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

OSCAR GERARDO, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

STRATASYS DIRECT, INC., a California
corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No. 20STCV44366

*[Assigned for all purposes to the Honorable William
F. Highberger, Dept. SSC-10]*

**DECLARATION OF SCOTT M.
LIDMAN IN SUPPORT OF MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Date: March 22, 2022

Time: 1:30 p.m.

Dept.: SSC-10

Action Filed: November 17, 2020

Trial Date: None Set

1 I, SCOTT M. LIDMAN, declare as follows:

2 1. I am a shareholder and principal of the law firm Lidman Law, APC, and counsel for the
3 named Plaintiff Oscar Gerardo (“Plaintiff”) and the proposed Settlement Class in the above-captioned
4 matter. I am a member in good standing of the bar of the State of California and am admitted to practice
5 in this Court. I have personal knowledge of the facts stated in this declaration and could testify
6 competently to them if called upon to do so.

7 2. I am a 1998 graduate of Santa Clara University School of Law, where I graduated *summa*
8 *cum laude*. During law school, I worked as a summer associate for the international employment law
9 firm of Littler Mendelson, P.C., located in Los Angeles, California.

10 3. Since graduating from law school, my practice has focused exclusively on employment
11 litigation. In September 1998, I began working as an associate attorney at the international law firm of
12 Littler Mendelson P.C., at its Los Angeles office, which according to its website is the largest law firm
13 in the world exclusively devoted to representing management in employment, employee benefits and
14 labor law matters.

15 4. In 2000, I left Littler Mendelson to work at the Los Angeles office of Jones Day, which
16 was at the time one of the largest international firms in the world. During my employment at Jones
17 Day, I worked exclusively in the labor and employment department. In or around 2003, I went to work
18 at the law firm of Loeb & Loeb, again working exclusively in the Labor & Employment department. In
19 2008, I returned to Littler Mendelson, was promoted to Shareholder in 2009, and from 2008 until the
20 end of 2017, I practiced exclusively labor and employment law, with a strong emphasis and most of my
21 time working on wage and hour class actions venued in both state and federal courts. During that time
22 and my legal career in general, I also worked on a number of single and multi-plaintiff wage and hour
23 matters as well.

24 5. During my employment at Littler Mendelson, I played a significant role in the class
25 actions that I was staffed on, and ran many on my own both as an Of Counsel and as a Shareholder. In
26 particular, I received a wide-array of wage and hour class action experience performing the following
27 types of tasks: drafting demurrers, motions to strike and/or dismiss; removing actions from state court
28

1 to federal court; drafting and responding to written discovery; drafting and opposing discovery related
2 motions; arguing discovery related motions; drafting motions to consolidate related matters;
3 interviewing putative class members and obtaining declarations in connection with class certification;
4 drafting oppositions to motions for class certification; drafting motions for decertification following
5 class certification; conducting exposure analyses to assess the strengths and weaknesses of asserted
6 claims, the likelihood of prevailing at class certification and potential damages resulting from such
7 claims; drafting mediation briefs; serving as the primary contact to in-house counsel; deposing named
8 plaintiffs and putative class members; deposing retained expert witnesses; and defending the depositions
9 of corporate witnesses. I also was involved in the negotiations and settlements of many large wage and
10 hour class actions. In short, I played an integral role in all aspects of litigation from the inception of a
11 matter through and beyond class certification. I also supervised the work of several junior attorneys
12 who were staffed on the same wage and hour class actions.

13 6. Although not exhaustive, below is a list of many of the wage and hour class and PAGA
14 actions that I performed substantial work on while I was a shareholder at Littler Mendelson:

- 15 ► *Ortega v. J.B. Hunt Transport, Inc.*, Case No. 07-cv-8336-RGK-AFMx, United
16 States District Court, Central District of California, Honorable Gary Klausner,
17 presiding¹.
- 18 ► *Aceves v. J.B. Hunt Transport, Inc.*, Case No. CIVDS1306133, California
19 Superior Court, County of San Bernardino, Honorable Michael Sachs, presiding.
- 20 ► *Moreno v. J.B. Hunt Transport, Inc.*, Case No. BC388612, California Superior
21 Court, County of Los Angeles, Honorable Mel Red Recana, presiding.
- 22 ► *Newcomb v. J.B. Hunt Transport, Inc.*, Case No. RG16815734, California
23 Superior Court, County of Alameda, Honorable Winifred Smith, presiding.
- 24 ► *Vaquero v. Stoneledge Furniture, LLC, et al.*, Case No. 12-cv-08590-PA-MAN,
25 United States District Court, Central District of California, Honorable Percy
26 Anderson, presiding.

27 ¹ My work on this matter including proceedings not only in District Court, but also work before the United States Court of
28 Appeals for the Ninth Circuit as well as the United States Supreme Court.

- 1 ► *Vaquero v. Stoneledge Furniture, LLC, et al.*, Case No. BC388612, California
2 Superior Court, County of Los Angeles, Honorable Elihu Berle, presiding.²
- 3 ► *Dugan v. Stoneledge Furniture, LLC*, Case No. 16-cv-01125-PA-FFMx, United
4 States District Court, Central District of California, Honorable Percy Anderson,
5 presiding.
- 6 ► *Klune v. Stoneledge Furniture, LLC*, Case No. 14-cv-03986-PA-FFMx, United
7 States District Court, Central District of California, Honorable Percy Anderson,
8 presiding.
- 9 ► *Diaz v. ABM Industries, Inc.; Ampco Parking*, Case No. BC362932, California
10 Superior Court, County of Los Angeles, Honorable Jane Johnson, presiding.³
- 11 ► *Adams v. Luxottica Retail North America, Inc.*, Case No. 07CC01346, California
12 Superior Court, County of Orange, Honorable Thierry Patrick Colaw, presiding.
- 13 ► *Sakkab v. Luxottica Retail North America, Inc.*, Case No. 12-cv-00436-GPC-
14 KSC, United States District Court, Southern District of California.⁴
- 15 ► *Page v. Oakley, Inc.*, Case No. FCS041512, California Superior Court, County
16 of Solano, Honorable Paul Berman, presiding.
- 17 ► *Ramirez v. Oakley, Inc.*, Case No. 30-2014-00731617-CU-OE-CJC California
18 Superior Court, County of Orange, Honorable William Claster, presiding.
- 19 ► *Ramirez v. Oakley, Inc.*, Case No. 30-2014-00723846-CU-DE-CXC, California
20 Superior Court, County of Orange, Honorable William Claster, presiding.
- 21 ► *Sierra v. Oakley, Inc.*, Case No. 13-cv-00319-AG-JPR, United States District
22 Court, Central District of California, Honorable Andrew Guilford, presiding.⁵
- 23
- 24
- 25

26 ² My work on this matter included proceedings not only in the trial court, but also before the California Courts of Appeal
27 and the California Supreme Court.

28 ³ This matter was consolidated and litigated collectively with Case Nos. BC380923, BC 381523 and BC 406663.

⁴ The work I performed on this case included work in the United States Court of Appeals for the Ninth Circuit.

⁵ The work I performed on this case included work in the United States Court of Appeals for the Ninth Circuit.

- 1 ▶ *Cordova v. Comerica Bank, et al.*, Case No. 09-cv-08905-MMM-PLAx, United
2 States District Court, Central District of California, Honorable Margaret Morrow,
3 presiding.
- 4 ▶ *Cordova v. Comerica Bank, et al.*, Case No. 09-cv-08905-MMM-PLAx, United
5 States District Court, Central District of California, Honorable Margaret Morrow,
6 presiding.
- 7 ▶ *Khelghatian v. Comerica Bank, et al.*, Case No. 11-cv-7689-DSF-FFMx, United
8 States District Court, Southern District of California, Honorable John A.
9 Houston, presiding.
- 10 ▶ *Babasa v. Comerica Bank, et al.*, Case No. 11-cv-0595-JAH-BGS, United States
11 District Court, Central District of California, Honorable Margaret Morrow,
12 presiding.
- 13 ▶ *Bernal v. Comerica Bank, et al.*, Case No. 11-cv-01298-JAH-BGS, United States
14 District Court, Central District of California, Honorable Margaret Morrow,
15 presiding.
- 16 ▶ *Khalili v. Comerica Bank, et al.*, Case No. 09-cv-08905-MMM-PLAx, United
17 States District Court, Northern District of California.
- 18 ▶ *Granata v. Comerica Bank, et al.*, Case No. 37-2011-00086316-CU-OE-CTL,
19 California Superior Court, County of San Diego, Honorable Jeffrey B. Barton,
20 presiding.
- 21 ▶ *Mathews v. Comerica Bank, et al.*, Case No. 111CV194781, California Superior
22 Court, County of Santa Clara.
- 23 ▶ *Gallegos v. Comerica Bank, et al.*, Case No. BC455515, California Superior
24 Court, County of Los Angeles, Honorable Terry Green, presiding.
- 25 ▶ *Rumohr v. Comerica Bank, et al.*, Case No. CGC-11-508433, California Superior
26 Court, County of San Francisco.

1 ► *Smith v. Werner Enterprises*, Case No. 15-cv-02978-RS, United States District
2 Court, Northern District of California, Honorable Richard Seeborg, presiding.

3 7. In January 2018, I voluntarily resigned from Littler Mendelson in order to open my own
4 law firm, Lidman Law, APC, to represent employees with work-related claims, including primarily
5 wage and hour claims and almost exclusively on a class-action basis. I am the President and Shareholder
6 of Lidman Law. Currently, over ninety percent (90%) of my practice is dedicated exclusively to the
7 prosecution of wage and hour class actions, and I am currently responsible for prosecuting over sixty-
8 five (65) wage and hour class actions filed in State courts throughout California, with several of them
9 having been removed to Federal courts. I believe that my professional experience renders me more than
10 qualified to serve as class counsel in this lawsuit involving claims of underpaid overtime and minimum
11 wages, meal and rest period violations, and derivative penalty claims. Not only have I litigated dozens
12 of wage and hour cases throughout my career involving similar claims, including the wage and hour
13 class actions identified above, I have litigated similar claims from both plaintiff and defense
14 perspectives. As a result, I am able to realistically assess and evaluate the facts and legal arguments
15 that can be made in pursuit and defense of similar wage and hour claims, as well as those facts and
16 arguments in support and in opposition to class certification. Consequently, I am able to appreciate the
17 significant risks, uncertainties, and delay involved in wage and hour class action litigation.

18 8. I have been appointed Class Counsel in: *Guardado v. Wesley Allen, Inc.*, Case No.
19 BC683027, California Superior Court, County of Los Angeles, Honorable Judge Carolyn B. Kuhl
20 presiding; *Rodriguez v. Satco, Inc.*, Case No. BC682137, California Superior Court, County of Los
21 Angeles, Honorable Judge Ann I. Jones presiding; *Ong v. Howard's Appliances, Inc.*, Case No. 30-
22 2017-00964213-CU-OE-CXC, California Superior Court, County of Orange, Honorable Judge
23 William Claster presiding; *Hanke v. C&W Facility Services, Inc.*, Case No. CIVDS1814412,
24 California Superior Court, County of San Bernardino, Honorable Judge David Cohn presiding; *Molina*
25 *v. Mader News, Inc.*, Case No. BC685960, California Superior Court, County of Los Angeles,
26 Honorable Judge Yvette M. Palazuelos presiding; *Alvarez v. Salamander Fire Protection, Inc.*, Case
27 No. BC688326, California Superior Court, County of Los Angeles, Honorable Judge William F.

Highberger presiding; *Rodriguez v. H.F. Cox, Inc.*, Case No. BC653164, California Superior Court, County of Los Angeles, Honorable Judge Carolyn B. Kuhl presiding; *Fregoso v. Amerigas Propane, Inc.*, Case No. BC697973, California Superior Court, County of Los Angeles, Honorable Judge Rafael A. Ongkeko presiding; *Teran v. Western Plastics, Inc.*, Case No. RIC1722619, California Superior Court, County of Riverside, Honorable Judge Sunshine Sykes presiding; *Villegas de Torres v. El Monte Superstore Inc.*, Case No. BC688477, California Superior Court, County of Los Angeles, Honorable Judge Daniel J. Buckley presiding; *Huynh v. Polypeptide Laboratories, Inc.*, Case No. BC680872, California Superior Court, County of Los Angeles, Honorable Judge Rafael A. Ongkeko presiding; *Guzman v. Century Blinds*, Case No. RIC1723654, California Superior Court, County of Riverside, Honorable Judge Sunshine S. Sykes presiding; *George v. Convergence Marketing*, Case No. CIVDS1901039, California Superior Court, County of San Bernardino, Honorable Judge David S. Cohn presiding; *Coffee, et al. v. Flyers Transportation Energy, LLC*, Case No. 34-2017-00222084, California Superior Court, County of Sacramento, Honorable Judge Alan G. Perkins presiding; *Romero v. Fillmore Hospitality, LLC*, Case No. BC705667, California Superior Court, County of Los Angeles, Honorable Judge Maren E. Nelson presiding; *Wennerstrom, et al. v. Giant Inland Empire R.V. Center*, Case No. CIVDS1617291, California Superior Court, County of San Bernardino, Honorable Judge David S. Cohn presiding; *Contreras, et al. v. Letter Ride, LLC*, Case No. 37-2018-00020841-CU-OE-CTL, California Superior Court, County of San Diego, Honorable Judge Eddie C. Sturgeon presiding; *Davis v. WeDriveU*, Case No. 18CV322578, California Superior Court, County of Santa Clara, Honorable Judge Brian C. Walsh presiding; *Acuna v. Canton Food Co., Inc.*, Case No. BC685001, California Superior Court, County of Los Angeles, Honorable Judge David S. Cunningham presiding; and *Contreras v. Worldwide Flight Services, Inc.*, Case No. 2:18-cv-06036-PSG-SS, United States District Court for the Central District of California, the Honorable Judge Philip S. Gutierrez presiding.

