlement Amount will revert to Defendants.

8 16. "Net Settlement Amount" means the Maximum Settlement Amount, less the
9 Class Representatives Enhancement Payments, Attorneys' Fees and Costs, the Class Members'
10 share of any employment taxes, Settlement Administration Costs, and seventy-five percent
11 (75%) of the PAGA Payment as specified in this Agreement.

12 17. "Objection" means any written objection to this Settlement filed with the Court
13 and sent by a Class Member to the Settlement Administrator as specified herein and in the
14 Notice of Settlement. An Objection to Settlement must be filed and sent to the Settlement
15 Administrator within the time limitations set forth in this Stipulation.

16 18. "Notice of Class Action Settlement" means the notice of settlement, a draft of
17 which is attached as Exhibit A, to be mailed to all members of the Settlement Class upon
18 Preliminary Approval.

19 19. "PAGA" means the California Labor Code Private Attorneys General Act of
20 2004, Cal. Labor Code Section 2699, et. seq.

21 20. "PAGA Payment" means the payment made hereunder to the California Labor
22 and Workforce Development Agency and the Settlement PAGA Members for settlement of
23 claims for civil penalties under PAGA.

24 21. "Parties" means Plaintiffs and Defendants collectively.

25 22. "Plaintiffs" mean Neil Fraser and Cody Lamont.

26 23. "Preliminary Approval" means the Court order granting preliminary approval of
27 the Settlement Agreement.

28

1 24. “Released Claims” means all causes of action and factual or legal theories that
2 were alleged in the operative first amended complaint or that could have been alleged against
3 Defendants based on the facts contained in the operative complaints, including all of the
4 following claims for relief: (a) failure to pay all wages, including but not limited to regular
5 wages, minimum wages and overtime wages due; (b) failure to provide proper meal and rest
6 periods, and to properly provide premium pay in lieu thereof; (c) failure to provide complete,
7 accurate or properly formatted wage statements; (d) waiting time penalties; (e) failure to
8 reimburse business expenditures, (f) unfair business practices that could have been premised on
9 the claims, causes of action or legal theories of relief described above or any of the claims,
10 causes of action or legal theories of relief pleaded in the operative complaint; (g) any other
11 claims or penalties under the California Labor Code or other wage and hour laws pleaded in the
12 Action, including but not limited to California Labor Code Sections 201, 201.3, 201.5, 201.6,
13 201.8, 201.9, 202, 203, 204, 205.5, 218.5, 221, 226, 226(a), 226(g), 226.3, 226.7, 510, 512(a),
14 558, 1174(d), 1021.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802; and, the California
15 Business and Professions Code Section 17200; (h) all damages, penalties, interest and other
16 amounts recoverable under said claims, causes of action or legal theories of relief, and,
17 exclusively to PAGA Members, (i) all claims under the California Labor Code Private
18 Attorneys General Act of 2004 that could have been premised on the facts, claims, causes of
19 action or legal theories described above or any of the claims, the letter to the LWDA dated
20 November 20, 2020, and causes of action or legal theories of relief pleaded in the operative
21 complaints.

22 25. “Released Parties” means Defendants, and their past, present and/or future,
23 direct and/or indirect, owners, officers, directors, members, managers, employees, agents,
24 representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent
25 companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, legal
26 representatives, and joint venturers, if any.

27 26. “Request for Exclusion” means a timely written request by a Class Member to
28 be excluded from the Settlement. The Request for Exclusion must: (i) set forth the name,

1 address, and telephone number of the Class Member requesting exclusion; (ii) be signed by the
2 Class Member; (iii) be returned to the Settlement Administrator; (iv) clearly state that the Class
3 Member does not wish to be included in the Settlement; and (v) be postmarked on or before the
4 Response Deadline.

5 27. “Response Deadline” means the deadline by which Class Members must
6 postmark the Settlement Administrator Requests for Exclusion or Objection to the Settlement.
7 The Response Deadline will be forty-five (45) calendar days from the date of the initial mailing
8 of the Notice of Class Action Settlement by the Settlement Administrator, unless the 45th day
9 falls on a Sunday, State or Federal holiday, in which case the Response Deadline will be
10 extended to the next day on which the U.S. Postal Service is open.

11 However, if a Notice of Class Action Settlement needs to be re-mailed due to skip
12 tracing efforts and/or other tracking efforts by the Settlement Administrator, made in an effort
13 to locate a Class Member whose last known address by Defendants is now invalid, then said
14 Class Member will be provided additional time to request Exclusion or Objection, or otherwise
15 dispute the information within the Notice of Class Action Settlement. This additional amount
16 of time will vary by Class Member based on how long it took the Settlement Administrator to
17 locate a forwarding address, however it will not exceed ten (10) additional days beyond the
18 initial Response Deadline.

19 27.28. “Settlement Administrator” means CPT Group, or any other third-party class
20 action settlement administrator approved by the Parties and the Court for the purposes of
21 administering this Settlement. The Parties each represent that they have no financial interest in
22 the Settlement Administrator or otherwise have a relationship with the Settlement
23 Administrator that could create a conflict of interest.

24 28.29. “Settlement Administration Costs” includes all costs payable to the Settlement
25 Administrator for administering this Settlement, including, but not limited to, printing,
26 distributing, and tracking notice and other documents for this Settlement, tax reporting,
27 distributing all payments to be made pursuant to this Settlement, and providing necessary
28 reports and declarations, as requested by the Parties. After conference and consultation with the

Settlement Administrator, \$~~16,000.00~~~~11,000.00~~ will be allocated to Settlement Administration as a “not to exceed” cost. This amount will be paid over the course of two installment payments to coincide with the installment payment schedule for the Maximum Settlement Amount as established in this Settlement Agreement

29.30. “Pay Periods” means the number of pay periods that the Class Member worked as a non-exempt employee in California during the Class Period.

30.31. “Workweek Value” means the value of each compensable Workweek, as determined by the formula set forth in herein.

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TERMS OF AGREEMENT

Plaintiffs, on behalf of themselves, the Settlement Class, the Settlement PAGA Members, and Defendants agrees as follows:

31.32. Funding of the Maximum Settlement Amount. Defendants will make two separate installment payments, each in the amount of \$1,000,000.00, to an interest-bearing Qualified Settlement Fund, which the Settlement Administrator will manage and establish. The two payments shall be made on the following schedule:

- First Installment: January 2, 2023; and
- Second Installment: January 2, 2024

By January 3, 2024, the Qualified Settlement Fund will be fully funded by Defendants. The Maximum Settlement Amount will be used to pay: (i) Individual Settlement Amounts; (ii) the Class Representative Enhancement Payment; (iii) Attorneys’ Fees and Costs; (iv) the PAGA Payment; and the (v) Settlement Administration Costs.

After each installment payment is received, said installment will be used to pay the (i) Individual Settlement Amounts; (ii) the Class Representative Enhancement Payment; (iii) Attorneys’ Fees and Costs; (iv) the PAGA Payment; and the (v) Settlement Administration Costs, in an amount equal to the installment payment. This will result in two payments to everyone who is to be paid under the Maximum Settlement Amount. Each payment

1 representing half of the Maximum Settlement Amount (outside of accrued interest which will
2 be included in the final distribution to those Participating Class Members).

3 32.33. Attorneys' Fees and Costs. Class Counsel will seek an award of Attorneys' Fees
4 and Costs of not more than Seven Hundred Thousand Dollars and Zero Cents (\$700,000.00) in
5 attorney's fees and not more than Forty Thousand Dollars and Zero Cents (\$40,000.00) in costs,
6 and Defendants agree not to oppose such application. All Attorneys' Fees and Costs will be
7 paid from the Maximum Settlement Amount in two installment payments based on the timing
8 of Defendants installment payments. The amounts awarded by the Court shall be binding on the
9 Parties and shall not otherwise affect the validity of the Settlement. Plaintiffs and Class Counsel
10 will not have the right to revoke this Settlement in the event the Court fails to approve the
11 amount of Attorneys' Fees and Costs sought by Class Counsel. Should the Court approve a
12 lesser amount of Attorneys' Fees and Costs, the difference will be added to the Net Settlement
13 Amount.

14 33.34. Class Representative Enhancement Payment. Plaintiffs will apply to the Court for
15 a Class Representative Enhancement Payment of not more than Ten Thousand Dollars and Zero
16 Cents (\$10,000.00) to each, Plaintiffs Neil Fraser and Cody Lamont, for a combined total of
17 \$20,000.00. This amount will be paid over the course of two installment payments to coincide
18 with the installment payment schedule for the Maximum Settlement Amount as established in
19 this Settlement Agreement. This amount is for their efforts and work in prosecuting the Action on
20 behalf of Class Members and PAGA Members in exchange for a general release of all claims,
21 and Defendants agree not to oppose such application. This amount shall be reported as W-2
22 wages. The Class Representative Enhancement Payment, which will be paid from the Maximum
23 Settlement Amount, will be in addition to Plaintiffs' right to Individual Settlement Payments
24 pursuant to the Settlement. Plaintiffs will be solely and legally responsible to pay any and all
25 applicable taxes on the payments made pursuant to this paragraph and will hold Defendants
26 harmless from any claim or liability for taxes, penalties, or interest arising as a result of the
27 payments. Plaintiffs will not have the right to revoke this Settlement in the event the Court fails
28 to approve the amount sought by Plaintiffs as a Class Representative Enhancement Payment.

Any portion of the Class Representative Enhancement Payment not awarded to the Class Representatives will be added to the Net Settlement Amount.

34.35. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments. These costs, which will be paid from the Maximum Settlement Amount, will include, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 IRS Forms, preparing and distributing Notices of Class Action Settlement, calculating and distributing all payments to be made pursuant to the Settlement, and providing necessary reports and declarations. Class Counsel has obtained a “not to exceed” quote from the Settlement Administrator to complete the administration for \$11,000.00. The Settlement Administrator’s “not to exceed” quote will represent the Settlement Administrator’s agreement that, based on the class size and distributions under the terms of this Settlement, the costs for administration of the terms of this Settlement will not exceed the specified amount. All of the Settlement Administration Costs shall be paid from the Maximum Settlement Amount, upon completion of all duties required to be performed by the Settlement Administrator under the terms of this Settlement, or as otherwise required by the Court. The Settlement Administrator will establish the Qualified Settlement Fund Account.

35.36. PAGA Payment. One Hundred Thousand Dollars and Zero Cents (\$100,000.00) shall be allocated from the Maximum Settlement Fund for settlement of claims for civil penalties under PAGA. The Settlement Administrator shall pay seventy-five percent (75%) of the \$100,000.00 PAGA Payment, or \$75,000.00, to the LWDA, and twenty-five (25%) of the \$100,000.00 PAGA Payment, or \$25,000.00, will be included in the Net Settlement Amount and distributed to Settlement PAGA Members as described in this Agreement. This amount will be paid over the course of two installment payments to coincide with the installment payment schedule for the Maximum Settlement Amount as established in this Settlement Agreement. Each Settlement PAGA Member’s pro rata share of that \$25,000.00 will be part of his or her Individual Settlement Payment.