9. As co-lead counsel for Plaintiff Gerardo and the proposed Settlement Class, I have been intimately involved in every aspect of this case from its inception through the present, and I believe that the proposed Settlement is a favorable result for the Settlement Class Members under the circumstances presented.

10. Defendant Stratasys Direct, Inc. (hereinafter “Stratasys” or “Defendant”) provides 3D printing, plastic molding and other manufacturing services. On November 17, 2020, Plaintiff filed a putative class action complaint against Stratasys in Los Angeles County Superior Court. On November 17, 2020, Plaintiff submitted a letter to the California Labor & Workforce Development Agency (“LWDA”) and Stratasys of his intention of filing a PAGA claim based on the labor code violations as alleged in his complaint. A true and correct copy of Plaintiff’s letter to the LWDA and Stratasys is attached hereto as **Exhibit 1**. Therefore, on September 29, 2021, after exhausting his administrative remedies, Plaintiff filed a First Amended Class and Representative Action Complaint adding a cause of action for civil penalties under the PAGA. After the Parties agreed to attend a private mediation, they exchanged information and data, and also agreed to expand the scope of the mediation. Specifically, the Parties agreed that they would exchange data and mediation additional claims for: (1) failure to authorize and permit all legally required rest periods and (2) failure to timely pay all wages upon termination. On February 2, 2022, Plaintiff submitted a supplemental letter to the LWDA and Stratasys of his intention of filing a PAGA claim based on the foregoing additional labor code violations. A true and correct copy of Plaintiff’s supplemental letter to the LWDA and Stratasys is attached hereto as **Exhibit 3**.⁶ Plaintiff’s primary allegations are that Stratasys: (1) failed to pay all overtime wages owed; (2) failed to pay all minimum wages owed; (3) failed to provide all legally required meal periods; (4) failed to provide accurate, itemized wage statements; (5) engaged in unlawful business practices; (6) liable for civil penalties under the Labor Code Private Attorneys General Act of 2004 (“PAGA”); (7) failed to authorize and permit all legally required rest periods; and (8) failed to timely pay all wages upon termination.

11. After agreeing to participate in private mediation, Stratasys informally produced a 15% sampling of timekeeping and payroll data for the putative class members, as well as its wage and hour policies and other relevant documents and information relevant to the claims alleged. Stratasys also

⁶ As part of the Settlement, the Parties stipulated to the filing of a Second Amended Complaint (“SAC”) to include causes of action for: (i) failure to authorize and permit rest periods and (ii) failure to pay all wages upon termination. The Court approved it on February 16, 2022. Given the need to exhaust his administrative remedies, Plaintiff intends to file the SAC on April 11, 2022.

provided necessary metrics, including without limitation, class size, number of workweeks and pay periods. After the detailed review of the payroll and time records for the putative class and other documents and policies produced by Stratasys, Class Counsel drew on their extensive experience in similar cases to assess the strengths and weaknesses of Plaintiff's case. *Id.* This discovery allowed the parties to assess the merits and value of Plaintiff's claims and Stratasys' defenses thereto, if a settlement could not be reached.

12. On October 27, 2021, after extensive research and analysis, a full-day mediation was held with Steven G. Mehta, a well-respected wage and hour class action mediator. During mediation, the parties vigorously debated their opposing legal positions, the likelihood of certification of Plaintiff's claims, and the legal basis for the claims and defenses. Ultimately, the parties agreed in principle on a class-wide resolution. As part of the Settlement, the Parties agreed that Plaintiff would file a Second Amended Complaint which adds claims for: (i) failure to authorize and permit all legally required rest periods and (ii) failure to pay all wages upon termination. In the weeks that followed, the parties finalized the terms of settlement and executed the Joint Stipulation of Class Action and PAGA Settlement and Release ("Settlement"). A true and correct copy of the Settlement is attached hereto as **Exhibit 2**. The proposed Settlement Notice is attached as Exhibit A to the Settlement.

13. The monetary terms of the Settlement are summarized below:

Gross Settlement Amount ("GSA"):	\$1,115,000.00
Minus Court-approved attorneys' fees (update to 1/3 of GSA):	\$371,666.66
Minus Court-approved, verified costs (up to \$30,000.00):	\$30,000.00
Minus Court-approved Class Representative Service Award:	\$5,000.00
Minus Settlement Administration Costs:	\$7,000.00
Minus PAGA payment to the LWDA and PAGA Employees:	\$100,000.00
Net Settlement Amount ("NSA"):	\$601,333.34

1 The Gross Settlement Amount and all associated employer-side taxes shall be paid by Defendant
2 in one lump sum payment within thirty (30) calendar days after the Effective Date.⁷ See Settlement, ¶
3 52.

4 After deducting amounts for the Court-approved attorneys' fees and verified costs, Service
5 Award to Plaintiff, Settlement Administrator costs, and the PAGA payment, the Settlement requires
6 Stratasys to pay a Net Settlement Amount ("NSA") of at least \$601,333.34 to all Settlement Class
7 members who do not timely opt out, which does not include the \$25,000 for the PAGA Employees.

8 14. According to Stratasys, there are at least 326 total Settlement Class members defined as:
9 All current and former non-exempt employees who worked for Defendant Stratasys Direct, Inc. in
10 California at any time from November 17, 2016 through date of the order granting Preliminary Approval
11 of the Settlement, unless the Escalator Clause is triggered and Defendant elects to end the Class Period
12 on the date at which the number of weeks worked by Class Members reaches 52,726 workweeks."

13 The proposed PAGA Employees is defined as "current and former non-exempt employees who
14 worked for Defendant Stratasys Direct, Inc. in California at any time from November 17, 2019 through
15 date of preliminary approval." For purposes of this Settlement Agreement, the "PAGA Period" shall
16 mean the time period of November 17, 2019 through the date of preliminary approval of this Settlement
17 Agreement."

18 Thus, the average Individual Settlement Payment (assuming all Settlement Class members
19 worked the same length of time) is projected to be approximately **\$1,921.27**.

20
21 ⁷ Effective Date" means the date when all of the following events have occurred: (1) the Stipulation of Settlement
22 has been executed by all Parties, Class Counsel and Defense Counsel; (2) the Court has given preliminary
23 approval to the Stipulation of Settlement; (3) the Notice of Class Action Settlement has been given to the putative
24 members of the Settlement Class, providing them with an opportunity to object to the terms of this Stipulation of
25 Settlement or opt out of the settlement; (4) the Court has held a formal fairness hearing and entered a final Order
26 and Judgment certifying the Settlement Class and approving the Stipulation of Settlement; and (5) sixty-five (65)
27 calendar days have passed since the Court has entered a final Order and Judgment certifying the Settlement Class
28 and approving the Stipulation of Settlement; and (6) in the event there are objections to the Stipulation of
Settlement raised prior to or during the final fairness hearing which are not later withdrawn, the later of the
following events: five (5) business days after the period for filing any appeal, writ or other appellate proceeding
opposing the Court's final Order approving the Stipulation of Settlement has elapsed without any appeal, writ or
other appellate proceeding having been filed; or, if any appeal, writ or other appellate proceeding opposing the
Court's final Order approving the Stipulation of Settlement has been filed, five (5) business days after any appeal,
writ or other appellate proceedings opposing the Stipulation of Settlement has been finally and conclusively
dismissed with no right to pursue further remedies or relief.

1 15. Settlement Class members' claims arise from Stratasys' common, uniform policies and
2 practices that applied to Settlement Class members during the class period. Specifically, Plaintiff
3 alleged that Stratasys' common and uniform policies and practices resulted in the following violations:
4 (1) failure to pay all overtime wages owed; (2) failure to pay all minimum wages owed; (3) failure to
5 provide all legally required meal periods; (4) failure to authorize and permit all legally required rest
6 periods; (5) failure to provide accurate, itemized wage statements; (6) failure to pay all final wages
7 upon separation of employment; (7) engagement in unlawful business practices; and (8) liability for
8 civil penalties under the PAGA.

9 16. As described in the accompanying Motion for Preliminary Approval, Plaintiff alleges
10 that he and Settlement Class members were not fully compensated for all of their time worked.
11 Specifically, Plaintiff alleges Stratasys would keep track of his hours and the hours of the other non-
12 exempt employees, and would unlawfully shave their work time and/or round their work time such that
13 they would not be fully paid for all time worked. Plaintiff also alleges that this time shaving and/or
14 rounding practice utilized by Stratasys was not-even handed over time and would almost exclusively
15 round and shave in Stratasys' favor such that the employees were routinely underpaid for their time
16 worked. Accordingly, Plaintiff's expert analyzed this rounding issue and found that it appeared to
17 favor the employer, and then calculated a total wage underpayment of approximately \$27,416.

18 17. Stratasys contends that it compensated Settlement Class members for all of their time
19 worked. Stratasys also contends that its rounding practices were lawful, and any unpaid time was *de*
20 *minimis* and therefore non-compensable. Stratasys further asserts that Plaintiff would be unable to
21 certify a rounding class given the individualized inquiries that would be required, and also that
22 Stratasys' rounding policy/mechanism was, according to it, neutral on its face and in its application.
23 In light of these defenses, Plaintiff discounted the maximum exposure by 35% for the risk of non-
24 certification, and an additional 35% to account for Stratasys' defenses on the merits, to arrive at an
25 estimated exposure of \$11,583.26.

26 18. Plaintiff alleges that he and Settlement Class members were not provided with all
27 legally-compliant first meal periods beginning before the end of the fifth hour of work. Specifically,
28

1 as a result of the work demands imposed by Stratasys, Plaintiff claims he was often provided with a
2 meal period after his fifth hour of work, or a meal period less than 30 minutes, in violation of California
3 law. Indeed, based on the timekeeping data produced in connection with mediation, there appeared to
4 be a 53.19% non-compliance rate- with the majority of the meal periods being short or less than 30
5 minutes. *Id.* Therefore, Plaintiff calculated Stratasys' maximum exposure for the alleged meal period
6 violations at approximately \$1,838,222 (110,803 shifts with meal period violations x \$16.59 average
7 hourly rate).

8 19. Stratasys counters that it has always maintained a lawful meal period policy and
9 provided non-exempt employees with an opportunity to take legally compliant meal periods, and any
10 non-compliant meal periods reflected in employee timekeeping records were solely the result of
11 employee choice, rather than any policy or practice of Stratasys. Stratasys points out that it is only
12 required to "provide" the opportunity to take meal periods, not "ensure" meal periods are taken, and
13 that they have always done so. Finally, Stratasys contends Plaintiff's meal period claim is not suited
14 for class certification, since individual inquiries would be required to assess which employees took
15 non-compliant meal periods, how many meal periods were non-compliant or missed, and the reasons
16 why a particular employee took a non-compliant meal period or missed a meal period during a
17 particular shift. Accordingly, Plaintiff discounted the maximum exposure by 45% for the risk of non-
18 certification, and an additional 35% to account for Stratasys' defenses on the merits to arrive at an
19 estimated exposure of \$657,164.37.

20 20. Plaintiff alleges that he and Settlement Class members were also not authorized and
21 permitted to take all required rest periods due to Stratasys' rest period policies and practices.
22 Specifically, Plaintiff alleges that Stratasys failed to authorize and permit all rest periods for every four
23 hours worked, *or major fraction thereof*. Accordingly, Plaintiff calculated Stratasys' maximum
24 exposure for rest period violations at \$3,589,296 (216,353 shifts over 3.5 hours x \$16.59 average hourly
25 rate).

26 21. Stratasys contends it has always maintained and enforced lawful rest period policies and
27 practices, and that Settlement Class Members were authorized and permitted to take all off-duty rest
28

1 periods in compliance with California law. Stratasys also argues that Plaintiff's rest period claim is
2 inherently unsuited for class treatment as it requires an individualized inquiry into whether each
3 Settlement Class Member was in fact authorized and permitted to take a compliant rest period, which
4 would devolve into an unmanageable series of mini-trials. Accordingly, Plaintiff discounted the
5 maximum exposure by 60% for the risk of non-certification, and an additional 55% to account for
6 Stratasys' defenses on the merits to arrive at an estimated exposure of \$646,073.28.