1 36.37. Individual Class Members Settlement Payment Calculations. Individual
2 Settlement Payments will be calculated and apportioned from the Net Settlement Amount based
3 on the number of Workweeks a Class Member worked during the Class Period as a non-exempt
4 employee in California. Specific calculations of Individual Settlement Payments will be made
5 as follows:

6 37(a). The Settlement Administrator will calculate the total number of
7 Workweeks worked by each Class Member as a non-exempt employee in California during the
8 Class Period and the aggregate total number of Workweeks worked by all Class Members as
9 non-exempt employees in California during the Class Period.

10 37(b). To determine each Class Member's estimated "Individual Settlement
11 Payment," the Settlement Administrator will use the following formula: The Net Settlement
12 Amount will be divided by the aggregate total number of Workweeks, resulting in the
13 Workweek Value. Each Class Member's "Individual Settlement Payment" will be calculated by
14 multiplying each individual Class Member's total number of Workweeks by the Workweek
15 Value.

16 37(c). The entire Net Settlement Amount will be disbursed as Individual
17 Settlement Payments to Class Members over the course of two payments. This first distribution
18 will occur after the January 2, 2023 installment payment has been received. The second
19 distribution will occur after the January 2, 2024 installment payment has been received,
20 meaning the Maximum Settlement Amount has been fully funded. If there are any valid and
21 timely Requests for Exclusion from members of the Settlement Class, the Settlement
22 Administrator shall proportionately increase the Individual Settlement Payment for each Class
23 Member according to the number of Workweeks worked, so that the amount actually
24 distributed to the Settlement Class equals 100% of the Net Settlement Amount. Additionally, all
25 interest accrued from Defendants' payments into the Qualified Settlement Fund during the
26 funding process and through distribution will be added to the Net Settlement Amount and the
27 Individual Settlement Payments will be proportionally increased on a pro rata basis.
28

1 A Settlement Class Member who received the first installment payment, but moved and
2 did not update[d] their address with the Settlement Administrator and could not subsequently
3 be located through the Settlement Administrator's reasonable efforts, will have his/her
4 unclaimed settlement share go to the State Controller's Office consistent with the Un-Cashed
5 Settlement Checks.

6 ~~The entire Net Settlement Amount will be disbursed as Individual Settlement~~
7 ~~Payments to Class Members. If there are any valid and timely Requests for Exclusion from~~
8 ~~members of the Settlement Class, the Settlement Administrator shall proportionately increase~~
9 ~~the Individual Settlement Payment for each Class Member according to the number of~~
10 ~~Workweeks worked, so that the amount actually distributed to the Settlement Class equals~~
11 ~~100% of the Net Settlement Amount.~~

12 37.38. Individual PAGA Member Settlement Payment Calculations. Individual
13 Settlement Payments will be calculated and apportioned from the PAGA Payment amount
14 based on the number of Pay Periods a PAGA Member worked during the PAGA Period as a
15 non-exempt employee in California. Specific calculations of PAGA Individual Settlement
16 Payments will be made as follows:

17 38(a). The Settlement Administrator will calculate the total number of Pay
18 Periods worked by each PAGA Member as a non-exempt employee in California during the
19 PAGA Period and the aggregate total number of Pay Periods worked by all PAGA Members as
20 non-exempt employees in California during the PAGA Period ("Pay Period Value").

21 38(b). To determine each PAGA Member's estimated "Individual Settlement
22 Payment," the Settlement Administrator will use the following formula: The PAGA Payment
23 amount's portion allocated to the PAGA Period will be divided by the aggregate total number of
24 Pay Periods within the PAGA Period, resulting in the Pay Period Value. Each PAGA Member's
25 "Individual Settlement Payment" will be calculated by multiplying each individual PAGA
26 Member's total number of Pay Periods by the Pay Period Value.

27 38(c). The entire PAGA Payment amount will be disbursed as Individual
28 Settlement Payments to PAGA Members over two separate installment payments. PAGA

1 Members will not be able to opt out or request exclusion from the settlement. For those Class
2 Members who are also PAGA Members, they will not be able to opt out or request exclusion
3 from their Individual Settlement Amount allocation of the PAGA Amount. This first
4 distribution will occur after the January 2, 2023 installment payment has been received. The
5 second distribution will occur after the January 2, 2024 installment payment has been received,
6 meaning the Maximum Settlement Amount has been fully funded. Additionally, all interest
7 accrued from Defendants' payments into the Qualified Settlement Fund during the funding
8 process and through distribution will be added to the Net Settlement Amount and the Individual
9 Settlement Payments will be proportionally increased on a *pro rata* basis

10 38.39. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
11 Class Members and PAGA Members under this Settlement, as well as any other payments made
12 pursuant to this Settlement, will not be utilized to calculate any additional benefits under any
13 benefit plans to which any Class Members and/or PAGA Members may be eligible, including,
14 but not limited to: (i) profit-sharing plans, (ii) bonus plans, (iii) 401(k) plans, (iv) stock
15 purchase plans, (v) vacation plans, (vi) sick leave plans, (vii) PTO plans, and (viii) any other
16 benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect
17 any rights, contributions, or amounts to which any Class Members and/or PAGA Members may
18 be entitled under any benefit plans.

19 39.40. Settlement Administration Process. The Parties agree to cooperate in the
20 administration of the settlement and to make all reasonable efforts to control and minimize the
21 costs and expenses incurred in administration of the Settlement.

22 40.41. Delivery of the Class List. Within twenty-one (21) calendar days of entry of the
23 Court's Order Granting Preliminary Approval, Defendants will provide the Class List to the
24 Settlement Administrator. This Class List will also be used to identify the PAGA Members
25 within the PAGA Period. In no event will this information ever be shared with or provided to
26 Class Counsel.

27 41.42. Notice by First-Class U.S. Mail. Within ten (10) business days after receiving
28 the Class List from Defendants, the Settlement Administrator will mail a Notice of Class Action

1 Settlement to all Class Members via regular First-Class U.S. Mail, using the most current,
2 known mailing addresses identified in the Class List.

3 42.43. Confirmation of Contact Information in the Class List and Undeliverable
4 Notices. Prior to mailing, the Settlement Administrator will perform a search based on the
5 National Change of Address Database for information to update and correct for any known or
6 identifiable address changes. Any Notices of Class Action Settlement returned to the Settlement
7 Administrator as non-deliverable on or before the Response Deadline will be sent promptly via
8 regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement
9 Administrator will indicate the date of such re-mailing on the Notice of Class Action
10 Settlement. If no forwarding address is provided, the Settlement Administrator will promptly
11 attempt to determine the correct address using an Accurint search/skip-trace and will then
12 perform a single re-mailing.

13 43.44. Notices of Class Action Settlement. All Class Members will be mailed a Notice
14 of Class Action Settlement in both English and Spanish in the form attached as Exhibit A¹, as
15 may be modified by Court order.

16 45. Disputed Information on Notices of Class Action Settlement. Class Members
17 will have an opportunity to dispute the information provided in their Notices of Class Action
18 Settlement. To the extent Class Members dispute their Individual Settlement Payment, their
19 employment dates, or the number of Workweeks as set forth on the Notice, Class Members may
20 produce evidence to the Settlement Administrator showing that such information is inaccurate.
21 The Settlement Administrator will advise the Parties of such dispute, allow Defendants five (5)
22 business days to respond with any additional information or records, and then decide the
23 dispute. Defendants' records will be presumed determinative, absent evidence to rebut
24 Defendants' records, but the Settlement Administrator will evaluate the evidence submitted by
25 the Class Member and Defendants and will make the final decision as to the merits of the
26

27 ¹ Only the English version of the Class Notice is being attached to the Stipulation of Class Action Settlement. Once
28 the above-entitled case receives Preliminary Approval then the Claim Administrator will translate the Class Notice
into Spanish.

1 dispute. The deadline for Class Members to dispute information in the Notice of Class Action
2 Settlement will be the same as the Response Deadline (i.e., forty-five (45) calendar days from
3 the date of the initial mailing).

4 If necessary, Class Counsel, with the prior consent of Defendant, will be allowed to
5 access the class contact information for those individuals who dispute the information on the
6 Class Notice, in order to answer those individual Class Member's questions or otherwise
7 provide representations about the class.

8 45(a). Eligible PAGA Members will not be able to exclude themselves from
9 receiving their portion of the PAGA Payment. The Class Notice will inform Eligible PAGA
10 Members that they cannot opt out of the PAGA portion of the settlement and explain that they
11 will not be permitted to pursue any action under PAGA against the Released Parties for any
12 claim that arose during the PAGA Period, even if they elect to Opt-Out of the Class Action
13 Settlement.

14 44.46. Requests for Exclusion. Any Class Member wishing to opt-out from the
15 settlement of the Class Claims must sign and postmark a written Request for Exclusion to the
16 Settlement Administrator within the Response Deadline. The postmark date will be the
17 exclusive means to determine whether a Request for Exclusion has been timely submitted. The
18 Parties and their counsel will not solicit or encourage any Class Member, directly or indirectly,
19 to opt out of the Settlement Agreement. More specifically, a Class Member may request to be
20 excluded from the settlement of the Class Claims, and any payment of amounts under this
21 Agreement excluding the PAGA Payment by timely mailing a Request for Exclusion letter to
22 the Settlement Administrator stating that the Class Member wants to be excluded from
23 settlement of the Class Claims. This letter must include the Class Member's name, address,
24 telephone number, and signature. To be valid and timely, the Request for Exclusion must be
25 postmarked by the Response Deadline date that will be specified in the Class Notice (no less
26 than forty-five (45) days from the initial mailing of the Class Notice by the Settlement
27 Administrator). However, if a Notice of Class Action Settlement needs to be re-mailed then that
28 individual Class Member will be provided forty-five (45) days to object or submit a Request for

1 Exclusion from the settlement from the date of the new mailing. A Class Member who
2 properly submits a valid and timely Request for Exclusion from the Action will not receive any
3 payment of the Class Claims in connection with this Agreement or this Action, will not be
4 bound by or receive any benefit of this Agreement other than the PAGA Payment, and will have
5 no standing to object to the Settlement of the Class Claims. Class Members who do not timely
6 submit a Request for Exclusion will be bound by the releases herein and receive an individual
7 settlement payment (“Participating Class Members”). A Request for Exclusion must be mailed
8 to the Settlement Administrator at its address to be provided in the Class Notice, and the
9 Settlement Administrator will promptly transmit the Requests for Exclusion to counsel for the
10 Parties.