7 22. Plaintiff further alleges that Stratasys issued inaccurate wage statements in violation of
8 Labor Code § 226 as a result of the alleged unpaid minimum wages and overtime wages, and meal and
9 rest period premium wages described above. Specifically, Plaintiff contends that this conduct violated
10 Labor Code § 226(a) because the wage statements issued to Settlement Class Members did not include
11 all hours worked and the rate at which they were being paid. Plaintiff's data analysis reflected that
12 there were approximately 8,670 wage statements issued during the relevant time period. Therefore,
13 Plaintiff calculated Stratasys' maximum exposure for wage statement violations at approximately
14 \$859,650 (($\50.00×147 current employees) + ($\$100.00 \times 8,523$ subsequent wage statements)).

15 23. Stratasys argues that meal and rest period claims cannot support a claim for wage
16 statement penalties. Stratasys further argues that its alleged wage statement violations could not be
17 shown to be "knowing and intentional," and that Plaintiff cannot show that he or any other employee
18 "suffer[ed] injury" as a result of the alleged wage statement violations, as required by Lab. Code §
19 226(e) for imposition of penalties. As such, Plaintiff discounted the calculated exposure by 40% for a
20 risk of non-certification and an additional 35% for a risk of being unsuccessful on the merits, to arrive
21 at an estimated total of \$335,263.50.

22 24. : Plaintiff alleges that Stratasys is also liable for waiting time penalties under Labor
23 Code section 203 as a result of its failure to timely pay all wages upon separation. Based on the data
24 provided by Stratasys, there were approximately 179 Settlement Class members who have separated
25 their employment with Stratasys during the relevant time period who could be entitled to waiting time
26 penalties. Therefore, Plaintiff calculated Stratasys' maximum exposure for waiting time penalties at
27 approximately \$712,706 (179 former employees x $\$16.59/\text{hour}$ x 30 days x 8 hours/day).

1 25. Stratasys asserts it has strong defenses to the waiting time claim because there exist
2 good-faith disputes as to Plaintiff's underlying claims, precluding imposition of penalties.
3 Accordingly, Plaintiff discounted the maximum exposure by 30% for the risk of non-certification, and
4 an additional 35% to account for Stratasys' defenses on the merits, to arrive at an estimated exposure
5 of \$324,281.23.

6 26. Plaintiff also seeks civil penalties under the PAGA as a result of the foregoing alleged
7 Labor Code violations. Plaintiff calculated Stratasys' maximum exposure at \$867,000 (8,670 pay
8 periods x \$100 initial violation rate).

9 27. Stratasys argues that Plaintiff's PAGA claim will fail for the same reasons that his
10 underlying claims will fail. Stratasys also maintains that, given its good faith defenses, this Court
11 would exercise its discretion to substantially reduce any PAGA penalties if it were to find Stratasys
12 liable for any of Plaintiff's claims. Therefore, Plaintiff discounted the maximum exposure figure by
13 35% for a risk of being unsuccessful on the merits, and an additional 30% to account for the possibility
14 of this Court reducing penalties, to arrive at an estimated exposure of \$394,485.00.

15 28. Using these estimated figures for each of the claims described above, Plaintiff predicted
16 the realistic total recovery for the Settlement Class would be approximately \$3,754,212. The proposed
17 settlement of \$1,750,000.00 therefore represents approximately 46.6% of the reasonably forecasted
18 recovery for the Settlement Class. Preliminary approval is appropriate as the settlement will provide
19 tangible monetary relief to Settlement Class members, and will still provide an average recovery to
20 Settlement Class members of **nearly \$2,000.00.**

21 29. Here, Class Counsel will also apply for an attorneys' fees award of one-third of the
22 GSA, which is currently estimated to be \$371,666.66, and up to \$30,000.00 in verified costs
23 reimbursement. Plaintiff submits the requested fee is fair compensation for undertaking complex,
24 risky, expensive, and time-consuming litigation on a purely contingent fee basis. My office has
25 incurred substantial attorney fees conducting pre-filing investigation, analyzing Plaintiff's claims,
26 conducting legal research, analyzing Settlement Class members' timekeeping data and payroll records,
27 preparing for and attending mediation, negotiating and revising the long-form Settlement, preparing
28 this Motion, and otherwise litigating the case. I also anticipate my office incurring future attorneys'

1 fees in overseeing the Notice process and fielding questions from Settlement Class members, preparing
2 the final approval papers and attending the Final Approval hearing.

3 30. Plaintiff has provided written approval of the split of attorneys' fees in this action:
4 46.5% to Haines Law Group, APC, 31% to Lidman Law, APC, and 22.5% to Michael Burgis &
5 Associates, P.C. Michael Burgis & Associates is the referring attorney.

6 31. Plaintiff will seek a service award of \$5,000.00 at the time of seeking final approval,
7 and I believe this is reasonable given Plaintiff's efforts in this case and the risks he undertook on behalf
8 of the Settlement Class members, including the risk that he could be liable for Stratasys' costs if this
9 case was unsuccessful. Plaintiff was integral in the prosecution of this action, by, among other things,
10 providing substantial factual information and documents to Class Counsel, attending multiple meetings
11 with Class Counsel to discuss the claims and theories at issue in the litigation, and otherwise actively
12 participating in the prosecution of their claims.

13 32. Although the parties engaged in informal discovery throughout this action, the parties
14 still had significant discovery to complete in formal litigation had the matter not settled. Moreover,
15 Plaintiff still had to file for class certification, and faced the prospect of appeals in the wake of a
16 disputed class certification ruling for Plaintiff and/or an adverse summary judgment ruling. Even if
17 the classes sought to be certified by Plaintiff were in fact certified, the parties would incur considerably
18 more attorneys' fees and costs through a possible decertification motion, trial, and possible appeal. *Id.*
19 This Settlement avoids those risks and the accompanying expense.

20 33. Plaintiff will serve the Motion for Preliminary Approval and proposed Settlement
21 Agreement on the LWDA on the same date he files his Motion for Preliminary Approval.

22 I declare under penalty of perjury under the laws of the State of California that the foregoing is
23 true and correct. Executed on February 17, 2022 at El Segundo, California.

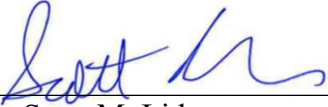
24
25 
26 Scott M. Lidman

EXHIBIT 1

EXHIBIT 1

LIDMAN LAW

2155 CAMPUS DRIVE, SUITE 150, EL SEGUNDO, CA 90245

OFFICE: (424) 322-4772

FAX: (424) 322-4775

November 17, 2020

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

VIA U.S. CERTIFIED MAIL – RETURN

RECEIPT REQUESTED

STRATASYS DIRECT, INC.
c/o CT Corporation System, Agent for Service
of Process
818 West Seventh Street, Suite 930
Los Angeles, Ca 90017

VIA U.S. CERTIFIED MAIL – RETURN

RECEIPT REQUESTED

STRATASYS DIRECT, INC.
28309 Avenue Crocker
Valencia, Ca 91355

Re: *Oscar Gerardo v. Stratasys Direct, Inc.*

To Whom It May Concern:

Please be advised that this law firm represents Oscar Gerardo in claims arising from his employment with Stratasys Direct, Inc., a California corporation (“Defendant”). Mr. Gerardo is an “aggrieved employee” as defined by Labor Code sections 2699, *et seq.* due to Defendant’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, an “aggrieved employee” should be considered to include all current and former hourly-paid employees in California who worked, at least in part, during the one year immediately preceding the date of this letter through the present date.

Mr. Gerardo, a current employee, has been employed by Defendant since approximately 2008 through the present. However, since approximately February 2020, Mr. Gerardo has been on a medical leave of absence. Mr. Gerardo worked at Defendant’s facility in Valencia, California and job duties included, without limitation, finishing parts and prototypes.

During his employment with Defendant, Mr. Gerardo was generally scheduled to begin his shift at 6:00 a.m. and then later was scheduled to begin at 7:00 a.m. Defendant kept track of Mr. Gerardo’s time worked by requiring him to clock in and out by entering his unique employee ID number and scanning his hand.

During his employment with Defendant, Defendant would keep track of Mr. Gerardo’s time worked and would unlawfully shave Mr. Gerardo’s work time and/or round his work time such that Mr. Gerardo would not be fully paid for all time worked. This time-shaving and/or rounding practice utilized by Defendant was not even-handed over time and would almost exclusively round and shave in

Defendant's favor such that Mr. Gerardo was routinely unpaid for his time worked. As a result, Defendant failed to pay Mr. Gerardo all required minimum and overtime wages.

Throughout his employment, Mr. Gerardo was not provided all required meal periods due to Defendant's meal period policies and practices which fail to provide uninterrupted, duty-free 30-minute meal periods when employees work in excess of 5.0 hours in a day. Specifically, as of the work demands imposed by Defendant, Mr. Gerardo was often provided with a meal period after his fifth hour of work in violation of California law.

Although Mr. Gerardo was not provided with all legally-compliant meal periods to which he was entitled, Defendant failed to compensate Mr. Gerardo with the required meal period premium for each workday in which he experienced a meal period violation as mandated by Labor Code § 226.7. Upon information and belief during at least a portion of the class period, Defendant maintained no payroll code or other mechanism for the payment of meal period premium payments under Labor Code § 226.7 in the event that a legally compliant meal period was not provided to their non-exempt employees.

As a result of Defendant's failure to pay all minimum and overtime wages, as well as meal period premium wages, Defendant maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Gerardo.

As described above, Defendant committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 1 ("Wage Order 1"):

Minimum Wage Violations

Defendant was required to pay Mr. Gerardo and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. See Labor Code §§ 1194; 1194.2, 1197; The Wage Order 1, § 4. Mr. Gerardo and other aggrieved employees were not paid for all hours worked due to Defendant's timekeeping and compensation practices. As alleged above, Defendant caused Mr. Gerardo and other aggrieved employees to work hours in a workweek but did not properly compensate Mr. Gerardo and other aggrieved employees at least minimum wages for all such hours, due to Defendant's unlawful timekeeping practices of rounding and/or shaving Mr. Gerardo's time worked. This practice by Defendant resulted in Defendant not paying Mr. Gerardo for all wages owed for the work he performed, including failing to pay him all required minimum wages.

Overtime Violations

Defendant was required to pay Mr. Gerardo and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. See Labor Code §§ 1194(a) and 1198; the Wage Order 1, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated equal to one and one-half times their regular rate of pay for all overtime hours worked. As explained above, Defendant had a policy/practice of shaving Mr.

Gerardo's work time and/or rounding Mr. Gerardo's work time such that he was not fully paid for all time worked. As a result of these policies/practices, Mr. Gerardo and other aggrieved employees were not compensated for all overtime wages on occasions when they worked over eight hours in a workday and/or 40 hours in a workweek.

Meal Period Violations

As alleged above, Defendant failed to provide Mr. Gerardo and other aggrieved employees with all required and compliant meal periods. See Labor Code §§ 226.7 and 512; Wage Order 1, § 11. As described above, as a result of the work demands imposed by Defendant, Mr. Gerardo was often provided with a meal period after his fifth hour of work in violation of California law. As a result, Mr. Gerardo and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. See Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided."). Although Mr. Gerardo was not provided with all legally-compliant meal periods to which he was entitled, Defendant failed to compensate Mr. Gerardo and other aggrieved employees with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Wage Statement Violations

Defendant knowingly and intentionally, as a matter of uniform practice and policy, failed to furnish Mr. Gerardo and other aggrieved employees with accurate and complete, itemized wage statements that included, among other requirements, all minimum and overtime wages earned, total gross wages earned, total net wages earned, and meal period premium wages in violation of Labor Code § 226 *et seq.* Defendant's failure to furnish Mr. Gerardo and other aggrieved employees with complete and accurate, itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all minimum and overtime wages earned, and unpaid meal period premium wages, and deprived them of the information necessary to identify discrepancies in Defendant's reported data.

As an "aggrieved employee," Mr. Gerardo will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Gerardo own investigation, and on information and belief, Defendant committed the following Labor Code violations:

- a) Defendant violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Gerardo and other aggrieved employees all overtime compensation earned;
- b) Defendant violated Labor Code §§ 1194, 1194.2, and 1197 by failing to pay Mr. Gerardo and other aggrieved employees the statutory minimum wage for all hours worked;
- c) Defendant violated Labor Code §§ 226.7, 512, and 558 by failing to provide all legally required meal periods and failing to pay meal period premiums to Mr. Gerardo and other aggrieved employees;

- d) Defendant violated Labor Code § 226 by failing to furnish Mr. Gerardo and other aggrieved employees with accurate and compliant itemized wage statements;
- e) Defendant violated Labor Code § 204 by failing to pay Mr. Gerardo and other aggrieved employees all earned wages at least twice during each calendar month; and
- f) Defendant violated Labor Code § 1174 by failing to maintain accurate records on behalf of Mr. Gerardo and other aggrieved employees.

Pursuant to Labor Code section 2699.3(a)(2)(A), please notify us and Defendant if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
LIDMAN LAW, APC

Scott M. Lidman

EXHIBIT 2

EXHIBIT 2

LIDMAN LAW, APC
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OSCAR GERARDO

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Tel: (213) 689-0404
Fax: (213) 689-0430

Attorneys for Defendant
STRATASYS DIRECT, INC.