11 45.47. Defective Submissions. If a Class Member’s Request for Exclusion is defective
12 as to the requirements listed herein, that Class Member will be given an opportunity to cure the
13 defect(s). The Settlement Administrator will mail the Class Member a cure letter within three
14 (3) business days of receiving the defective submission to advise the Class Member that his or
15 her submission is defective and that the defect must be cured to render the Request for
16 Exclusion valid. The Class Member will have until the later of (i) the Response Deadline or (ii)
17 fifteen (15) calendar days from the date of the cure letter, whichever date is later, to postmark a
18 revised Request for Exclusion. If the revised Request for Exclusion is not postmarked and
19 mailed within that period, it will be deemed untimely.

20 46.48. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class
21 Member who does not affirmatively opt out of the Settlement Agreement by submitting a
22 timely and valid Request for Exclusion will be bound by all of its terms, including those
23 pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if
24 it grants final approval of the Settlement. If a PAGA Member submits a valid Request for
25 Exclusion from the Class Claims, such PAGA Member will still be deemed to have released the
26 PAGA Claims to the fullest extent permitted by law.

27 47.49. Objection Procedures. The Notice shall state that Settlement Class Members
28 who wish to object to the Settlement may do so by a written statement of objection (“Notice of

1 Objection”) mailed by the Response Deadline to the Settlement Administrator or by appearing
2 at the hearing for Final Approval. If a Settlement Class Members wishes to submit a written
3 objection, the Objection must be signed by the Class Member and contain all information
4 required by this Settlement Agreement. The postmark date of the filing and service will be
5 deemed the exclusive means for determining that the Objection is timely. The Notice of
6 Objection must state: (1) the case name and number; (2) the name of the Settlement Class
7 Member; (3) the address of the Settlement Class Member; and (4) the basis for the objection.
8 The Settlement Class Member may appear at the Final Approval Hearing even if he does not
9 submit a Notice of Objection and may object orally. The Settlement Administrator will
10 promptly provide any Notices of Objection to the Parties’ counsel upon receiving them. Class
11 Counsel will include all objections received and Plaintiffs’ response(s) with Plaintiffs’ motion
12 for final approval of the Settlement. Settlement Class Members may also have a right to have
13 their objections heard at the Final Approval/Settlement Fairness Hearing, however they will
14 need to adhere to the Court’s COVID-19 protocols which will be outlined in the Class Notice
15 attached hereto as Exhibit A. Class Counsel will not represent any Class Members with respect
16 to any such Objections to this Settlement, and any Class Members who request exclusion from
17 the Settlement will have no standing to object to the settlement of the Class Claims.

18 48.50. Settlement Administrator Reports. The Settlement Administrator will provide
19 Defendants’ counsel and Class Counsel a weekly report of the number of Class Members who
20 have submitted valid Requests for Exclusion, Objections, and disputes regarding Pay Periods
21 calculations. Additionally, the Settlement Administrator will provide to counsel for both Parties
22 any updated reports regarding the administration of the Settlement Agreement as needed or
23 requested.

24 49.51. Distribution and Timing of Payments. After the Effective Date, and after
25 Defendants have fully funded the Qualified Settlement Fund with the Maximum Settlement
26 Amount, within thirty (30) days the Settlement Administrator will issue payments to: (i) all
27 Class Members who have not submitted a valid and timely Request for Exclusion, including
28 any Class Member whose notice was returned as undeliverable; (ii) all PAGA Members, (iii)

1 Plaintiff; (iv) Class Counsel; and (iv) the LWDA. The Settlement Administrator will also issue
2 a payment to itself for Court-approved services performed in connection with the Settlement.
3 The Settlement Administrator will pay Individual Settlement Payments from the Net Settlement
4 Amount to all Participating Class Members and PAGA Members. The Settlement Administrator
5 will do so by sending a check in the appropriate amount to the Class Member and/or PAGA
6 Member at the address indicated in the list of Class Member names and addresses provided by
7 Defendants, or as subsequently determined by the Settlement Administrator to be correct.
8 Those Class Members who are also PAGA Members will receive two checks, one for their
9 Class Member share and a separate check for their PAGA Member share.

10 ~~50.52.~~ Un-Cashed Settlement Checks. Class Members and PAGA Members will
11 receive checks for their respective Individual Settlement Payments. Checks will remain
12 negotiable for 180 days ("Check-Cashing Deadline"). Any first and/or second installment
13 payment check not cashed within 180 calendar days will be void. The funds from the uncashed
14 checks shall be distributed by the Settlement Administrator to the State Controller's Unclaimed
15 Property Fund.

16 Any costs associated with administering the remaining funds under this section (e.g.,
17 bank stop-payment charges, settlement administration costs associated with any reserve
18 amount) or payments to the State Controller's Unclaimed Property Fund will be deducted
19 before the deposit into the State Controller's Unclaimed Property Fund.

20 ~~51.53.~~ Certification of Completion. Upon completion of administration of the
21 Settlement, the Settlement Administrator will provide a written declaration under oath to certify
22 such completion to the Court and counsel for all Parties.

23 ~~52.54.~~ Allocation of Individual Settlement Payments. All Individual Settlement
24 Payments will be allocated as follows: (a) 20% as wages and (b) 80% as penalties and interests.
25 The Settlement Administrator will be responsible for issuing to each claimant a form W-2 for
26 amounts deemed "wages" and an IRS Form 1099 for the portions allocated to penalties.

27 ~~53.55.~~ Administration of Taxes by the Settlement Administrator. The Settlement
28 Administrator will be responsible for issuing to Plaintiffs, Class Members, PAGA Members,

1 and Class Counsel tax forms as may be required by law for all amounts paid pursuant to this
2 Settlement. The Settlement Administrator will also be responsible for forwarding all taxes and
3 penalties to the appropriate government authorities as may be required by law.

4 54.56. Tax Liability. Defendants makes no representation as to the tax treatment or
5 legal effect of the payments called for hereunder, and Plaintiffs, Class Members, and PAGA
6 Members are not relying on any statement, representation, or calculation by Defendants or by
7 the Settlement Administrator in this regard. Plaintiffs, Class Members, and PAGA Members
8 understand and agree that they will be solely responsible for the payment of any taxes and
9 penalties assessed on the payments described herein and will defend, indemnify, and hold
10 Defendants free and harmless from and against any claims resulting from treatment of such
11 payments as non-taxable damages.

12 55.57. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
13 PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
14 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER
15 PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
16 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN
17 OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR
18 WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
19 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN
20 THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31
21 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED
22 EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX
23 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
24 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
25 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO
26 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
27 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY
28 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE

1 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
2 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
3 OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF
4 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
5 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
6 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
7 AGREEMENT.

8 56.58. No Prior Assignments. The Parties and their counsel represent, covenant, and
9 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
10 to assign, transfer, or encumber to any person or entity any portion of any liability, claim,
11 demand, action, cause of action or right herein released and discharged.

12 57.59. Nullification of Settlement Agreement. In the event that: (i) the Court does not
13 finally approve the Settlement as provided herein; (ii) the Court's final approval of the
14 Settlement is reversed or materially modified on appeal; or (iii) the Settlement does not become
15 final for any other reason, then this Settlement Agreement, and any documents generated to
16 bring it into effect, will be null and void, and the Parties will be deemed to be in the same
17 positions as if no settlement in principle had been reached with no waiver of any arguments or
18 defenses. Any order or judgment entered by the Court in furtherance of this Settlement
19 Agreement will likewise be treated as void from the beginning.

20 58.60. Preliminary Approval Hearing. Plaintiffs will obtain a date for hearing before
21 the Court to request the Preliminary Approval of the Settlement Agreement, and the entry of a
22 Preliminary Approval Order for: (i) conditional certification of the Settlement Class for
23 settlement purposes only, (ii) preliminary approval of the proposed Settlement Agreement, (iii)
24 setting a date for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval
25 Order will provide for the Notice of Class Action Settlement to be sent to all Class Members as
26 specified herein. In conjunction with the Preliminary Approval hearing, Plaintiffs will submit
27 this Settlement Agreement, which sets forth the terms of this Settlement, and will include the
28 proposed Notice of Class Action Settlement.

1 59.61. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of
2 the deadlines to postmark Requests for Exclusion and/or Objections to the Settlement
3 Agreement, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will
4 be conducted to determine the Final Approval of the Settlement Agreement along with the
5 amounts properly payable for (i) Individual Settlement Payments; (ii) the Class Representatives
6 Enhancement Payment; (iii) Attorneys' Fees and Costs; (iv) all Settlement Administration
7 Costs; and (v) the Class Members' and Defendants' share of any employment taxes. The Final
8 Approval/Settlement Fairness Hearing will be held no earlier than the date when all deadlines
9 for Class Members to object or exclude themselves have elapsed. Class Counsel will be
10 responsible for drafting all documents necessary to obtain final approval. Class Counsel will
11 also be responsible for drafting the attorneys' fees and costs application to be heard at the final
12 approval hearing.

13 60.62. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by
14 the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the
15 Judgment to the Court for its approval. After entry of the Judgment, the Court will have
16 continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement
17 of the terms of the Settlement, (ii) Settlement administration matters, and (iii) such post-
18 Judgment matters as may be appropriate under court rules or as set forth in this Settlement
19 Agreement.

20 61.63. General Release by Plaintiffs. In exchange for the consideration set forth in
21 this Agreement, Plaintiffs, for themselves, their heirs, successors and assigns, do waive, release,
22 acquit and forever discharge the Released Parties, from any and all claims, actions, charges,
23 complaints, grievances and causes of action, of whatever nature, whether known or unknown,
24 which exist or may exist on Plaintiffs' behalf as of the date of this Agreement, including but not
25 limited to any and all tort claims, contract claims, wage claims, wrongful termination claims,
26 disability claims, benefit claims, public policy claims, retaliation claims, statutory claims,
27 personal injury claims, emotional distress claims, invasion of privacy claims, defamation
28 claims, fraud claims, quantum meruit claims, and any and all claims arising under any federal,

1 state or other governmental statute, law, regulation or ordinance, including any claims arising
2 under the California Fair Employment and Housing Act (FEHA), the California Labor Code,
3 the Wage Orders of California's Industrial Welfare Commission, other state wage and hour
4 laws, the Americans with Disabilities Act, the Age Discrimination in Employment Act
5 (ADEA), the Equal Pay Act, the Employee Retirement Income Security Act, Title VII of the
6 Civil Rights Act of 1964, the California Family Rights Act, the Family and Medical Leave Act,
7 the Fair Labor Standards Act (to the maximum extent permitted by law), California's
8 Whistleblower Protection Act, California Business & Professions Code Section 17200 et seq.,
9 and any and all claims arising under any federal, state or other governmental statute, law,
10 regulation or ordinance. Plaintiffs hereby expressly waives and relinquish any and all claims,
11 rights or benefits that they may have under California Civil Code § 1542, which provides as
12 follows:

13
14 **A GENERAL RELEASE DOES NOT EXTEND TO**
15 **CLAIMS THAT THE CREDITOR OR RELEASING**
16 **PARTY DOES NOT KNOW OR SUSPECT TO**
17 **EXIST IN HIS OR HER FAVOR AT THE TIME OF**
18 **EXECUTING THE RELEASE, AND THAT, IF**
19 **KNOWN BY HIM OR HER, WOULD HAVE**
20 **MATERIALLY AFFECTED HIS OR HER**
21 **SETTLEMENT WITH THE DEBTOR OR**
22 **RELEASED PARTY.**

23 Plaintiffs may hereafter discover claims or facts in addition to, or different from, those
24 which they now know or believe to exist, but they expressly agree to fully, finally and forever
25 settle and release any and all claims against the Released Parties, known or unknown, suspected
26 or unsuspected, which exist or may exist against any Released Party at the time of execution of
27 this Agreement, including, but not limited to, any and all claims relating to or arising from
28 Plaintiffs' employment with Defendants. The Parties further acknowledge, understand and
agree that this representation and commitment is essential to the Agreement and that this
Agreement would not have been entered into were it not for this representation and
commitment.