(Additional Counsel Listed on Next Page)

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

OSCAR GERARDO, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

STRATASYS DIRECT, INC., a California
corporation; and DOES 1 through 100,
inclusive,

Defendants,

Case No.: **20STCV44366**

*[Assigned for all purposes to the Honorable
William F. Highberger, Dept. SSC-10]*

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

Complaint Filed: November 17, 2020

HAINES LAW GROUP, APC
Paul K. Haines (SBN 248226)
phaines@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355

Attorneys for Plaintiff
OSCAR GERARDO

1 IT IS HEREBY STIPULATED, by and between Plaintiff OSCAR GERARDO (“Plaintiff”),
2 individually and on behalf of all others similarly situated, on the one hand, and Defendant STRATASYS
3 DIRECT, INC. (“Defendant”) on the other hand, and subject to the approval of the Court, that this
4 action is hereby compromised and settled pursuant to the terms and conditions set forth in this Joint
5 Stipulation of Class Action and PAGA Settlement and Release (“Agreement,” “Settlement,” or
6 “Stipulation of Settlement”) and that the Court shall make and enter judgment, subject to the continuing
7 jurisdiction of the Court as set forth below, and subject to the definitions, recitals, and terms set forth
8 herein which by this reference become an integral part of this Stipulation of Settlement

9 **DEFINITIONS**

10 1. “Action” means the putative class and representative action entitled *OSCAR GERARDO v.*
11 *STRATASYS DIRECT, INC.*, Los Angeles County Superior Court Case No. 20STCV44366.

12 2. “Class Counsel” means Scott M. Lidman, Esq., Elizabeth Nguyen, Esq., and Milan
13 Moore, Esq. of Lidman Law, APC and Paul K. Haines, Esq. of the Haines Law Group, APC.

14 3. “Class Counsel Award” means the Court-approved attorneys’ fees for Class Counsel’s
15 litigation and resolution of the Action (not to exceed one-third of the Gross Settlement Amount), and the
16 Court-approved costs incurred by Class Counsel in connection with this Action (not to exceed Thirty-
17 Thousand Dollars and Zero Cents [\$30,000.00]).

18 4. “Class Information” or “Class List” means information regarding Class Members that
19 Defendant shall in good faith compile from its records and shall be authorized by the Court to transmit
20 in a secured manner to the Settlement Administrator. Class Information shall be transmitted in
21 Microsoft Excel format and shall include each Class Member’s: (i) full name; (ii) last known mailing
22 address; (iii) Social Security number; and (iv) dates worked for Defendant in California during the Class
23 Period as a non-exempt employee.

24 5. “Class Members” or “Settlement Class” means all current and former non-exempt
25 employees who worked for Defendant in California at any time during the Class Period.

26 6. “Class Period” means the period from November 17, 2016 to the date of the order
27 granting Preliminary Approval of the Settlement, unless the Escalator Clause described in Section 52(a)
28

below is triggered and Defendant elects to end the Class Period on the date at which the number of weeks worked by Class Members reaches 52,726 workweeks.

7. “Class Representative Service Award” means the Court-approved amount to be paid to Plaintiff, in addition to Plaintiff’s Individual Settlement Award, in recognition of Plaintiff’s efforts and risks in prosecuting the Action (not to exceed Five Thousand Dollars and Zero Cents [\$5,000.00]).

8. “Complaint” means Plaintiff’s operative Complaint filed in the Action.

9. “Defendant” means Stratasys Direct, Inc.

10. “Defense Counsel” means Adam Y. Siegel, Esq. and Eric J. Gitig, Esq. of Jackson Lewis P.C.

11. “Effective Date” means the date when all of the following events have occurred: (1) the Stipulation of Settlement has been executed by all Parties, Class Counsel and Defense Counsel; (2) the Court has given preliminary approval to the Stipulation of Settlement; (3) the Notice of Class Action Settlement has been given to the putative members of the Settlement Class, providing them with an opportunity to object to the terms of this Stipulation of Settlement or opt out of the settlement; (4) the Court has held a formal fairness hearing and entered a final Order and Judgment certifying the Settlement Class and approving the Stipulation of Settlement; and (5) sixty-five (65) calendar days have passed since the Court has entered a final Order and Judgment certifying the Settlement Class and approving the Stipulation of Settlement; and (6) in the event there are objections to the Stipulation of Settlement raised prior to or during the final fairness hearing which are not later withdrawn, the later of the following events: five (5) business days after the period for filing any appeal, writ or other appellate proceeding opposing the Court’s final Order approving the Stipulation of Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; or, if any appeal, writ or other appellate proceeding opposing the Court’s final Order approving the Stipulation of Settlement has been filed, five (5) business days after any appeal, writ or other appellate proceedings opposing the Stipulation of Settlement has been finally and conclusively dismissed with no right to pursue further remedies or relief.

12. “Employer’s Share of Payroll Taxes” means Defendant’s payroll taxes, including, but not limited to FICA and FUTA, on the portion of the Individual Settlement Awards that constitutes alleged unpaid wages, which Defendant shall be responsible for paying in addition to and separate from the Gross Settlement Amount.

1 13. “Final Approval Hearing” means the hearing to be conducted by the Court after the filing
2 by Plaintiff of an appropriate motion and following appropriate notice to Class Members giving Class
3 Members an opportunity to request exclusion from the Settlement Class and Settlement and to object to
4 the Settlement, at which time Plaintiff shall request that the Court finally approve the Settlement, enter
5 the Final Order and Judgment, and take other appropriate action.

6 14. “Final Order and Judgment” means the order and judgment to be entered by the Court upon
7 granting final approval of the Settlement and this Stipulation of Settlement as binding upon the Parties and
8 Participating Class Members. A proposed Final Order and Judgment shall be mutually agreed upon by the
9 Parties and submitted to the Court concurrently with Plaintiff’s Motion for Final Approval of the Settlement.

10 15. “Final Report” means the report to be prepared by the Settlement Administrator (after the
11 expiration of the 180-day period in which Participating Class Members must cash/deposit their Individual
12 Settlement Payment checks) regarding the distribution of the Gross Settlement Amount, including the total
13 amount that was cashed/deposited by Participating Class Members and the total amount of any unpaid
14 residue or unclaimed or abandoned funds to be sent to the Controller of the State of California to be held in
15 the name of the Participating Class Member(s).

16 16. “Individual PAGA Award” means the amount payable from the PAGA Payment to each
17 PAGA Employee.

18 17. “Individual Settlement Award” means the amount payable from the Net Settlement
19 Amount to each Participating Class Member.

20 18. “Gross Settlement Amount” means the amount Defendant shall have to pay in connection
21 with this Settlement, by way of a common fund, which shall be inclusive of all Individual Settlement
22 Awards to Participating Class Members, the Class Counsel Award, the Class Representative Service
23 Award, the PAGA Payment, and Settlement Administration Costs. Subject to Court approval and the
24 terms of this Stipulation of Settlement, the Gross Settlement Amount Defendant shall be required to pay
25 is One Million One Hundred Fifteen Thousand Dollars and Zero Cents (\$1,115,000.00), unless the
26 escalator clause described in Section 52(a) below is triggered and Defendant elects to increase the Gross
27 Settlement pursuant to the terms described therein.

1 19. “Net Settlement Amount” means the Gross Settlement Amount, less the Class Counsel
2 Award, Class Representative Service Award, PAGA Payment, and Settlement Administration Costs.

3 20. “Notice of Objection” means a Class Member’s valid and timely submission of a written
4 objection to the Settlement. For an objection to be valid, it must include: (a) the objector’s full name,
5 signature, address, telephone number, and the last four digits of his/her Social Security number, and (b) a
6 written statement of all grounds for the objection. At no time shall any of the Parties, Class Counsel, or
7 Defense Counsel seek to solicit or otherwise encourage or discourage Class Members from submitting a
8 Notice of Objection or filing an appeal from the Final Order and Judgment. Notwithstanding the above,
9 any Class Member may orally object at the final approval hearing, at their own expense, without
10 submitting a written Notice of Objection, unless the Court in its discretion determines otherwise. Class
11 Members, including PAGA Employees, are prohibited from objecting to the PAGA Payment.

12 21. “PAGA” means the California Private Attorneys’ General Act of 2004, California Labor
13 Code §§ 2698, *et seq.*

14 22. “PAGA Employees” means those Class Members who worked as non-exempt employees
15 for Defendant in California during the PAGA Period.

16 23. “PAGA Payment” means the amount of One Hundred Thousand Dollars (\$100,000.00),
17 subject to Court approval, to be paid from the Gross Settlement Amount for satisfaction of Plaintiff’s
18 and PAGA Employees’ claims under PAGA.

19 24. “PAGA Period” means the period from November 17, 2019 through the date of
20 Preliminary Approval of the Settlement, unless the Escalator Clause described in Section 52(a) below is
21 triggered and Defendant elects to end the Class Period on the date at which the number of weeks worked
22 by Class Members during the Class Period reaches 52,726 workweeks.

23 25. “Participating Class Members” means Plaintiff and all other Class Members who do not
24 submit a valid and timely Request for Exclusion.

25 26. “Parties” means Plaintiff and Defendant, collectively.

26 27. “Pay Periods” means the number of pay periods worked by each PAGA Employee for
27 Defendant as a non-exempt employee in California during the PAGA Period, which will be calculated by
28 dividing the number of Workweeks evidenced in Defendant’s records by two (2). In the absence of fraud

1 or gross negligence, Defendant's records shall be presumed accurate unless the Court in its discretion
2 determines otherwise.

3 28. "Plaintiff" means Oscar Gerardo.

4 29. "Preliminary Approval Order" means the order to be issued by the Court approving and
5 authorizing the mailing of the Settlement Notice by the Settlement Administrator, setting the date of the
6 Final Approval Hearing and granting preliminary approval of the Settlement set forth in this Stipulation
7 of Settlement, among other things. A proposed Preliminary Approval Order shall be mutually agreed
8 upon by the Parties and submitted to the Court concurrently with Plaintiff's Motion for Preliminary
9 Approval of the Settlement.

10 30. "Released Class Claims" includes all claims under state, federal or local law, whether
11 statutory, common law or administrative law, that are pled in the operative Complaint or that could have
12 been pled based on the facts and allegations set forth in the operative Complaint and that arose during the
13 Class Period, including but not limited to claims for failure to pay all minimum wages owed, failure to pay
14 all overtime wages owed, failure to provide meal periods, failure to authorize and permit rest periods,
15 failure to provide accurate, itemized wage statements, failure to pay all wages upon termination of
16 employment, unfair competition and all other alleged violations of the California Business and Professions
17 Code section 17200, *et seq.* based on the facts and allegations set forth in the operative Complaint and that
18 arose during the Class Period, injunctive relief, punitive damages, liquidated damages, penalties of any
19 nature, interest, fees, including fees under California Code of Civil Procedure section 1021.5, and costs.
20 The Released Class Claims shall not become effective until Defendant has fully funded the Gross
21 Settlement Amount and associated employer-side taxes.

22 31. "Released PAGA Claims" include all claims under PAGA that are pled in the operative
23 Complaint or that could have been pled based on the facts and allegations set forth in the operative
24 Complaint and that arose during the PAGA Period, including but not limited to claims seeking civil
25 penalties under PAGA for failure to pay all minimum wages owed, failure to pay all overtime wages owed,
26 failure to provide meal periods, failure to authorize and permit rest periods, and failure to provide accurate,
27 itemized wage statements, and failure to pay all wages upon termination of employment, including but not
28 limited to claims for violations of California Labor Code sections 201-204, 226, 226.3, 226.7, 510, 512,

1 558, 1194, and 2698, *et seq.* The Parties agree that there is no statutory right for any PAGA Employee to
2 opt out, object, or otherwise exclude himself or herself from the PAGA Payment and the associated release
3 of claims and rights under PAGA. The Released PAGA Claims shall not become effective until Defendant
4 has fully funded the Gross Settlement Amount and associated employer-side taxes.

5 32. “Released Parties” means Defendant and all its present and former parent companies,
6 subsidiaries, divisions, related or affiliated companies, shareholders, officers, directors, employees, agents,
7 attorneys, insurers, successors and assigns, and any individual or entity which could be liable for any of the
8 Released Class Claims and/or the Released PAGA Claims, and Defense Counsel of record in the Action.

9 33. “Request for Exclusion” means a written statement submitted by a Class Member indicating
10 a request to be excluded from the Settlement. The Request for Exclusion must be in writing and must: (a)
11 be signed by the Class Member; (b) contain the name, address, telephone number, and the last four digits of
12 the Social Security number of the Class Member requesting exclusion; (c) clearly state that the Class
13 Member does not wish to be included in the Settlement; (d) be returned by fax or mail to the Settlement
14 Administrator at the specific address and/or facsimile number and be postmarked or faxed on or before the
15 Response Deadline. The date of the fax or postmark on the return mailing envelope will be the exclusive
16 means to determine whether a Request for Exclusion has been timely submitted. A Class Member who
17 does not request exclusion from the Settlement will be deemed a Participating Class Member and will be
18 bound by all terms of the Settlement if the Settlement is granted final approval by the Court. No later than
19 ten (10) calendar days after the Response Deadline, the Settlement Administrator shall provide counsel for
20 the Parties a complete list of all Class Members who submitted a timely and valid Request for Exclusion.
21 PAGA Employees are prohibited from submitting a Request for Exclusion as to the PAGA Payment and
22 shall be subject to the Released PAGA Claims even if they are also a Class Member who has submitted
23 a timely and proper Request for Exclusion from the Class portion of the Settlement.