1 62.64. Release by All Settlement Class Members. Plaintiffs and all Class Members
2 who do not submit a valid and timely Request for Exclusion, on behalf of himself or herself, his
3 or her heirs, descendants, dependents, executors, administrators, assigns, and successors, fully
4 and finally release and discharge the Released Parties from any and all of the Released Claims
5 for the entirety of the Class Period. This waiver and release will be final and binding on the
6 date in which Defendants fully funds the settlement, and will have every preclusive effect
7 permitted by law. Plaintiffs and the Settlement Class Members may hereafter discover facts or
8 legal arguments in addition to or different from those they now know or currently believe to be
9 true with respect to the Released Claims. Regardless, the discovery of new facts or legal
10 arguments shall in no way limit the scope or definition of the Released Claims, and by virtue of
11 this Agreement, Plaintiffs and the Settlement Class Members shall be deemed to have, and by
12 operation of the final judgment approved by the Court, shall have, fully, finally, and forever
13 settled and released all of the Released Claims. The Parties understand and specifically agree
14 that the scope of the release described in this Paragraph: (i) is a material part of the
15 consideration for this Agreement; (ii) was critical in justifying the agreed upon economic value
16 of this settlement and without it Defendants would not have agreed to the consideration
17 provided; and (iii) is narrowly drafted and necessary to ensure that Defendants is obtaining
18 peace of mind regarding the resolution of claims that were or could have been alleged based on
19 the facts, causes of action, and legal theories contained in the operative complaint in the Action.

20 63.65. Release by All Settlement PAGA Members: Plaintiffs agree that upon
21 Defendants fully funding the settlement agreement, Plaintiffs and the PAGA Members will
22 release any and all PAGA Released Claims against Defendants that arose during the PAGA
23 Period. Upon Defendants fully funding the settlement agreement, Plaintiffs and the PAGA
24 Members will be forever barred from pursuing any and all of the PAGA Released Claims that
25 arose during the PAGA Period against Defendants.

26 64.66. Exhibits Incorporated by Reference. The terms of this Settlement Agreement
27 include the terms set forth in any attached Exhibits, which are incorporated by reference as
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1 though fully set forth herein. Any Exhibits to this Settlement Agreement are an integral part of
2 the Settlement.

3 65.67. Publicity Agreement. Plaintiffs and Class Counsel agree not to disclose or
4 publicize the Settlement, including the fact of the Settlement, its terms or contents, and the
5 negotiations underlying the Settlement, in any manner or form, directly or indirectly, to any
6 person or entity, except potential class members and as shall be contractually required to
7 effectuate the terms of the Settlement. For the avoidance of doubt, this section means Plaintiffs
8 and Class Counsel agree not to issue press releases, communicate with, or respond to any
9 media or publication entities, publish information in manner or form, whether printed or
10 electronic, on any medium or otherwise communicate, whether by print, video, recording or
11 any other medium, with any person or entity concerning the Settlement, including the fact of
12 the Settlement, its terms or contents and the negotiations underlying the Settlement, except as
13 shall be contractually required to effectuate the terms of the Settlement. However, for the
14 limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions
15 for the limited purpose of showing to the court that the case has settled, Class Counsel may
16 disclose the name of the Parties in this action and the venue/case number of this action (but not
17 any other settlement details) for such purposes. The Parties and their counsel agree that they
18 will not engage in any advertising or distribute any marketing materials specifying any material
19 terms relating to the Settlement, including but not limited to any postings on any websites
20 maintained by Class Counsel.

21 66.68. No Unalleged Claims. Plaintiffs and Class Counsel represent that they are not
22 currently aware of any: (a) unalleged claims in addition to, or different from, those which are
23 finally and forever settled and released against the Released Parties by this Settlement; and (b)
24 unalleged facts or legal theories upon which any claims or causes of action could be brought
25 against Defendants, except such facts and theories specifically alleged in the operative
26 complaints in this Action. Plaintiffs and Class Counsel will further represent that, other than the
27 instant Action, they have no current intention of asserting any other claims against Defendants
28 in any judicial or administrative forum and do not currently know of or represent any persons

1 who have expressed any interest in pursuing litigation or seeking any recovery against
2 Defendants. The Parties acknowledge, understand and agree that the representations described
3 in this paragraph are essential to the Settlement Agreement and that this Settlement Agreement
4 would not have been entered into were it not for this representation.

5 67.69. Defendants' Option to Revoke Settlement. If, after the Response Deadline, (i)
6 the number of Settlement Class Members who submitted timely and valid written Requests for
7 Exclusion from the Settlement is at least ten percent (10%) of all Settlement Class Members, or
8 (ii) a number of Class Members whose share of the Net Settlement is 10% or more either opt
9 out of and/or object to the Settlement, or both (i) and (ii), Defendants shall have, in its sole
10 discretion, the option to terminate this Settlement and all actions taken in its furtherance of it
11 will be thereby null and void. If Defendants exercise the option to terminate this Settlement,
12 Defendants shall: (a) provide written notice to Class Counsel within thirty (30) calendar days
13 after the Settlement Administrator notifies the Parties of the total number of opt-outs, and (b)
14 pay all Settlement Administration Costs incurred up to the date.

15 68.70. Entire Agreement. This Settlement Agreement and any attached Exhibits
16 constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous
17 written or oral agreements may be deemed binding on the Parties.

18 69.71. Amendment or Modification. This Settlement Agreement may be amended or
19 modified only by a written instrument signed by counsel for all Parties or their successors-in-
20 interest.

21 70.72. Authorization to Enter Into Settlement Agreement. Counsel for all Parties
22 warrant and represent they are expressly authorized by the Parties whom they represent to
23 negotiate this Settlement Agreement and to take all appropriate action required or permitted to
24 be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to
25 execute any other documents required to effectuate the terms of this Settlement Agreement. The
26 Parties and their counsel will cooperate with each other and use their best efforts to effect the
27 implementation of the Settlement. If the Parties are unable to reach agreement on the form or
28 content of any document needed to implement the Settlement, or on any supplemental

1 provisions that may become necessary to effectuate the terms of this Settlement, the Parties
2 may seek the assistance of the Court to resolve such disagreement.

3 71.73. Binding on Successors and Assigns. This Settlement Agreement will be binding
4 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously
5 defined.

6 72.74. California Law Governs. All terms of this Settlement Agreement and Exhibits
7 hereto will be governed by and interpreted according to the laws of the State of California.

8 73.75. Execution and Counterparts. This Settlement Agreement is subject only to the
9 execution of all Parties. However, the Settlement may be executed in one or more counterparts.
10 All executed counterparts and each of them, including facsimile and scanned copies of the
11 signature page, will be deemed to be one and the same instrument provided that counsel for the
12 Parties will exchange among themselves original signed counterparts.

13 74.76. Acknowledgement that the Settlement is Fair and Reasonable. The Parties
14 believe this Settlement Agreement is a fair, adequate and reasonable settlement of the Action
15 and have arrived at this Settlement after arm's-length negotiations and in the context of
16 adversarial litigation, taking into account all relevant factors, present and potential. The Parties
17 further acknowledge that they are each represented by competent counsel and that they have
18 had an opportunity to consult with their counsel regarding the fairness and reasonableness of
19 this Settlement. In addition, the Mediator may execute a declaration supporting the Settlement
20 and the reasonableness of the Settlement and the Court may, in its discretion, contact the
21 Mediator to discuss the Settlement and whether or not the Settlement is objectively fair and
22 reasonable.

23 75.77. Invalidity of Any Provision. Before declaring any provision of this Settlement
24 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest
25 extent possible consistent with applicable precedents so as to define all provisions of this
26 Settlement Agreement valid and enforceable.

27 76.78. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate
28 to class certification for purposes of this Settlement only; except, however, that Plaintiffs or

1 Class Counsel may appeal any reduction in Attorneys' Fees and Costs below the amount they
2 request from the Court, and either party may appeal any court order that materially alters the
3 Settlement Agreement's terms. If, for any reason, the Settlement is not approved, this
4 Stipulation of Class Action Settlement will have no force or effect.

5 77.79. Non-Admission of Liability. The Parties enter into this Settlement to resolve the
6 dispute that has arisen between them and to avoid the burden, expense and risk of continued
7 litigation. In entering into this Settlement, Defendants do not admit, and specifically denies,
8 that it violated any federal, state, or local law; violated any regulations or guidelines
9 promulgated pursuant to any statute or any other applicable laws, regulations or legal
10 requirements; breached any contract; violated or breached any duty; engaged in any
11 misrepresentation or deception; or engaged in any other unlawful conduct with respect to its
12 employees. Neither this Settlement, nor any of its terms or provisions, nor any of the
13 negotiations connected with it, will be construed as an admission or concession by Defendants
14 of any such violations or failures to comply with any applicable law. Except as necessary in a
15 proceeding to enforce the terms of this Settlement, this Settlement and its terms and provisions
16 will not be offered or received as evidence in any action or proceeding to establish (i) any
17 liability or admission on the part of Defendants; (ii) the existence of any condition constituting
18 a violation of, or a non-compliance with, federal, state, local or other applicable law; or (iii)
19 that a class should be certified as Plaintiffs propose.

20 78.80. Waiver. No waiver of any condition or covenant contained in this Settlement or
21 failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
22 constitute a further waiver by such party of the same or any other condition, covenant, right or
23 remedy.

24 79.81. Mutual Preparation. The Parties have had a full opportunity to negotiate the
25 terms and conditions of this Settlement. Accordingly, this Settlement Agreement will not be
26 construed more strictly against one party than another merely by virtue of the fact that it may
27 have been prepared by counsel for one of the Parties. It being recognized that, because of the
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1 arms-length negotiations between the Parties, all Parties have contributed to the preparation of
2 this Settlement Agreement.

3 80.82. Representation By Counsel. The Parties acknowledge that they have been
4 represented by counsel throughout all negotiations that preceded the execution of this
5 Settlement Agreement, and that this Settlement Agreement has been executed with the consent
6 and advice of counsel. Further, Plaintiffs and Class Counsel warrant and represent that there are
7 no liens on the Settlement Agreement.

8 81.83. All Terms Subject to Final Court Approval. All amounts and procedures
9 described in this Settlement Agreement herein will be subject to final Court approval.

10 82.84. Cooperation and Execution of Necessary Documents. All Parties will cooperate
11 in good faith and execute all documents to the extent reasonably necessary to effectuate the
12 terms of this Settlement Agreement.

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24 83.85. Binding Agreement. The Parties warrant that they understand and have full
25 authority to enter into this Settlement, and further intend that this Settlement will be fully
26 enforceable and binding on all Parties and agree that it will be admissible and subject to
27 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
28 provisions that otherwise might apply under federal or state law.

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SO AGREED AND STIPULATED

PLAINTIFF

Dated: _____

Neil Fraser

PLAINTIFF

Dated: _____

Cody Lamont

DEFENDANT

Dated: _____

By:
Title:

[SIGNATURES CONTINUE ON NEXT PAGE]

JUSTICE LAW CORPORATION.

DATED: _____

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By _____
Douglas Han
Shunt Tatavos-Gharajeh
Jason Rothman
Attorneys for Plaintiffs Neil Fraser and Cody
Lamont, and all others similarly situated

JACKSON LEWIS, P.C.

DATED: _____

By _____
Lawrence H. Stone
Attorneys for Defendants Valley Power
Systems, Inc., and Valley Power Systems
North, Inc.

EXHIBIT 2

NOTICE OF CLASS ACTION SETTLEMENT

Neil Fraser, et al., v Valley Power Systems, Inc., et al.

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendants' records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced matter.

You do not need to take any action to receive a settlement payment and, unless you request to be excluded from the settlement, your legal rights may be affected.

This Notice is designed to advise you of your rights and options with respect to the settlement.

THE PAYMENT PLAN FOR THIS SETTLEMENT WILL BE MADE IN TWO SEPARATE PAYMENTS, EACH PAYMENT WILL BE ONE YEAR A PART, BEGINNING IN JANUARY OF 2023. THEREFORE IT IS EXTREMELY IMPORTANT FOR YOU TO KEEP THE SETTLEMENT ADMINISTRATOR NOTIFIED OF ANY CHANGES IN YOUR ADDRESS OR CONTACT INFORMATION

By order of the Superior Court of California for the County of Los Angeles (the "Court" or "Los Angeles County Superior Court"), you are notified that: preliminary approval of a class action settlement reached between Neil Fraser and Cody Lamont (collectively "Plaintiffs") and Defendants Valley Power Systems, Inc., a California corporation, and Valley Power Systems North, Inc., a California corporation (collectively "Defendant") was granted on [Preliminary Approval Date], in the case entitled *Neil Fraser, et al., v Valley Power Systems, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV00279, which may affect your legal rights.

If you are a Class Member (or member of the Class), you need not take any action to receive a settlement payment, but you have the opportunity to request exclusion from the settlement (in which case you will not receive payment under the settlement), object to the settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Section III below.

I. IMPORTANT DEFINITIONS

"**Class Member**" means all current and former California-based (*i.e.*, currently "residing" in California with the intent to remain in California indefinitely) hourly-paid or non-exempt employees (whether hired directly or through a staffing agency or labor contractor) of Defendants within the State of California

"**PAGA Member**" means all current and former California-based (*i.e.*, currently "residing" in California with the intent to remain in California indefinitely) hourly-paid or non-exempt employees (whether hired directly or through a staffing agency or labor contractor) of Defendants within the State of California.

"**Class Period**" means the period from January 6, 2016 through May 2, 2022.

"**PAGA Period**" means the period from January 6, 2019 through May 2, 2022.

II. BACKGROUND OF THE ACTION

On January 6, 2020, Plaintiff Neil Fraser filed a class action complaint in Los Angeles Superior Court (Case No.20STCV00279) alleging the following violations under California law: (1) Failure to Pay Overtime Wages Under Labor Code §§ 510 & 1198, (2) Meal Period Liability Under Labor Code § 226.7, (3) Rest-Break Liability Under Labor Code § 226.7, (4) Failure to Pay Minimum Wages Under Labor Code §§ 1194 & 1197, (5) Waiting Time Penalties Under Labor Code §§ 201-203, (6) Failure to Provide Compliant Wage Statements Under Labor Code § 226(a), (7) Failure to Reimburse Expenses Under Labor Code § 2802, and (8) Violation of Business & Professions Code § 17200, *et seq.*

On November 11, 2020, Plaintiff Cody Lamont submitted a letter to the LWDA alleging the same causes of action in order to pursue an action brought under the PAGA. Then, on or around March 25, 2021, a First Amended Complaint was filed that added Codey Lamont as a named representative along with an additional cause of action pursuant to the Private Attorneys General Act.

Plaintiffs allege that Defendants violated the California Labor Code and California Business and Professions Code with respect to herself and the Class Members by, *inter alia*, failing to properly pay for all hours worked, failing to provide timely meal and rest breaks or one hour of premium pay in lieu thereof, failing to reimburse all necessary business expenditures, failing to provide accurate wage statements, and associated waiting time penalties thereby engaging in unfair business practices and owing penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* (“PAGA”).

Defendants deny all of the allegations in the Action or that it violated any law. Defendants contend that at all times it has fully complied with all applicable federal, state, and local laws. Defendants further contend that it paid employees for all time worked, accurately recorded all hours worked, accurately calculated pay, enforced California compliant meal and rest periods or provided one hour of premium pay in lieu thereof, and reimbursed any employees for any necessary business expenses which they paid or incurred. It is Defendants’ position that, if litigation continued, class certification would be denied on all claims and/or the claims would be subject to motions for summary adjudication and/or summary judgment. Defendants contend that the theories put forth by the Plaintiffs in the Action are contrary to the facts and that the PAGA claim lacks merit. Defendants further contends that the Plaintiffs are not an adequate class representative, their claims are not typical of the Class Members, and individual issues predominate over common ones.

Shortly after the mediation on February 17, 2022, the Parties reached a settlement with the assistance of a respected class action mediator. The Parties have since entered into the Joint Stipulation of Class Action Settlement (“Settlement” or “Settlement Agreement”).

On [Preliminary Approval Date], the Court entered an order preliminarily approving the Settlement. The Court has appointed CPT Group as the administrator of the settlement (“Settlement Administrator”), Plaintiffs as representatives of the Class (“Class Representative”), and the following law firm as counsel for the Class (“Class Counsel”):

Douglas Han
Shunt Tatavos-Gharajeh
Jason Rothman
JUSTICE LAW CORPORATION
751 Fair Oaks Avenue, Suite 101
Pasadena, California 91103

The settlement represents a compromise and settlement of highly disputed claims. Nothing in the settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiffs or to Class Members. Plaintiffs and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the settlement is fair, reasonable and adequate, and that the settlement is in the best interests of the Class Members.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total Maximum Settlement Amount is Two Million Dollars and Zero Cents (\$2,000,000.00) (the “Maximum Settlement Amount”). The portion of the Maximum Settlement Amount that is available for payment to Class Members who do not timely and validly request exclusion from the settlement (“Participating Class Members”) is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Maximum Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees in the amount of up to \$700,000.00 and reimbursement of litigation costs and expenses in the amount of up to \$40,000.00 to Class Counsel (“Attorneys’ Fees and Costs”); (2) service award to Plaintiff Neil Fraser in the amount of up to \$10,000.00 and a service award to Plaintiff Cody Lamont in the amount of up to \$10,000.00 (“Service Payment”); (3) fees and expenses of administration of the Settlement to the Settlement Administrator is expected not to exceed \$16,000.00 (“Settlement Administration Costs”); (4) the Class Members’ and Defendants’ employment taxes; and (5) the seventy-five percent (75%) share of PAGA Penalties (“LWDA Payment”) in the amount of \$75,000.00 to the California Labor and Workforce Development Agency (“LWDA”).

The Maximum Settlement Amount will be paid by Defendants in two separate installment payments of \$1,000,000.00. The first installment payment will occur on January 2, 2023. The second installment payment will occur on January 2, 2024. After

an installment payment is made, a distribution equal to half of your total individual settlement share will be paid out to those Participating Class Members. This means that a Participating Class Member will receive two payments towards their maximum individual settlement share. **Therefore if the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure your receipt of payment that you may be entitled to.**

Participating Class Members will be entitled to receive payment under the settlement of their share of the Net Settlement Amount (“Individual Settlement Amount”) based on the numbers of workweeks worked by Class Members as a non-exempt hourly employee for Defendants in California from January 6, 2016, to April 17, 2022 (“Workweeks”). Workweeks were calculated based on the start and end dates of each Class Member’s employment during the Class Period.

Participating PAGA Members will receive payment under the settlement for their share of the PAGA Payment based on the numbers of pay periods worked by PAGA Members as a non-exempt hourly employee for Defendants in California from January 6, 2019 to April 17, 2022 (“Pay Period”). Pay Periods were calculated based on the start and end dates of each PAGA Member’s employment during the PAGA Period. **Eligible PAGA Members will not be able to exclude themselves from receiving their portion of the PAGA Payment.**

The Net Settlement Amount will be divided by the aggregate total number of Workweeks, resulting in the Workweek Value. Each Class Member’s “Individual Settlement Amount” will be calculated by multiplying each individual Class Member’s total number of Workweeks by the Workweek Value.

Each Individual Settlement will be allocated as twenty percent (20%) wages (which will be reported on an IRS Form W2), and eighty percent (80%) penalties and interest (which will be reported on an IRS Form 1099, if applicable). Each Individual Settlement Amount will be subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Amount, resulting in a net payment to the Settlement Class Member referred to as the “Individual Settlement Payment.”

If the Court grants final approval of the settlement, Individual Settlement Payments will be mailed to Participating Class Members and PAGA Members at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure your receipt of payment that you may be entitled to.**

B. Your Workweeks Based on Defendants’ Records

According to Defendants’ payroll records:

From January 6, 2016 to May 2, 2022, you worked [REDACTED] Workweeks for either Valley Power Systems, Inc. and/or Valley Power Systems North, Inc.

A description of how Workweeks were calculated and credited to Class Members is described above in Section III.A. If you wish to dispute the Workweeks credited to you, you may submit such dispute (a “Workweeks Dispute”) in writing to the Settlement Administrator. The written dispute must: (a) contain your full name, address, telephone number, and signature; (b) contain the case name and number of the action *Neil Fraser, et al., v Valley Power Systems, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV00279; (c) contain a clear statement indicating that you dispute the number of Workweeks credited to you; (d) documentation that supports your belief that you should be credited with a different number of Workweeks; and (e) be mailed to the Settlement Administrator at the address listed in Section IV.B below, postmarked **no later than [Response Deadline]**.