24 34. “Response Deadline” means the deadline by which Class Members must postmark or fax
25 to the Settlement Administrator a valid Request for Exclusion, objection, or Workweek Dispute. The
26 Response Deadline will be forty-five (45) calendar days from the initial mailing of the Settlement
27 Notices by the Settlement Administrator unless the 45th day falls on a Sunday, state or federal holiday, in
28 which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is

open. The Response Deadline may also be extended by express agreement between Plaintiff and Defendant. Under no circumstances, however, will the Administrator have the authority to extend the deadline for Class Members to submit a Request for Exclusion or objection to the settlement.

35. “Settlement” means the final and complete disposition of the Action pursuant to this Stipulation of Settlement.

36. “Settlement Administrator” or “Administrator” means Phoenix Settlement Administrators, or another third-party class action settlement administrator agreed to by the Parties and approved by the Court for purposes of administering this settlement. The Parties each represent that they will not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

37. “Settlement Administration Costs” means the reasonable costs and fees of administering the Settlement to be paid from the Gross Settlement Amount, including, but not limited to: (i) printing, mailing and re-mailing (if necessary) of Settlement Notices to Class Members; (ii) preparing and submitting to Participating Class Members and government entities all appropriate tax filings and forms; (iii) computing the amount of and distributing Individual Settlement Awards, the Class Representative Service Award, the Class Counsel Award; (iv) processing and validating Requests for Exclusion (if any); (v) establishing a Qualified Settlement Fund, as defined by the Internal Revenue Code; (vi) calculating and remitting to the appropriate government agencies all employer and employee payroll tax obligations arising from the Settlement and preparing and submitting filings required by law in connection with the payments required by the Settlement; (vii) transmitting uncashed Individual Settlement Awards to the California State Controller’s Unclaimed Property Fund; and (viii) preparing and providing any notices regarding the Settlement required under the Class Action Fairness Act.

38. “Settlement Notice” means the Notice of Class Action Settlement, substantially in the form attached as **Exhibit A**, which shall be subject to Court approval and which the Settlement Administrator shall mail to each Class Member explaining the terms of this Stipulation of Settlement.

39. “Workweeks” means the number of weeks worked by each Class Member for Defendant as a non-exempt employee in California during the Class Period, based on Defendant’s records. In the absence of fraud or gross negligence, Defendant’s records shall be presumed accurate unless the Court in

its discretion determines otherwise. All Class Members will be entitled to payment for at least one Workweek which is defined as any Workweek in which a Class Member clocked in for at least one shift.

40. “Workweek Dispute” means a written statement that a Class Member disputes the number of Workweeks listed on his/her Settlement Notice. Any such Workweek Dispute must be faxed or mailed to the Settlement Administrator by the Response Deadline. The date of the fax or postmark on the mailing envelope will be the exclusive means to determine whether a Workweek Dispute has been timely submitted. A valid Workweek Dispute must be in writing and contain: (i) the Class Member’s full name, signature, address, telephone number, and the last four digits of his/her Social Security number; (ii) the number of Workweeks the Class Member contends is correct; and (iii) any evidence supporting his/her contention. The Parties will attempt to first resolve any disputes with the assistance of the Administrator. Any disputes that cannot be resolved in that manner will be submitted to the Court for its final determination, and any such determination shall be non-appealable.

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

RECITALS

42. **Procedural History.**

a. On November 17, 2020, Plaintiff filed a putative class action Complaint against Defendant on behalf of himself and all others similarly situated in the Superior Court of the State of California entitled *OSCAR GERARDO v. STRATASYS DIRECT, INC, et al.*, Los Angeles County Superior Court Case No. 20STCV44366. The Complaint set forth the following five causes of action: (1) failure to pay all minimum wages owed; (2) failure to pay all overtime wages owed; (3) failure to provide meal periods; (4) failure to provide accurate, itemized wage statement; and (5) unfair competition.

b. Also on November 17, 2020, Plaintiff electronically submitted a letter to the Labor and Workforce Development Agency (“LWDA”), pursuant to PAGA, to notify the LWDA of Defendant’s alleged violations of the Labor Code with respect to Plaintiff and other Class Members.

c. On October 1, 2021, Plaintiff filed a First Amended Complaint (“FAC”) which alleged the same five causes of action asserted in the original Complaint, plus a newly asserted sixth cause of action for civil penalties under PAGA.

1 d. On October 27, 2021, the Parties participated in a full-day mediation before
2 Steven Mehta, Esq., a well-respected wage and hour class action mediator, at which time the Parties
3 reached agreement on the material terms of a proposed class action and PAGA settlement that would
4 fully resolve the Action, which they memorialized in a signed Memorandum of Understanding, made
5 subject to the Parties entering into a more comprehensive written settlement agreement.

6 e. Following the execution of this Agreement and prior to Plaintiff filing the Motion
7 for Preliminary Approval, Plaintiff shall electronically submit an amended notice to the LWDA,
8 pursuant to PAGA, to advise the LWDA of his intent to seek PAGA penalties based on Defendant's
9 alleged failure to provide rest periods and timely final wages with respect to Plaintiff and other Class
10 Members, in addition to the alleged violations identified in the original PAGA notice.

11 f. Following the execution of this Agreement and prior to Plaintiff filing the Motion
12 for Preliminary Approval, the Parties shall stipulate, subject to Court approval, for leave for Plaintiff to
13 file a Second Amended Complaint ("SAC"), which shall allege the same six causes of action asserted in
14 the FAC, plus newly asserted seventh and eight causes of action for failure to provide rest periods and
15 failure to provide timely final wages. Defendant shall not be required to answer or in any way respond
16 to the SAC as the SAC is solely being filed to effectuate this Settlement Agreement.

17 43. Benefits of Settlement to Plaintiff and the Class Members. Plaintiff and Class Counsel
18 recognize the expense and length of continued proceedings necessary to litigate Plaintiff's disputes in
19 the Action through trial and through any possible appeals. Plaintiff has also taken into account the
20 uncertainty and risks of the outcome of further litigation, and the difficulties and delays inherent in such
21 litigation. Plaintiff and Class Counsel are also aware of the burdens of proof necessary to establish
22 liability for the claims asserted in the Action, both generally and in response to Defendants' defenses
23 thereto, and the difficulties in establishing damages, penalties, restitution and other relief sought in the
24 Action. Plaintiff and Class Counsel also have taken into account Defendants' agreement to enter into a
25 settlement that confers substantial benefits upon the Class Members. Based on the foregoing, Plaintiff
26 and Class Counsel have determined that the Settlement set forth in this Stipulation of Settlement is fair,
27 adequate, and reasonable and is in the best interests of all Class Members.

44. Defendant's Reasons for Settlement. Defendant has concluded that further defense of the Action would be protracted and expensive. Substantial amounts of Defendant's time, energy, and resources have been, and unless this Settlement is completed, shall continue to be, devoted to the defense of the claims asserted by Plaintiff. Defendant has also taken into account the risks of further litigation in reaching their decision to enter into this Settlement. Even though Defendant contends it is not liable for any of the claims alleged by Plaintiff in the Action and deny any liability whatsoever, Defendant nonetheless, has agreed to settle in the manner and upon the terms set forth in this Stipulation of Settlement and to fully and finally put to rest the claims alleged in this Action. Defendant has asserted and continues to assert that the claims alleged by Plaintiff have no merit and do not give rise to any liability, damages, restitution, penalties, or other payments. This Stipulation of Settlement is a compromise of disputed claims. Nothing contained in this Stipulation of Settlement, no documents referred to herein, and no action taken to carry out this Stipulation of Settlement, shall be construed or used as an admission by or against Defendant as to the merits or lack thereof of the claims asserted in the Action. Defendant contends that it has complied with all applicable state, federal and local laws. In the event this Settlement does not obtain final approval, Defendant retains all rights it has to defend itself in this matter and to take any actions in defense of itself that is available to Defendant.

CLASS CERTIFICATION

45. Solely for purposes of settling the Action, and not for purposes of class certification should the Settlement not be approved or for any other reason, the Parties stipulate and agree that the requisites for establishing class certification with respect to the Settlement Class have been met and are met. More specifically, for purposes of settlement only, the Parties stipulate and agree that:

a. The Settlement Class is ascertainable and so numerous as to make it impracticable to join all Class Members;

b. There are common questions of law and fact including, but not limited to, the following:

i. Whether Defendant paid Class Members the statutory minimum wage for all hours worked;

ii. Whether Defendant paid Class Members for all overtime hours worked;

1 understand and agree that they shall be responsible for the payment of all taxes and penalties assessed on the
2 payments specified herein, and shall hold the Parties, Class Counsel and Defense Counsel free and harmless
3 from and against any claims resulting from treatment of such payments as non-taxable, including the
4 treatment of such payments as not subject to withholding or deduction for payroll and employment taxes.

5 49. Circular 230 Disclaimer. The Parties acknowledge and agree that (1) no provision of this
6 Stipulation of Settlement, and no written communication or disclosure between or among the Parties,
7 Class Counsel or Defense Counsel and other advisers, is or was intended to be, nor shall any such
8 communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning
9 of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) the acknowledging
10 party (a) has relied exclusively upon his, her, or its own, independent legal and tax counsel for advice
11 (including tax advice) in connection with this Stipulation of Settlement, (b) has not entered into this
12 Stipulation of Settlement based upon the recommendation of any other party or any attorney or advisor to
13 any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or
14 adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party; and
15 (3) no attorney or adviser to any other party has imposed any limitation that protects the confidentiality of
16 any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding)
17 upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction,
18 including any transaction contemplated by this Stipulation of Settlement.

19 50. Release of Claims.

20 a. Release by All Participating Class Members. All Participating Class Members,
21 including Plaintiff, shall be deemed to have released their respective Released Class Claims against the
22 Released Parties upon the date on which the payment of the Gross Settlement Amount and associated
23 employer-side taxes are made by Defendant. Plaintiff and Class Members who do not Request Exclusion
24 will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and
25 discharged with respect to all of the Released Parties for any and all Released Class Claims.

26 b. Additional Release by All PAGA Employees. In addition to the release of Released
27 Claims against the Released Parties made by all Participating Class Members, all PAGA Employees shall
28 be deemed to have released their respective Released PAGA Claims against the Released Parties upon the

1 date on which the payment of the Gross Settlement Amount and associated employer-side taxes are made
2 by Defendant. The Parties agree that there is no statutory right for any PAGA Employee to opt out, object,
3 or otherwise exclude himself or herself from the PAGA Payment and the associated release of claims and
4 rights under PAGA.

5 c. Additional Release and Waiver of Claims by Plaintiff. In addition to the release of
6 the Released Class Claims against the Released Parties made by all Participating Class Members and the
7 release of the Released PAGA Claims against the Released Parties made by all PAGA Employees, as set
8 forth above, Plaintiff, in his individual capacity, agrees to release the Released Parties from any and all
9 claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common
10 law, or other source of law, arising as of the date of execution of this Agreement including but not limited to
11 claims arising from or related to his employment with Defendants and his compensation while an employee
12 of Defendant ("Plaintiff's Released Claims"). Plaintiff's Released Claims include, but are not limited to, all
13 of the Released Claims and any other claims arising under the California Labor Code; any claim arising out
14 of the California common law of contract; the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*, and
15 federal common law; all claims for lost wages and benefits, emotional distress, retaliation, punitive
16 damages, and attorneys' fees and costs arising under federal, state, or local laws for discrimination,
17 harassment, and wrongful termination, including but not limited to, 42 U.S.C. section 1981, Title VII of the
18 Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act,
19 the California Fair Employment and Housing Act, the California Labor Code, and the law of contract and
20 tort. This release excludes the release of claims not permitted by law including, without limitation, any
21 claims for workers' compensation benefits.

22 Plaintiff's Released Claims include all claims, whether known or unknown. Even if Plaintiff
23 discovers facts in addition to or different from those that he now knows or believes to be true with respect
24 to the subject matter of Plaintiff's Released Claims, those claims will remain released and forever barred.
25 To effect a full and complete general release as described above, Plaintiff expressly waives and
26 relinquishes all rights and benefits of section 1542 of the Civil Code of the State of California, and does so
27 understanding and acknowledging the significance and consequence of specifically waiving section 1542.
28 Section 1542 of the Civil Code of the State of California states as follows:

1 **A general release does not extend to claims that the creditor or releasing**
2 **party does not know or suspect to exist in his or her favor at the time of**
3 **executing the release and that, if known by him or her, would have**
4 **materially affected his or her settlement with the debtor or released party.**

5 Thus, notwithstanding the provisions of section 1542, and to implement a full and complete release
6 and discharge of the Released Parties, Plaintiff expressly acknowledges this Stipulation of Settlement is
7 intended to include in its effect, without limitation, all claims Plaintiff does not know or suspect to exist in
8 Plaintiff's favor at the time of signing this Stipulation of Settlement, and that this Stipulation of Settlement
9 contemplates the extinguishment of any such claims. Plaintiff warrants that Plaintiff has read this
10 Stipulation of Settlement, including this waiver of California Civil Code section 1542, and that Plaintiff has
11 consulted with or had the opportunity to consult with counsel of Plaintiff's choosing about this Stipulation
12 of Settlement and specifically about the waiver of section 1542, and that Plaintiff understands this
13 Stipulation of Settlement and the section 1542 waiver, and so Plaintiff freely and knowingly enters into this
14 Stipulation of Settlement. Plaintiff further acknowledges that Plaintiff later may discover facts different
15 from or in addition to those Plaintiff now knows or believes to be true regarding the matters released or
16 described in this Stipulation of Settlement, and even so Plaintiff agrees that the releases and agreements
17 contained in this Stipulation of Settlement shall remain effective in all respects notwithstanding any later
18 discovery of any different or additional facts. Plaintiff expressly assumes any and all risk of any mistake in
19 connection with the true facts involved in the matters, disputes, or controversies released or described in this
20 Stipulation of Settlement or with regard to any facts now unknown to Plaintiff relating thereto.

21 51. Settlement Administration.

22 a. Production of Class List. Within twenty-one (21) calendar days of entry of the
23 Preliminary Approval Order, Defendant shall provide the Settlement Administrator with the Class List
24 for purposes of mailing the Settlement Notices to Class Members. The Settlement Administrator shall
25 not be permitted to share any Class Information included in the Class List with Plaintiff, Class Counsel,
26 or any other individual or entity absent express approval by Defendant or Defense Counsel, and/or
27 unless the Court requires said disclosure as part of assessing approval of the Settlement.
28

1 b. Notice by First Class U.S. Mail. Upon receipt of the Class List, the Settlement
2 Administrator shall perform a search based on the National Change of Address Database maintained by
3 the United States Postal Service to update and correct any known or identifiable address changes.
4 Within fourteen (14) calendar days after receiving the Class List from Defendants, as provided herein,
5 the Settlement Administrator shall mail copies of the Settlement Notice to all Class Members via regular
6 First Class U.S. Mail. The Settlement Administrator shall exercise its best judgment to determine the
7 current mailing address for each Class Member. The address identified by the Settlement Administrator
8 as the current mailing address shall be presumed to be the most current mailing address for each Class
9 Member. The Parties agree that this procedure for notice provides the best notice practicable to Class
10 Members and fully complies with due process.

11 c. Undeliverable Settlement Notices. Any Settlement Notice returned to the
12 Settlement Administrator as non-deliverable on or before the Response Deadline shall be re-mailed to the
13 forwarding address affixed thereto within five (5) calendar days of receipt of the returned Settlement
14 Notice by the Settlement Administrator. If no forwarding address is provided, the Settlement
15 Administrator shall attempt to determine a correct address by the use of skip-tracing, or other type of
16 automated search, using the name, address and/or Social Security number of the Class Member involved,
17 and shall then perform a re-mailing to the Class Member whose Settlement Notice was returned as non-
18 deliverable within five (5) calendar days of receipt of the returned Settlement Notice by the Settlement
19 Administrator, assuming another mailing address is identified by the Settlement Administrator. Class
20 Members who are sent a re-mailed Settlement Notice shall have their Response Deadline, including their
21 deadline to submit a Workweek Dispute, extended by ten (10) calendar days from the date the Settlement
22 Administrator re-mails the Settlement Notice. If these procedures are followed, notice to Class Members
23 shall be deemed to have been fully satisfied, and if the intended recipient of the Settlement Notice does not
24 receive the Settlement Notice, the intended recipient shall nevertheless remain a Class Member and shall
25 be bound by all terms of the Settlement and the Final Order and Judgment.

26 d. Defective Requests for Exclusion. If a Class Member's Request for Exclusion is
27 defective under the requirements of this Stipulation of Settlement, that Class Member will be given an
28 opportunity to cure the defects, as follows: (i) the Settlement Administrator will mail the Class Member

1 a cure letter within three (3) business days of receiving the defective Request for Exclusion to advise the
2 Class Member that his/her her submission is defective and that the defect must be cured to render the
3 Request for Exclusion valid; (ii) the Class Member will have until either the Response Deadline or seven
4 (7) calendar days from the date of the cure letter, whichever date is later, to postmark or fax a revised
5 Request for Exclusion. If the revised Request for Exclusion is not postmarked or faxed within that
6 period, it will be deemed untimely and invalid.

7 e. Determination of Individual Settlement Awards. The Settlement Administrator
8 shall determine the eligibility for, and the amounts of, each Individual Settlement Award under the terms
9 of this Stipulation of Settlement. The Settlement Administrator's determination of the eligibility for and
10 amount of each Individual Settlement Award shall be binding upon the Class Members and the Parties. In
11 the absence of fraud or gross negligence, Defendant's records shall be presumed accurate unless the Court in
12 its discretion determines otherwise.

13 f. Disputes Regarding Administration of Settlement. All workweek disputes will be
14 submitted to the Settlement Administrator with input from the Parties for resolution, but any final decisions
15 which cannot be resolved by the Settlement Administrator and the Parties shall be submitted to the Court
16 which will have the final decision on all workweek disputes and said decision will be non-appealable.

17 g. Monitoring and Reviewing Settlement Administration. The Parties have the right
18 to monitor and review the administration of the Settlement to verify that the monies allocated under the
19 Settlement are distributed in the correct amount, as provided for in this Stipulation of Settlement.

20 h. Certification Reports Regarding Individual Settlement Payment Calculations. The
21 Settlement Administrator will provide Defense Counsel and Class Counsel a weekly report which certifies: (a)
22 the number of Class Members who have submitted valid Requests for Exclusion or objections; and (b) whether
23 any Class Member has submitted a challenge to any information contained in the Settlement Notice, including
24 but not limited to the number of Class Members who have submitted a Workweek Dispute. Additionally, the
25 Settlement Administrator will provide to Defense Counsel and Class Counsel any updated reports regarding
26 the administration of the Settlement Agreement as needed or requested. The Settlement Administrator shall
27 not identify the name, address, or Social Security Number of any Class Member to Plaintiff, Class Counsel,
28 or any other individual or entity absent express approval by Defendant or Defense Counsel.

1 i. Best Efforts. The Parties agree to use their best efforts to carry out the terms of
2 this Settlement.

3 52. Funding of Gross Settlement Amount. The Gross Settlement Amount and all associated
4 employer-side taxes shall be paid by Defendant in one lump sum payment within thirty (30) calendar days
5 after the Effective Date. Defendant shall provide the Gross Settlement Amount to the Settlement
6 Administrator in any feasible manner, including, but not limited to, by way of a wire transfer. If this
7 Settlement is not finally approved by the Court in full, or is terminated, rescinded, canceled or fails to
8 become effective for any reason, or if the Effective Date does not occur, then no portion of the Gross
9 Settlement Amount shall be paid.

10 a. Escalator Clause. Defendant represented that there were an estimated 47,932
11 Workweeks at issue for the Class Members during the Class Period as of the date of mediation. If, as of
12 the close of the Class Period, the actual number of Workweeks during the Class Period is more than one
13 hundred ten percent (110%) of this estimate (i.e., if there are 52,726 or more workweeks worked by the
14 Class Members during the Class Period), then either the Gross Settlement Amount will be increased by
15 the same proportion above one hundred ten percent (110%) or Defendant, at its sole discretion, may
16 elect to cut off the Class Period and PAGA Period as of the date the total Workweeks worked by Class
17 Members during the Class Period exceeds 10% of the 47,932 estimate. For example, if the workweeks
18 are twenty percent (20%) larger than 47,932 workweeks, Defendant may choose either that (i) the Gross
19 Settlement Amount to be paid will increase by 10% based on the Workweek Value determined by the
20 Settlement Administrator; or (ii) the Class Period and the PAGA Period will end on the date in which
21 the Released Class Claims encompasses 52,726 workweeks.

22 53. Allocation of Gross Settlement Amount.

23 a. Individual Settlement Awards. Class Members shall not be required to submit a
24 claim in order to receive a share of the Net Settlement Amount, and no portion of the Gross Settlement
25 Amount shall revert to Defendant or result in an unpaid residue. Individual Settlement Awards shall be
26 paid by the Settlement Administrator from the Net Settlement Amount after receipt of the Gross
27 Settlement Amount from Defendant, in accordance with the terms and formulas set forth herein.
28 Individual Settlement Award payments shall be mailed by the Settlement Administrator by regular First-

1 Class U.S. Mail to each Participating Class Member's last known mailing address within fourteen (14)
2 calendar days after Defendant provides the Settlement Administrator with the Gross Settlement Amount
3 and associated employer-side taxes. Prior to mailing the Individual Settlement Awards, the Settlement
4 Administrator shall perform a search based on the National Change of Address Database maintained by
5 the United States Postal Service to update and correct any known or identifiable address changes.

6 i. Each Participating Class Member's Individual Settlement Award shall be
7 calculated solely by the Settlement Administrator as follows:

8 (1) The Settlement Administrator will calculate the Workweek Value
9 by dividing the Net Settlement Amount by the total number of Workweeks for the entire Settlement
10 Class during the Class Period;

11 (2) To determine each Class Member's estimated Individual Settlement
12 Award, the Settlement Administrator will multiply the Workweek Value by the number of Workweeks
13 worked by each Class Member. All Class Members will be entitled to payment for at least one Workweek.

14 (3) Should any of the following occur, the Settlement Administrator
15 will proportionately increase the Individual Settlement Award of each Participating Class Member to
16 ensure that the entire Net Settlement Amount is distributed to Participating Class Members: (i) any Class
17 Member submits a timely and valid, or otherwise accepted, Request for Exclusion; (ii) the Court
18 approves a Class Representative Service Award in an amount less than that requested by Plaintiff; (ii)
19 the Court approves a Class Counsel Award in an amount less than that requested by Plaintiff; and/or (iii)
20 the Court approves Settlement Administration Costs in an amount less than that requested by Plaintiff.

21 ii. Individual Settlement Award payments shall be made by check and shall
22 be made payable to each Participating Class Member as set forth in this Stipulation of Settlement.

23 iii. For tax purposes, Individual Settlement Awards shall be allocated as
24 follows: Thirty-Three Percent (33%) as alleged unpaid wages subject to all applicable tax withholdings;
25 and Sixty-Seven Percent (67%) as alleged unpaid interest not subject to payroll tax withholdings and
26 alleged non-wage penalties not subject to payroll tax withholdings. The Settlement Administrator shall
27 issue an IRS Form W-2 to each Participating Class Member for the portion of each Individual Settlement
28 Award payment allocated as alleged unpaid wages and subject to all applicable tax withholdings. The

1 Settlement Administrator shall issue an IRS Form 1099 to each Participating Class Member for the portion
2 of each Individual Settlement Award payment allocated as alleged unpaid non-wage penalties and interest
3 and not subject to payroll tax withholdings. The Settlement Administrator shall calculate the amount of
4 the Employer's Share of Payroll Taxes and shall remit and report the applicable portions of the payroll tax
5 payment to the appropriate taxing authorities in a timely manner. Defendant will be responsible for paying
6 its share of the Payroll Taxes and this amount will not be deducted from the Gross Settlement Amount.

7 iv. Any Individual Settlement Payment check issued by the Settlement
8 Administrator to Participating Class Members will be valid and negotiable for one hundred eighty (180)
9 calendar days from the date it is issued. After the expiration of the 180-day period, the Settlement
10 Administrator will distribute the total amount of any unpaid residue or unclaimed funds to the Controller of
11 the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code section
12 1500, *et seq.*, in the name of the Participating Class Member to whom the check was issued, until such time
13 that such Participating Class Members claim their property. After this process is completed, the Settlement
14 Administrator will prepare the Final Report regarding the distribution of the Gross Settlement Amount,
15 including the total amount that was cashed/deposited by Participating Class Members and the total amount
16 of any unpaid residue or unclaimed or abandoned funds that was distributed to the State Controller.

17 v. In the event a Participating Class Member fails to cash/deposit his or her
18 Individual Settlement Payment check, the Participating Class Member shall nevertheless remain bound
19 by the Settlement.

20 vi. All monies received by Participating Class Members under the Settlement
21 which are attributable to wages shall constitute income to such Participating Class Members solely in the
22 year in which such monies actually are received by the Participating Class Members. It is expressly
23 understood and agreed that the receipt of Individual Settlement Awards shall not entitle any Participating
24 Class Member to additional compensation or benefits under any collective bargaining agreement or under
25 any bonus, contest or other compensation or benefit plan or agreement in place during the period covered
26 by the Settlement, nor shall it entitle any Participating Class Member to any increased pension and/or
27 retirement, or other deferred compensation benefits. It is the intent of the Parties that Individual Settlement
28 Awards provided for in this Stipulation of Settlement are the sole payments to be made by Defendant to

1 Participating Class Members in connection with this Settlement, with the exception of Plaintiff, and that the
2 Participating Class Members are not entitled to any new or additional compensation or benefits as a result
3 of having received the Individual Settlement Awards. Furthermore, the receipt of Individual Settlement
4 Awards by Participating Class Members shall not, and does not, by itself establish any general, special, or
5 joint employment relationship between and among the Participating Class Member(s) and Defendant.