C. Your Estimated Individual Settlement Amount

As explained above, your estimated Individual Settlement Payment is based on the number of Workweeks credited to you.

Your Individual Class Member Settlement Amount is estimated to be \$ [REDACTED].

Your Individual PAGA Member Settlement Amount is estimated to be \$ [REDACTED].

The Individual Settlement Amount is subject to reduction for employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Amount and will only be distributed if the Court approves the settlement and after the settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Amount reflected in this Notice is only an estimate. Your actual Individual Settlement Payment may be higher or lower.

D. Released Claims

Upon the Effective Date, each of the Participating Class Members (including the Class Representatives) will be deemed to have, and by operation of the Judgment will have fully, finally, and forever released, relinquished and discharged Defendants and the Released Parties from any and all Released Claims.

"Released Claims" means all causes of action and factual or legal theories that were alleged in the operative complaints or that could have been alleged against Defendants based on the facts contained in the operative complaints, including all of the following claims for relief: (a) failure to pay all wages, including but not limited to minimum wages and overtime wages due; (b) failure to provide proper meal and rest periods, and to properly provide premium pay in lieu thereof; (c) failure to provide complete, accurate or properly formatted wage statements; (d) waiting time penalties; (e) failure to reimburse business expenditures, (f) unfair business practices that could have been premised on the facts, claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; (g) any other claims or penalties under the California Labor Code or other wage and hour laws pleaded in the Action, including but not limited to California Labor Code Sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204, 205.5, 218.5, 221, 226, 226(a), 226(g), 226.3, 226.7, 510, 512(a), 558, 1174(d), 1021.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802; and, the California Business and Professions Code Section 17200; (h) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief, and, exclusively to PAGA Members, (i) all claims under the California Labor Code Private Attorneys General Act of 2004 that could have been premised on the facts, claims, the letter to the LWDA dated December 10, 2021, and causes of action or legal theories described above or any of the facts, claims, causes of action or legal theories of relief pleaded in the operative complaint.

"Released Parties" means Defendants Valley Power Systems, Inc., a California corporation, and Valley Power Systems North, Inc., a California corporation, and their past, present and/or future, direct and/or indirect, owners, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, legal representatives, and joint venturers, if any.

E. Attorneys' Fees and Costs to Class Counsel

Class Counsel will seek attorneys' fees in an amount of up to thirty-five percent (35%) of the Maximum Settlement Amount (i.e., an amount of up to \$700,000.00) and reimbursement of litigation costs and expenses in an amount of up to Forty Thousand Dollars (\$40,000.00), to be paid from the Maximum Settlement Amount, subject to approval by the Court. Class Counsel has been prosecuting the Action on behalf of Plaintiffs and Class Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Service Payments to Plaintiffs

Plaintiffs Neil Fraser and Cody Lamont will each seek an amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) as their respective Service Payment in recognition of their services in connection with the Action. The Service Payment will be paid from the Maximum Settlement Amount subject to approval by the Court, and if awarded, it will be paid to Plaintiffs in addition to their Individual Settlement Payment that they are entitled to under the settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator, CPT Group, costs are not to exceed Eleven Thousand Dollars and Zero Cents (\$16,000.00) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the settlement, processing Requests for Exclusion, Workweeks Disputes, and objections, calculating Individual Settlement Payments, and distributing payments and tax forms under the settlement, and shall be paid from the Maximum Settlement Amount subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to receive your Individual Settlement Payment from the settlement, you do not have to do anything. You will automatically be issued your Individual Settlement Payment in the form of a check unless you decide to exclude yourself from the settlement. Unless you elect to exclude yourself from the Settlement, you will be bound by the terms of the settlement and any judgment that may be entered by the Court based thereon, and you will be deemed to have released the Released Claims against the Released Parties as described in Section III.D above. You will have 180 days to cash the check. If you do not cash the check, the money will revert to the state, but you will still be deemed to have released your claims. As a Class Member, you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Settlement

If you do not wish to participate in the class action portion of the settlement, you may seek exclusion from the settlement by submitting a written request to be excluded from the settlement ("Request for Exclusion") to the Settlement Administrator at the following address:

[Settlement Administrator]
[Address]

A request for exclusion must: (a) contain your full name, address, and signature; (b) contain the case name and number of the Action (*Neil Fraser, et al., v Valley Power Systems, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV00279); (c) contain a statement indicating that you intend to be excluded from the Class Member portion of the settlement; and (4) be mailed to the Settlement Administrator at the address listed above, postmarked **no later than [Response Deadline]**.

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be entitled to receive any payment from the Class Member portion of the settlement, will not be bound by the settlement (and the release of Released Claims stated in Section III.D above), except for the release of PAGA claims which is binding on all PAGA Members, and will not have any right to object to, appeal, or comment on the settlement. Any Class Members who do not submit a timely and valid Request for Exclusion will be deemed Participating Class Members and will be bound by all terms of the settlement, including those pertaining to the release of Released Claims stated in Section III.D above, as well as any judgment that may be entered by the Court based thereon.

C. Objecting to the Settlement

You can object to the terms of the Class Member settlement as long as you have not submitted a Request for Exclusion.

To object, you must do so by way of a written objection that: (a) contains your full name, dates of employment as a non-exempt or hourly-paid employee of Defendants in California, and signature; (b) contains the case name and number of the Action (*Neil Fraser, et al., v Valley Power Systems, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV00279); (c) all legal and factual bases for the objection to the Settlement; (d) whether you intend to appear at the Final Approval Hearing; (e) whether you are represented by legal counsel, and if so, identify the legal counsel and their address; and (f) is mailed to the Settlement Administrator and postmarked **no later than [Response Deadline]**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 12 of the Los Angeles County Superior Court located at 312

N. Spring Street., Los Angeles, CA 90012, on **[Final Approval Hearing Date]**, at **[Time]**. This hearing will determine whether the Settlement should be finally approved as fair, reasonable, and adequate and whether the attorneys' fees, costs to Class Counsel, the Service Payment to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator should be awarded.

The hearing may be continued without further notice to the Class Members. It is not necessary for you to appear at the Final Approval Hearing.

- i. If you wish to appear in person at the Final Approval hearing: You must adhere to the Los Angeles Superior Court's COVID-19 guidelines should they still be in effect. There are currently no social distancing requirements within Los Angeles Superior Court, however face masks are mandatory in order to enter the building. This protocol may change from the time of this notice to the date of the final approval hearing and if you wish to appear in-person you are strongly encouraged to first review the court's website which has up-to-date COVID-19 precautions. The website is at the following address www.lacourt.org and covid protocol information can be found on the front page.
- ii. If you wish to appear virtually at the Final Approval hearing: You must visit www.lacourt.org and on the front page will be the following phrase "Visit the AccessLACourt | Your Way News Center for more information on remote courtroom appearances via LACourtConnect (more information **here**) and remote service options you can access without coming to court." The word "here" (bolded above for reference) is a link that will allow you to schedule a remote appearance. You then need to select the picture with the word "Civil" on it and follow the prompts. You will need to create an account and you may need to pay a remote appearance fee to the court. The attorneys for Plaintiffs and/or Defendants are not responsible for any fees you incur associated with the remote appearance.

A. Notice of Final Judgment

Notice of final judgment, once granted by the court, will be posted on the claim administrator's website at the following website address < **[REDACTED]** >.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other court records in the Action at the Los Angeles Superior Court, located at 111 N. Hill Street, Los Angeles, CA 90012, during business hours Or by visiting the court website at < <http://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil> > and typing in the case number

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

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR CPT GROUP AT THE FOLLOWING TOLL-FREE NUMBER: **[INSERT].**

EXHIBIT 2(a)

NOTICE OF CLASS ACTION SETTLEMENT

Neil Fraser, et al., v Valley Power Systems, Inc., et al.

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendants' records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced matter.

You do not need to take any action to receive a settlement payment and, unless you request to be excluded from the settlement, your legal rights may be affected.

This Notice is designed to advise you of your rights and options with respect to the settlement.

THE PAYMENT PLAN FOR THIS SETTLEMENT WILL BE MADE IN TWO SEPARATE PAYMENTS, EACH PAYMENT WILL BE ONE YEAR A PART, BEGINNING IN JANUARY OF 2023. THEREFORE IT IS EXTREMELY IMPORTANT FOR YOU TO KEEP THE SETTLEMENT ADMINISTRATOR NOTIFIED OF ANY CHANGES IN YOUR ADDRESS OR CONTACT INFORMATION

By order of the Superior Court of California for the County of Los Angeles (the "Court" or "Los Angeles County Superior Court"), you are notified that: preliminary approval of a class action settlement reached between Neil Fraser and Cody Lamont (collectively "Plaintiffs") and Defendants Valley Power Systems, Inc., a California corporation, and Valley Power Systems North, Inc., a California corporation (collectively "Defendant") was granted on [Preliminary Approval Date], in the case entitled *Neil Fraser, et al., v Valley Power Systems, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV00279, which may affect your legal rights.

If you are a Class Member (or member of the Class), you need not take any action to receive a settlement payment, but you have the opportunity to request exclusion from the settlement (in which case you will not receive payment under the settlement), object to the settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Section III below.

I. IMPORTANT DEFINITIONS

"Class Member" means all current and former California-based (*i.e.*, currently "residing" in California with the intent to remain in California indefinitely) hourly-paid or non-exempt employees (whether hired directly or through a staffing agency or labor contractor) of Defendants within the State of California

"PAGA Member" means all current and former California-based (*i.e.*, currently "residing" in California with the intent to remain in California indefinitely) hourly-paid or non-exempt employees (whether hired directly or through a staffing agency or labor contractor) of Defendants within the State of California.

"Class Period" means the period from January 6, 2016 through May 2, 2022.

"PAGA Period" means the period from January 6, 2019 through May 2, 2022.

II. BACKGROUND OF THE ACTION

On January 6, 2020, Plaintiff Neil Fraser filed a class action complaint in Los Angeles Superior Court (Case No.20STCV00279) alleging the following violations under California law: (1) Failure to Pay Overtime Wages Under Labor Code §§ 510 & 1198, (2) Meal Period Liability Under Labor Code § 226.7, (3) Rest-Break Liability Under Labor Code § 226.7, (4) Failure to Pay Minimum Wages Under Labor Code §§ 1194 & 1197, (5) Waiting Time Penalties Under Labor Code §§ 201-203, (6) Failure to Provide Compliant Wage Statements Under Labor Code § 226(a), (7) Failure to Reimburse Expenses Under Labor Code § 2802, and (8) Violation of Business & Professions Code § 17200, *et seq.*

On November 11, 2020, Plaintiff Cody Lamont submitted a letter to the LWDA alleging the same causes of action in order to pursue an action brought under the PAGA. Then, on or around March 25, 2021, a First Amended Complaint was filed that added Codey Lamont as a named representative along with an additional cause of action pursuant to the Private Attorneys General Act.

Plaintiffs allege that Defendants violated the California Labor Code and California Business and Professions Code with respect to herself and the Class Members by, *inter alia*, failing to properly pay for all hours worked, failing to provide timely meal and rest breaks or one hour of premium pay in lieu thereof, failing to reimburse all necessary business expenditures, failing to provide accurate wage statements, and associated waiting time penalties thereby engaging in unfair business practices and owing penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* (“PAGA”).

Defendants deny all of the allegations in the Action or that it violated any law. Defendants contend that at all times it has fully complied with all applicable federal, state, and local laws. Defendants further contend that it paid employees for all time worked, accurately recorded all hours worked, accurately calculated pay, enforced California compliant meal and rest periods or provided one hour of premium pay in lieu thereof, and reimbursed any employees for any necessary business expenses which they paid or incurred. It is Defendants’ position that, if litigation continued, class certification would be denied on all claims and/or the claims would be subject to motions for summary adjudication and/or summary judgment. Defendants contend that the theories put forth by the Plaintiffs in the Action are contrary to the facts and that the PAGA claim lacks merit. Defendants further contends that the Plaintiffs are not an adequate class representative, their claims are not typical of the Class Members, and individual issues predominate over common ones.

Shortly after the mediation on February 17, 2022, the Parties reached a settlement with the assistance of a respected class action mediator. The Parties have since entered into the Joint Stipulation of Class Action Settlement (“Settlement” or “Settlement Agreement”).

On [Preliminary Approval Date], the Court entered an order preliminarily approving the Settlement. The Court has appointed CPT Group as the administrator of the settlement (“Settlement Administrator”), Plaintiffs as representatives of the Class (“Class Representative”), and the following law firm as counsel for the Class (“Class Counsel”):

Douglas Han
Shunt Tatavos-Gharajeh
Jason Rothman
JUSTICE LAW CORPORATION
751 Fair Oaks Avenue, Suite 101
Pasadena, California 91103

The settlement represents a compromise and settlement of highly disputed claims. Nothing in the settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiffs or to Class Members. Plaintiffs and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the settlement is fair, reasonable and adequate, and that the settlement is in the best interests of the Class Members.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total Maximum Settlement Amount is Two Million Dollars and Zero Cents (\$2,000,000.00) (the “Maximum Settlement Amount”). The portion of the Maximum Settlement Amount that is available for payment to Class Members who do not timely and validly request exclusion from the settlement (“Participating Class Members”) is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Maximum Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees in the amount of up to \$700,000.00 and reimbursement of litigation costs and expenses in the amount of up to \$40,000.00 to Class Counsel (“Attorneys’ Fees and Costs”); (2) service award to Plaintiff Neil Fraser in the amount of up to \$10,000.00 and a service award to Plaintiff Cody Lamont in the amount of up to \$10,000.00 (“Service Payment”); (3) fees and expenses of administration of the Settlement to the Settlement Administrator is expected not to exceed \$164,000.00 (“Settlement Administration Costs”); (4) the Class Members’ and Defendants’ employment taxes; and (5) the seventy-five percent (75%) share of PAGA Penalties (“LWDA Payment”) in the amount of \$75,000.00 to the California Labor and Workforce Development Agency (“LWDA”).

The Maximum Settlement Amount will be paid by Defendants in two separate installment payments of \$1,000,000.00. The first installment payment will occur on January 2, 2023. The second installment payment will occur on January 2, 2024. After

an installment payment is made, a distribution equal to half of your total individual settlement share will be paid out to those Participating Class Members. This means that a Participating Class Member will receive two payments towards their maximum individual settlement share. Therefore if the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure your receipt of payment that you may be entitled to.

Participating Class Members will be entitled to receive payment under the settlement of their share of the Net Settlement Amount (“Individual Settlement Amount”) based on the numbers of workweeks worked by Class Members as a non-exempt hourly employee for Defendants in California from January 6, 2016, to April 17, 2022 (“Workweeks”). Workweeks were calculated based on the start and end dates of each Class Member’s employment during the Class Period.

Participating PAGA Members will receive payment under the settlement for their share of the PAGA Payment based on the numbers of pay periods worked by PAGA Members as a non-exempt hourly employee for Defendants in California from January 6, 2019 to April 17, 2022 (“Pay Period”). Pay Periods were calculated based on the start and end dates of each PAGA Member’s employment during the PAGA Period. **Eligible PAGA Members will not be able to exclude themselves from receiving their portion of the PAGA Payment.**

The Net Settlement Amount will be divided by the aggregate total number of Workweeks, resulting in the Workweek Value. Each Class Member’s “Individual Settlement Amount” will be calculated by multiplying each individual Class Member’s total number of Workweeks by the Workweek Value.

Each Individual Settlement will be allocated as twenty percent (20%) wages (which will be reported on an IRS Form W2), and eighty percent (80%) penalties and interest (which will be reported on an IRS Form 1099, if applicable). Each Individual Settlement Amount will be subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Amount, resulting in a net payment to the Settlement Class Member referred to as the “Individual Settlement Payment.”

If the Court grants final approval of the settlement, Individual Settlement Payments will be mailed to Participating Class Members and PAGA Members at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure your receipt of payment that you may be entitled to.**

B. Your Workweeks Based on Defendants’ Records

According to Defendants’ payroll records:

From January 6, 2016 to May 2, 2022, you worked [REDACTED] Workweeks for either Valley Power Systems, Inc. and/or Valley Power Systems North, Inc.

A description of how Workweeks were calculated and credited to Class Members is described above in Section III.A. If you wish to dispute the Workweeks credited to you, you may submit such dispute (a “Workweeks Dispute”) in writing to the Settlement Administrator. The written dispute must: (a) contain your full name, address, telephone number, and signature; (b) contain the case name and number of the action *Neil Fraser, et al., v Valley Power Systems, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV00279); (c) contain a clear statement indicating that you dispute the number of Workweeks credited to you; (d) documentation that supports your belief that you should be credited with a different number of Workweeks; and (e) be mailed to the Settlement Administrator at the address listed in Section IV.B below, postmarked **no later than [Response Deadline]**.

C. Your Estimated Individual Settlement Amount

As explained above, your estimated Individual Settlement Payment is based on the number of Workweeks credited to you.

Your Individual Class Member Settlement Amount is estimated to be \$ [REDACTED].

Your Individual PAGA Member Settlement Amount is estimated to be \$ [REDACTED].

The Individual Settlement Amount is subject to reduction for employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Amount and will only be distributed if the Court approves the settlement and after the settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Amount reflected in this Notice is only an estimate. Your actual Individual Settlement Payment may be higher or lower.

D. Released Claims

Upon the Effective Date, each of the Participating Class Members (including the Class Representatives) will be deemed to have, and by operation of the Judgment will have fully, finally, and forever released, relinquished and discharged Defendants and the Released Parties from any and all Released Claims.

"Released Claims" means all causes of action and factual or legal theories that were alleged in the operative complaints or that could have been alleged against Defendants based on the facts contained in the operative complaints, including all of the following claims for relief: (a) failure to pay all wages, including but not limited to minimum wages and overtime wages due; (b) failure to provide proper meal and rest periods, and to properly provide premium pay in lieu thereof; (c) failure to provide complete, accurate or properly formatted wage statements; (d) waiting time penalties; (e) failure to reimburse business expenditures, (f) unfair business practices that could have been premised on the facts, claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; (g) any other claims or penalties under the California Labor Code or other wage and hour laws pleaded in the Action, including but not limited to California Labor Code Sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204, 205.5, 218.5, 221, 226, 226(a), 226(g), 226.3, 226.7, 510, 512(a), 558, 1174(d), 1021.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802; and, the California Business and Professions Code Section 17200; (h) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief, and, exclusively to PAGA Members, (i) all claims under the California Labor Code Private Attorneys General Act of 2004 that could have been premised on the facts, claims, the letter to the LWDA dated December 10, 2021, and causes of action or legal theories described above or any of the facts, claims, causes of action or legal theories of relief pleaded in the operative complaint.

"Released Parties" means Defendants Valley Power Systems, Inc., a California corporation, and Valley Power Systems North, Inc., a California corporation Captek Softgel International, Inc., a California corporation, and their past, present and/or future, direct and/or indirect, owners, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, legal representatives, and joint venturers, if any.

E. Attorneys' Fees and Costs to Class Counsel

Class Counsel will seek attorneys' fees in an amount of up to thirty-five percent (35%) of the Maximum Settlement Amount (i.e., an amount of up to \$700,000.00) and reimbursement of litigation costs and expenses in an amount of up to Forty Thousand Dollars (\$40,000.00), to be paid from the Maximum Settlement Amount, subject to approval by the Court. Class Counsel has been prosecuting the Action on behalf of Plaintiffs and Class Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Service Payments to Plaintiffs

Plaintiffs Neil Fraser and Cody Lamont will each seek an amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) as their respective Service Payment in recognition of their services in connection with the Action. The Service Payment will be paid from the Maximum Settlement Amount subject to approval by the Court, and if awarded, it will be paid to Plaintiffs in addition to their Individual Settlement Payment that they are entitled to under the settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator, CPT Group, costs are not to exceed Eleven Thousand Dollars and Zero Cents (\$16+,000.00) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the settlement, processing Requests for Exclusion, Workweeks Disputes, and objections, calculating Individual Settlement Payments, and distributing payments and tax forms under the settlement, and shall be paid from the Maximum Settlement Amount subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to receive your Individual Settlement Payment from the settlement, you do not have to do anything. You will automatically be issued your Individual Settlement Payment in the form of a check unless you decide to exclude yourself from the settlement. Unless you elect to exclude yourself from the Settlement, you will be bound by the terms of the settlement and any judgment that may be entered by the Court based thereon, and you will be deemed to have released the Released Claims against the Released Parties as described in Section III.D above. You will have 180 days to cash the check. If you do not cash the check, the money will revert to the state, but you will still be deemed to have released your claims. As a Class Member, you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Settlement

If you do not wish to participate in the class action portion of the settlement, you may seek exclusion from the settlement by submitting a written request to be excluded from the settlement ("Request for Exclusion") to the Settlement Administrator at the following address:

[Settlement Administrator]
[Address]

A request for exclusion must: (a) contain your full name, address, and signature; (b) contain the case name and number of the Action (*Neil Fraser, et al., v Valley Power Systems, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV00279); (c) contain a statement indicating that you intend to be excluded from the Class Member portion of the settlement; and (4) be mailed to the Settlement Administrator at the address listed above, postmarked **no later than [Response Deadline]**.