6 b. Class Representative Service Award. For the purposes of this Settlement only, the
7 Parties agree to the designation of Plaintiff Oscar Gerardo as Class Representative. In recognition of his
8 time and effort in bringing and presenting the Action, and for agreeing to the general release of all claims,
9 including a waiver of California Civil Code section 1542, as provided in Section 50(c) above, Plaintiff
10 shall request a Class Representative Service Award not to exceed Five Thousand Dollars (\$5,000.00),
11 provided Plaintiff sign this Stipulation of Settlement. Plaintiff's request for such Class Representative
12 Service Award shall be subject to approval from the Court. The Court-approved Class Representative
13 Service Award shall be paid to Plaintiff from the Gross Settlement Amount and shall be mailed by the
14 Settlement Administrator to Plaintiff on the same date that the Settlement Administrator mails Individual
15 Settlement Award payments to Participating Class Members. The Class Representative Service Award
16 will be in addition to Plaintiff's Individual Settlement Payment paid pursuant to the Settlement. The
17 Settlement Administrator shall issue an IRS Form 1099 to Plaintiff for his Class Representative Service
18 Award. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on his Class
19 Representative Service Award and shall hold harmless Defendant, Class Counsel and Defense Counsel
20 from any claim or liability for taxes, penalties, or interest arising as a result of payment of the Class
21 Representative Service Award. Any amount requested by Plaintiff for the Class Representative Service
22 Award and not awarded by the Court shall become part of the Net Settlement Amount and shall be
23 distributed to Participating Class Members as part of the Individual Settlement Awards.

24 c. Class Counsel Award. Class Counsel shall be entitled to request attorneys' fees in
25 an amount not to exceed one-third of the Gross Settlement Amount, which is estimated to be Three
26 Hundred Seventy-One Thousand Six Hundred Sixty Six Dollars and Sixty-Six Cents (\$371,666.66);
27 provided, however, that if the Gross Settlement Amount is increased pursuant to the triggering of the
28 Escalator Clause described in Section 52(a) above due to the election by Defendant, the Class Counsel

Award shall be one-third of the increased Gross Settlement Amount. In addition, Class Counsel shall also be entitled to request an award of costs associated with Class Counsel's prosecution of the Action not to exceed Thirty Thousand Dollars (\$30,000.00). Class Counsel's request for such attorneys' fees and costs shall be subject to approval from the Court. The Court-approved Class Counsel Award shall be paid to Class Counsel from the Gross Settlement Amount and shall be mailed by the Settlement Administrator to Class Counsel on the same date that the Settlement Administrator mails Individual Settlement Award payments to Participating Class Members. Class Counsel shall provide the Settlement Administrator with properly completed and signed copies of IRS Form W-9 in order for the Settlement Administrator to process the Class Counsel Award approved by the Court, and the Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the Class Counsel Award. Class Counsel shall be solely and legally responsible to pay any and all applicable taxes on the Class Counsel Award and shall hold harmless Defendant and Defense Counsel from any claim or liability for taxes, penalties, or interest arising as a result of payment of the Class Counsel Award. Any amount requested by Plaintiff for the Class Counsel Award and not awarded by the Court shall become part of the Net Settlement Amount and shall be distributed to Participating Class Members as part of the Individual Settlement Awards.

d. PAGA Payment. Subject to Court approval, the Parties agree that the amount of One Hundred Thousand Dollars (\$100,000.00) will be paid from the Gross Settlement Amount in satisfaction of Plaintiff's and PAGA Employees' claims under PAGA. Pursuant to PAGA, seventy five percent (75%) or Seventy-Five Thousand Dollars (\$75,000.00) of this sum will be paid to the LWDA and twenty five percent (25%) or Twenty-Five Thousand Dollars (\$25,000.00) will be distributed to the PAGA Employees. The Settlement Administrator will use the following formula to calculate the Individual PAGA Awards for the PAGA Employees: Individual PAGA Award = [total value of PAGA Payment to be distributed to PAGA Employees, *i.e.*, \$25,000.00] × [Pay Periods worked by the individual PAGA Employee during the PAGA Period ÷ total Pay Periods worked by all PAGA Employees during the PAGA Period]. All portions of the PAGA Payment paid to the PAGA Employees shall be allocated as alleged penalties and not subject to payroll tax withholdings, for which the Settlement Administrator shall issue an IRS Form 1099. Any Court-awarded PAGA Payments will be paid to the LWDA and PAGA Employees from the Gross Settlement Amount and shall be mailed by the

1 Settlement Administrator to the LWDA and PAGA Employees on the same date that the Settlement
2 Administrator mails Individual Settlement Award payments to Participating Class Members.

3 Plaintiff shall ensure that any and all required submissions to the LWDA regarding the PAGA
4 Payment and settlement of Plaintiff's PAGA claims are timely and properly submitted to the LWDA in
5 compliance with PAGA, including but not limited to Labor Code section 2699(l). If Plaintiff fails to
6 satisfy this condition in strict compliance with PAGA, the Settlement shall be voidable at Defendant's
7 option, in which case all Settlement Administration Costs already incurred by the Settlement
8 Administrator shall be paid by Plaintiff.

9 e. Settlement Administration Costs. The Settlement Administration fees and
10 expenses, which are estimated not to exceed Seven Thousand Dollars and Zero Cents (\$7,000.00), shall be
11 paid from the Gross Settlement Amount. Prior to Plaintiff filing a Motion for Final Approval of the
12 Settlement, the Settlement Administrator shall provide the Parties with a statement detailing the Settlement
13 Administration Costs to date. The Parties agree to cooperate in the Settlement Administration process and
14 to make all reasonable efforts to control and minimize Settlement Administration Costs.

15 54. Payroll Taxes. In accordance with this Settlement and to the fullest extent possible, the
16 Gross Settlement Amount shall resolve, satisfy and completely extinguish all of Defendant's liability with
17 respect to the Class Members, except that Defendant shall solely be responsible for the Employer's Share
18 of Payroll Taxes on the portion of the Individual Settlement Awards that constitutes alleged unpaid wages.
19 Upon the transfer of the Gross Settlement Amount and the Employer's Share of Payroll Taxes, Defendant
20 shall have no further payment or defense obligation whatsoever with respect to any claims covered by this
21 Settlement made or asserted by any person or entity in connection with the Class Members.

22 55. Preliminary Approval of Settlement. Class Counsel will reserve a date for a hearing on
23 Plaintiff's Motion for Preliminary Approval to take place at a time mutually agreed to by the Parties so that
24 the Parties may request provisional certification of the Settlement Class for settlement purposes only and
25 the setting of a Final Approval Hearing. The Parties agree to work diligently and cooperatively to have this
26 Settlement presented to the Court for preliminary approval. The proposed Order granting Plaintiff's Motion
27 for Preliminary Approval shall be mutually agreed to by the Parties prior to Plaintiff submitting the
28 proposed Order to the Court. Plaintiff will also provide Defendant with the opportunity to review and

comment upon drafts of the notice of motion, memorandum of points and authorities, and declarations to be filed in connection with his Motion for Preliminary Approval at least three (3) business days prior to filing such motion with the Court. Plaintiff agrees to consider in good faith all suggested comments by Defendant but will not be obligated to include any such comments in the final pleadings submitted to the Court, with the exception of the proposed Order granting Plaintiff's Motion for Preliminary Approval.

56. Final Settlement Approval Hearing and Entry of Final Order and Judgment. Following expiration of the Response Deadline, a Final Approval Hearing shall be conducted by the Court for the Court to determine whether to grant final approval of the Settlement, including determining the amounts properly payable for the: (i) Class Counsel Award; (ii) Class Representative Service Award; (iii) PAGA Payment; and (iv) Settlement Administration Costs. Prior to the Final Approval Hearing, the Settlement Administrator shall provide a written report or declaration to the Parties describing the process and results of the administration of the Settlement to date, which report or declaration shall be filed by Plaintiff with the Court prior to the Final Approval Hearing. The Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for final approval. The proposed Order granting Plaintiff's Motion for Final Approval shall be mutually agreed to by the Parties prior to Plaintiff submitting the proposed Order to the Court. Plaintiff will also provide Defendants with the opportunity to review and comment upon drafts of the notice of motion, memorandum of points and authorities, and declarations to be filed in connection with his Motion for Final Approval at least three (3) business days prior to filing such motion with the Court. Plaintiff agrees to consider in good faith all suggested comments by Defendant but will not be obligated to include any such comments in the final pleadings submitted to the Court, with the exception of the proposed Order granting Plaintiff's Motion for Final Approval.

57. Duties of the Parties Prior to Court Approval. The Parties shall promptly submit this Settlement Agreement to the Court in support of Plaintiff's Motion for Preliminary Approval and determination by the Court as to its fairness, adequacy, and reasonableness. Promptly upon execution of this Settlement Agreement, the Parties shall apply to the Court for the entry of an order scheduling a fairness hearing on the question of whether the proposed settlement, including payment of the Class Counsel Award, Class Representative Service Award, PAGA Payment, and Settlement Administration Costs, should be finally approved as fair, reasonable and adequate as to the members of the Settlement Class.

1 a. As part of Plaintiff's Motion for Preliminary Approval, Plaintiff shall also apply to
2 the Court for the entry of an Order as follows:

- 3 i. Certifying the Settlement Class for settlement purposes only;
4 ii. Approving, as to form and content, the proposed Settlement Notice;
5 iii. Approving the manner and method for Class Members to object or
6 request exclusion from the Settlement, as described herein and within the Settlement Notice;
7 iv. Directing the mailing of the Settlement Notices to Class Members, by first
8 class mail; and
9 v. Preliminarily approving the Settlement subject only to the objections of
10 Class Members and final review by the Court.

11 b. As part of Plaintiff's Motion for Final Approval, Class Counsel will submit a
12 proposed Final Order of Approval and Judgment:

- 13 i. Approving the Settlement, adjudging the terms thereof to be fair,
14 reasonable and adequate, and directing consummation of its terms and provisions;
15 ii. Approving the Class Counsel Award, Class Representative Service
16 Payment to Plaintiff, PAGA Payment, and Settlement Administration Costs; and
17 iii. Setting a date when the Parties shall submit the Final Report regarding the
18 distribution of the Gross Settlement Amount, and, if necessary, a date for a final accounting hearing
19 following its receipt of the Final Report.

20 58. Revocation of Settlement by Defendant. If ten percent (10%) or more of the total Class
21 Members timely and validly exclude themselves from the Settlement and/or if the combined Workweeks
22 worked by Class Members who timely and validly exclude themselves from the Settlement amounts to ten
23 percent (10%) or more of the total Workweeks worked by all Class Members, Defendant may, at its
24 election and in their sole discretion, rescind the Settlement and all actions taken in furtherance of it will
25 thereby be null and void. Defendant must exercise this right of rescission in writing, by certified or
26 electronic mail to Class Counsel, within thirty (30) calendar days of the Response Deadline. Any
27 Settlement Administration Costs already incurred by the Settlement Administrator shall be paid by
28 Defendant in event the Settlement is terminated under this provision. At no time will Defendant or

1 Defense Counsel, or their agents or representatives, seek to solicit or otherwise encourage any Class
2 Member to opt-out of the Settlement Class.

3 59. Nullification of Settlement. In the event: (i) the Court does not enter the Preliminary
4 Approval Order; (ii) the Court does not grant final approval of the Settlement; (iii) the Court does not enter
5 the Final Order and Judgment; or (iv) the Settlement does not become final for any other reason, this
6 Stipulation of Settlement shall be rendered null and void, any order or judgment entered by the Court in
7 furtherance of this Settlement shall be treated as void from the beginning and this Stipulation of Settlement
8 and any documents related to it shall not be used by any Class Member or Class Counsel to support any
9 claim or request for class certification in the Action, and shall not be used in any other civil, criminal or
10 administrative action against Defendant or any of the other Released Parties. Should the Settlement not
11 become final for any reason, the Parties will request that the Court reopen proceedings within thirty (30)
12 calendar days, the Parties and any monies required to be paid under this Settlement shall be returned to their
13 respective statuses as of the date and time immediately prior to the execution of this Stipulation of
14 Settlement (which means, *inter alia*, the SAC shall be void *ab initio* and of no force or effect, and the FAC
15 shall thereafter become the operative Complaint), and the Parties shall proceed in all respects as if this
16 Stipulation of Settlement had not been executed (and the SAC had not been filed), except that any
17 Settlement Administration Costs already incurred by the Settlement Administrator shall be split evenly
18 amongst the Parties (unless Defendant elects to revoke the Settlement, as specified in Section 58 above, in
19 which case any Settlement Administration Costs already incurred by the Settlement Administrator shall be
20 paid by Defendant). In the event an appeal is filed from the Court's Final Order and Judgment, or any other
21 appellate review is sought, administration of the Settlement shall be stayed pending final resolution of the
22 appeal or other appellate review and the stay shall only be lifted if the end result of the appeal or other
23 proceeding is that the terms of this settlement agreement are upheld.

24 60. Plaintiff's Waiver of Right to Be Excluded. Plaintiff agrees that by signing this
25 Settlement Agreement, he will be bound by the terms herein, including the general release described in
26 Section 50(c) above. Plaintiff further agrees that, upon signing this Settlement Agreement, he will not
27 request to be excluded from this Settlement and that any such request for exclusion by Plaintiff will be
28 void and of no force or effect.