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be entitled to receive any payment from the Class Member portion of the settlement, will not be bound by the settlement (and the release of Released Claims stated in Section III.D above), except for the release of PAGA claims which is binding on all PAGA Members, and will not have any right to object to, appeal, or comment on the settlement. Any Class Members who do not submit a timely and valid Request for Exclusion will be deemed Participating Class Members and will be bound by all terms of the settlement, including those pertaining to the release of Released Claims stated in Section III.D above, as well as any judgment that may be entered by the Court based thereon.

C. Objecting to the Settlement

You can object to the terms of the Class Member settlement as long as you have not submitted a Request for Exclusion.

To object, you must do so by way of a written objection that: (a) contains your full name, dates of employment as a non-exempt or hourly-paid employee of Defendants in California, and signature; (b) contains the case name and number of the Action (*Neil Fraser, et al., v Valley Power Systems, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV00279); (c) all legal and factual bases for the objection to the Settlement; (d) whether you intend to appear at the Final Approval Hearing; (e) whether you are represented by legal counsel, and if so, identify the legal counsel and their address; and (f) is mailed to the Settlement Administrator and postmarked **no later than [Response Deadline]**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 12 of the Los Angeles County Superior Court located at 312

N. Spring Street., Los Angeles, CA 90012, on [Final Approval Hearing Date], at [Time]. This hearing will determine whether the Settlement should be finally approved as fair, reasonable, and adequate and whether the attorneys' fees, costs to Class Counsel, the Service Payment to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator should be awarded.

The hearing may be continued without further notice to the Class Members. It is not necessary for you to appear at the Final Approval Hearing.

- i. If you wish to appear in person at the Final Approval hearing: You must adhere to the Los Angeles Superior Court's COVID-19 guidelines should they still be in effect. There are currently no social distancing requirements within Los Angeles Superior Court, however face masks are mandatory in order to enter the building. This protocol may change from the time of this notice to the date of the final approval hearing and if you wish to appear in-person you are strongly encouraged to first review the court's website which has up-to-date COVID-19 precautions. The website is at the following address www.lacourt.org and covid protocol information can be found on the front page.
- ii. If you wish to appear virtually at the Final Approval hearing: You must visit www.lacourt.org and on the front page will be the following phrase "Visit the AccessLACourt | Your Way News Center for more information on remote courtroom appearances via LACourtConnect (more information **here**) and remote service options you can access without coming to court." The word "here" (bolded above for reference) is a link that will allow you to schedule a remote appearance. You then need to select the picture with the word "Civil" on it and follow the prompts. You will need to create an account and you may need to pay a remote appearance fee to the court. The attorneys for Plaintiffs and/or Defendants are not responsible for any fees you incur associated with the remote appearance.

A. Notice of Final Judgment

Notice of final judgment, once granted by the court, will be posted on the claim administrator's website at the following website address < >.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other court records in the Action at the Los Angeles Superior Court, located at 111 N. Hill Street, Los Angeles, CA 90012, during business hours Or by visiting the court website at < <http://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil>> and typing in the case number

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

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR CPT GROUP AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT].

EXHIBIT 3

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

NEIL FRASER and CODY LAMONT,
individually, and on behalf of other
members of the general public similarly
situated;

Plaintiffs,

v.

VALLEY POWER SYSTEMS, INC., a
California corporation, VALLEY POWER
SYSTEMS NORTH, INC., a California
corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: 20STCV00279

CLASS ACTION

Assigned for All Purposes To:
Hon. Carolyn B. Kuhl
Dept.: 12

**[PROPOSED] ORDER
GRANTING MOTION FOR AN
ORDER (1) PRELIMINARILY
APPROVING THE CLASS
ACTION SETTLEMENT, (2)
APPROVING NOTICE OF CLASS
ACTION SETTLEMENT, AND (3)
SETTING HEARING FOR FINAL
APPROVAL**

Non-Appearence Case Review:

Date: July 21, 2022
Time: 4:30 p.m.
Place: Department 12

Complaint Filed: January 6, 2020
First Amended: March 26, 2021
Trial Date: None Set

1 Plaintiffs Neil Fraser and Cody Lamont (collectively “Plaintiffs”) filed a Motion
2 (the “Motion”) for an Order (1) preliminarily approving the Stipulation of Class Action
3 Settlement reached between the Plaintiffs and Defendants VALLEY POWER SYSTEMS,
4 INC. AND VALLEY POWER SYSTEMS NORTH, INC. (collectively “Defendants”)
5 (Plaintiffs and Defendants are collectively referred to herein as the “Parties”); (2)
6 approving the Notice of Class Action Settlement, and (3) setting the final approval hearing.
7 The hearing on the Motion was set for July 21 2022, at 11:30 a.m., at 312 N. Spring Street,
8 Los Angeles, CA 90012, Department 12-SSC. Defendants do not oppose the Motion.

9 The Court, having considered Plaintiffs’ Motion, the Memorandum of Points and
10 Authorities in support thereof and supporting evidence and declarations, and Defendants’
11 agreement with and/or non-opposition to the Motion, hereby ORDERS, ADJUDGES, AND
12 DECREES as follows:

13 1. The Preliminary Approval Motion is GRANTED and the Parties’ Amended
14 Stipulation of Class Action Settlement (the “Stipulation”) attached to the Supplemental
15 Declaration of Douglas Han is preliminarily approved.

16 2. This Order incorporates by reference the definitions in the Stipulation and
17 all terms defined therein shall have the same meaning in this Order as set forth in the
18 Stipulation.

19 3. The class is preliminarily certified for settlement purposes only. The class
20 is defined as: all current and former California-based (*i.e.*, currently “residing” in
21 California with the intent to remain in California indefinitely) hourly-paid or non-exempt
22 employees (whether hired directly or through a staffing agency or labor contractor) of
23 Defendants within the State of California from January 6, 2016 through May 2, 2022.
24 Should the settlement not become final, this Order shall be rendered null and void and shall
25 be vacated, and the fact that the Parties were willing to stipulate to class certification as part
26 of the settlement shall have no bearing on, nor be admissible in connection with, the issue
27 of whether a class should be certified in a non-settlement context. Should the settlement not
28 become final, the Parties shall revert to their respective positions prior to notifying the

1 Court of the settlement of the action.

2 4. The class action settlement contemplated by the Stipulation is preliminarily
3 approved based upon the terms set forth in the Stipulation. The class action settlement
4 appears to be fair, adequate, and reasonable to the Class. The class action settlement
5 contemplated by the Stipulation falls within the range of reasonableness that could
6 ultimately be granted final approval by the Court. The preliminary approval of the class
7 action settlement includes the approval for purposes of the settlement of Douglas Han of
8 JUSTICE LAW CORPORATION, as Class Counsel, Neil Fraser and Cody Lamont as the
9 Class Representatives, and CPT Group as the Claims Administrator. Class Counsel is
10 authorized to act on behalf of the Class Members with respect to all acts or consents
11 required by or which may be given pursuant to the Stipulation and the class action
12 settlement contemplated by the Stipulation, and such other acts reasonably necessary to
13 consummate the settlement. The Claims Administrator is authorized to perform such acts as
14 set forth in this Order and the Stipulation.

15 5. The Court approves the Parties' allocation of one hundred thousand dollars
16 and zero cents (\$100,000.00) to settle claims for civil penalties under the Labor Code
17 Private Attorneys General Act of 2004 ("PAGA"). Pursuant to Labor Code § 2699(i), 75%
18 of this amount, or \$75,000.00, shall be paid to the California Labor & Workforce
19 Development Agency and the remaining 25%, or \$25,000.00, will be included in the Net
20 Settlement Amount and distributed to Settlement PAGA Members as set forth in the
21 Stipulation.

22 6. The Class Notice (or the "Notice") attached as Exhibit A to the Joint
23 Stipulation,¹ advising the Class Members of material terms and provisions of this
24 settlement, the procedure for approval thereof, the courts current COVID-19 social
25 distancing precautions, and their rights with respect thereto are approved as to form and
26 content. The Court approves the procedure set forth in the Stipulation for Class Members to

27 _____
28 ¹ Only the English version of the Class Notice is being attached to the Stipulation of Class Action Settlement. Once the above entitled case receives Preliminary Approval then the Claim Administrator, CPT Group, will translate the Class Notice also into Spanish. 3

1 participate in, opt out of, and object to the Settlement as set forth in the Notice.

2 7. The Notice shall be sent by first class mail to the Class Members in
3 accordance with the schedule set forth below. The dates selected for the mailing and
4 distribution of the Notice Packet as set forth below meet the requirements of due process
5 and provide the best notice practicable under the circumstances and shall constitute due and
6 sufficient notice to all persons entitled thereto:

7 a. Deadline for Defendants to provide to Claims Administrator CPT
8 Group the class list and related information in electronic form: 21 calendar days of the
9 Order granting preliminary approval being signed by the court.

10 b. Deadline for Claims Administrator to mail the Class Notice by first-
11 class regular U.S. mail: 10 business days after receiving the class list and related
12 information.

13 c. Deadline for Class Members to mail objections or requests for
14 exclusion to the Claims Administrator: 45 calendar days after the mailing of the Class
15 Notice.

16 d. Deadline for Class Counsel to file a Motion for Final Approval and
17 a Motion for Attorneys' Fees: November 17, 2022.

18 e. A Final Approval Hearing on the question of whether the proposed
19 settlement, attorneys' fees and costs to Class Counsel, and the class representative
20 enhancement should be approved as fair, reasonable, and adequate as to the Settlement
21 Class: December 15, 2022, at 11:30 a.m.

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1 8. The Stipulation shall not be construed as an admission or evidence of either
2 liability or the appropriateness of class certification in the non-settlement context, as more
3 specifically set forth in the Stipulation. Entry of this Order is without prejudice to the
4 rights of Defendants to oppose certification of a class in this action should the proposed
5 settlement not be granted final approval.

6 9. All further proceedings in this action shall be stayed except such
7 proceedings necessary to review, approve, and implement this Settlement.

8 **IT IS SO ORDERED.**

9
10 **DATED:** _____

HONORABLE CAROLYN B. KUHL
JUDGE OF THE SUPERIOR COURT

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**PROOF OF SERVICE
1013A(3) CCP**

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Ave., Ste. 101 Pasadena, California 91103. My electronic service address is manderson@justicelawcorp.com

On July 15, 2022, I served the foregoing document described as

**SUPPLEMENTAL DECLARATION OF DOUGLAS HAN IN SUPPORT OF MOTION
FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**

for the following case: **Fraser, et al. v. Valley Power Systems, Inc.**
LWDA/Court Case No.: **LWDA-CM-813282-20**
20STCV00279
Los Angeles County Superior Court

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

[X] BY ELECTRONIC SUBMISSION

Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE

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

Executed on July 15, 2022, at Pasadena, California.


Mariah Anderson