1 61. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
2 certification for purposes of this Settlement only; and either Party may appeal any court order that
3 materially alters the Settlement Agreement's terms.

4 62. No Admission by Defendant. Defendant denies all claims alleged in this Action and denies
5 all wrongdoing whatsoever by Defendant. Neither this Stipulation of Settlement, nor any of its terms and
6 conditions, nor any of the negotiations connected with it, is a concession or admission, and none shall be
7 used against Defendant as an admission or indication with respect to any claim of any fault, concession, or
8 omission by Defendant or that class certification is proper under the standard applied to contested
9 certification motions. The Parties stipulate and agree to the certification of the proposed Settlement Class for
10 settlement purposes only. The Parties further agree that this Stipulation of Settlement will not be admissible
11 in this or any other proceeding as evidence that either (i) a class action should be certified or (ii) Defendant is
12 liable to Plaintiff or any Class Member, other than according to the terms of this Stipulation of Settlement.

13 63. Publicity.

14 a. Prior to the Filing of Plaintiff's Motion for Preliminary Approval. Class
15 Representative and Class Counsel will not make any public disclosures of any kind regarding the
16 Settlement, this Stipulation of Settlement, or the Confidential Memorandum of Understanding executed by
17 the Parties, including but not limited to postings on Class Counsel's websites and postings on any social
18 media sites/outlets. However, Class Counsel is authorized to make disclosures as necessary for the
19 purposes of obtaining preliminary approval of, and effectuating the terms of, the Settlement. Such
20 disclosures are limited to court filings, submission of the Settlement to the LWDA, and communications
21 with the Settlement Administrator for purposes of effectuating the terms of the Settlement. Class Counsel
22 will take all steps necessary to ensure the Class Representative is aware of, and will encourage him to
23 adhere to, the restriction against any public disclosures regarding the Settlement, this Stipulation of
24 Settlement, and the Confidential Memorandum of Understanding executed by the Parties until after the
25 Motion for Preliminary Approval is filed. Further, Class Counsel will not include, reference or use the
26 Settlement for any marketing or promotional purposes, or for attempting to influence business
27 relationships at Defendant's locations, either before or after the Motion for Preliminary Approval is filed.
28

1 b. Following the Court's Order Granting Preliminary Approval. Class Representative
2 and Class Counsel will not initiate any communications with the media or third parties, except for the
3 LWDA and the Settlement Administrator as necessary to effectuate the terms of the Settlement and the
4 Court's orders granting preliminary approval. If contacted by the media or third parties, other than the
5 LWDA or the Settlement Administrator, Class Representatives and Class Counsel will only discuss
6 information publicly available and on file with the Court. Class Counsel will take all steps necessary to
7 ensure the Class Representative is aware of, and will encourage him to adhere to, the restriction against
8 initiating any media comment. Class Counsel further agrees not to use the Settlement or any of its terms for
9 any marketing or promotional purposes, and, as stated above, will not include, reference or use the
10 Settlement for any marketing or promotional purposes, or for attempting to influence business relationships
11 at Defendant's locations, either before or after the Motion for Preliminary Approval is filed. However,
12 nothing herein will restrict Class Counsel from including publicly available information regarding this
13 Settlement in future judicial submissions regarding Class Counsel's qualifications and experience.

14 64. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement
15 or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
16 constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

17 65. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the Court
18 or after the Final Approval/Settlement Fairness Hearing, the Parties will present a mutually agreed upon
19 Judgment to the Court for its approval, pursuant to Rule 3.770 of the California Rules of Court. After
20 entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (a) the
21 interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters, and
22 (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Agreement.

23 66. Exhibits and Headings. The terms of this Stipulation of Settlement include the terms set forth
24 in any attached Exhibit(s), which are incorporated by this reference as though fully set forth herein. The
25 Exhibit(s) to this Stipulation of Settlement are an integral part of the Settlement. The descriptive headings of
26 any paragraphs or sections of this Stipulation of Settlement are inserted for convenience of reference only.

27 67. Amendment or Modification. This Stipulation of Settlement may be amended or
28 modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

1 68. Entire Agreement. This Stipulation of Settlement and any attached Exhibit(s) constitute
2 the entire agreement between the Parties, and no oral or written representations, warranties, or
3 inducements have been made to Plaintiff or Defendant concerning this Stipulation of Settlement or its
4 Exhibit(s) other than the representations, warranties, and covenants contained and memorialized in this
5 Stipulation of Settlement and its Exhibit(s). No other prior or contemporaneous written or oral
6 agreements may be deemed binding on the Parties.

7 69. Authorization to Enter into Settlement Agreement. Class Counsel and Defense Counsel
8 warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this
9 Stipulation of Settlement and to take all appropriate actions required or permitted to be taken by such Parties
10 pursuant to this Stipulation of Settlement to effectuate its terms, and to execute any other documents required
11 to effectuate the terms of this Stipulation of Settlement. The Parties, Class Counsel and Defense Counsel
12 shall cooperate with each other and use their best efforts to effect the implementation of the Settlement. In
13 the event the Parties are unable to reach agreement on the form or content of any document needed to
14 implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the
15 terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement. The
16 person(s) signing this Stipulation of Settlement on behalf of Defendant represents and warrants that he/she
17 is authorized to sign this Stipulation of Settlement on behalf of Defendant. Plaintiff represents and warrants
18 that he is authorized to sign this Stipulation of Settlement and that he has not assigned any claim, or part of
19 a claim, covered by this Settlement of Settlement to a third-party. The Parties have cooperated in the
20 drafting and preparation of this Stipulation of Settlement. Hence, in any construction made of this
21 Stipulation of Settlement, the same shall not be construed against any of the Parties.

22 70. Binding on Successors and Assigns. This Stipulation of Settlement shall be binding
23 upon, and inure to the benefit of, the successors and assigns of the Parties.

24 71. California Law Governs. All terms of this Stipulation of Settlement and the Exhibit(s) hereto
25 shall be governed by and interpreted according to the laws of the State of California, without giving effect to
26 any law that would cause the laws of any jurisdiction other than the State of California to be applied.

1 72. Counterparts. This Stipulation of Settlement may be executed in one or more counterparts.
2 All executed counterparts and each of them shall be deemed to be one and the same instrument.
3 Signatures will be deemed valid whether by hand, fax or electronic.

4 73. This Settlement is Fair, Adequate and Reasonable. Plaintiff represents that this Settlement
5 is a fair, adequate, and reasonable settlement of the Action and he has arrived at this Settlement after
6 extensive arm's-length negotiations, taking into account all relevant factors, present and potential.

7 74. Jurisdiction of the Court. Following entry of the Final Order and Judgment, the Court
8 shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms
9 of this Stipulation of Settlement and all orders and judgments entered in connection therewith, and the
10 Parties, Class Counsel and Defense Counsel submit to the jurisdiction of the Court for purposes of
11 interpreting, implementing, and enforcing the Settlement embodied in this Stipulation of Settlement and
12 all orders and judgments entered in connection therewith.

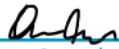
13 75. Invalidity of Any Provision. Before declaring any term or provision of this Stipulation of
14 Settlement invalid, the Parties request that the Court first attempt to construe the terms or provisions
15 valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of
16 this Stipulation of Settlement as valid and enforceable. In the event the Court declares any material
17 provision of this Stipulation of Settlement invalid, the Stipulation of Settlement will be void and its
18 terms will be of no force and effect, except as otherwise agreed to by the Parties in writing.

19 76. Binding Nature of Notice of Class Action Settlement. It is agreed that, because the Class
20 Members are so numerous, it is impossible or impractical to have each Class Member execute the
21 Stipulation of Settlement. The Class Notice shall advise all Class Members of the binding nature of the
22 Settlement, and the release of Released Claims and shall have the same force and effect as if this
23 Stipulation of Settlement were executed by each Participating Class Member.

24 77. Enforcement. In the event that one more of the Parties institutes any legal action or other
25 proceeding against any other Party or Parties to enforce the provisions of this Agreement or to declare
26 rights and/or obligations under this Agreement, the successful Party or Parties will be entitled to recover
27 from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees
28 incurred in connection with any enforcement actions.

1
2 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint
3 Stipulation of Class Action and PAGA Settlement and Release between Plaintiff, on the one hand, and
4 Defendant, on the other hand, as of the date(s) set forth below:

5
6 Dated: 12/21, 2021


Oscar Gerardo (Dec 21, 2021 12:55 PST)
Plaintiff OSCAR GERARDO

8 Defendant STRATASYS DIRECT, INC.

9 Dated: Jan 6, 2022, 2021


Rich Garrity (Jan 6, 2022 08:11 CST)
By: Rich Garrity
Title: Director

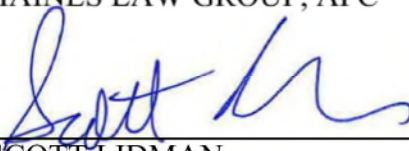
11 Dated: Jan 6, 2022, 2021


By: Lilach Payorski
Title: Director

14 Approved as to form and content and as to Section 63 (Publicity):

16 Dated: December 21, 2021

LIDMAN LAW, APC
HAINES LAW GROUP, APC


SCOTT LIDMAN
ELIZABETH NGUYEN
MILAN MOORE
PAUL K. HAINES
Attorneys for Plaintiff
OSCAR GERARDO

23 Dated: December 21, 2021

JACKSON LEWIS P.C.


Adam Y. Siegel
Eric J. Gitig
Attorneys for Defendant
STRATASYS DIRECT, INC.

EXHIBIT A

EXHIBIT A

*OSCAR GERARDO, as an individual and on behalf of all others similarly situated, Plaintiff,
vs. STRATASYS DIRECT, INC., a California corporation; and DOES 1 through 100, inclusive, Defendants*
Los Angeles County Superior Court, Case No. 20STCV44366

NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully

To: All current and former non-exempt employees who worked for Stratasys Direct, Inc. in California at any time between November 17, 2016 and [end of Class Period].

On [date of the order granting Preliminary Approval], the Honorable William F. Highberger of the Los Angeles County Superior Court granted preliminary approval of this class action settlement and ordered the parties to notify all Class Members of the settlement. You have received this notice because Stratasys Direct, Inc.'s records indicate that you are a Class Member, and therefore entitled to a payment from the settlement.

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at :00 .m. on , 2022 in Department 10 of the Los Angeles County Superior Court located at 312 North Spring Street, Los Angeles, CA 90012. You are not required to attend the Hearing, but you are welcome to do so at your own expense. The location, date, and time of the Final Approval Hearing may be moved without further notice to you. You may contact the Settlement Administrator, Class Counsel, or Defendant's Counsel using the contact information at the bottom of this notice to confirm the address and time of the hearing.

Summary of the Litigation

Plaintiff Oscar Gerardo ("Plaintiff") claims that Defendant Stratasys Direct, Inc. ("Defendant") violated California state labor laws by its alleged: (1) failure to pay minimum wage; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to provide accurate, itemized wage statements; (6) failure to pay timely final wages; and (7) unfair competition. Defendant has denied and continues to deny the factual and legal allegations in the case and believes that it has consistently complied with all applicable laws. Following the exchange of relevant documents and information, and mediation with an experienced and well-respected class action neutral, the parties were able to negotiate the current settlement.

Counsel for Plaintiff, Lidman Law, APC and Haines Law Group, APC, who have been appointed by the Court to represent the class ("Class Counsel"), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believes the claims alleged in this lawsuit have merit, Class Counsel also recognizes that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believes the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

By agreeing to settle, Defendant is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Defendant has agreed to settle the case as part of a compromise with Plaintiff solely because of the risk and expense of continued litigation.

By granting preliminary approval of the settlement, the Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, though any final determination of those issues will be made at the Final Approval Hearing.

Summary of The Proposed Settlement Terms

Plaintiff and Defendant have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$1,115,000. Subject to final Court approval, this amount is inclusive of: (i) individual settlement payments to all Participating Class Members; (ii) Class Counsel's court-approved attorneys' fees not to exceed one-third (1/3) of the Gross Settlement Amount and costs not to exceed \$30,000.00; (iii) a court-approved Class Representative Service Award not to exceed \$5,000 to Plaintiff for his services on behalf of the Class; (iv) the Settlement Administrator's court-approved fees and expenses currently estimated at \$7,000.00; and (v) a payment of \$100,000 in settlement of Plaintiff's claims under the California Private Attorneys General Act (the "PAGA Payment"). After deducting Class Counsel's attorneys' fees and costs, the Class Representative Service Award, the Settlement Administrator's fees and expenses, and the PAGA Payment, a total of approximately \$601,333.33 (the "Net Settlement Amount") will be allocated to Participating Class Members who do not opt out of the settlement.

Each Class Member's individual settlement payment will be based on the number of Workweeks he/she was employed by Defendant as a non-exempt employee in California between November 17, 2016 and [end of Class Period] (the "Class Period"). Specifically, to determine each Class Member's estimated Individual Settlement Payment, the Settlement Administrator will: (i) Calculate the "Workweek Value" by dividing the Net Settlement Amount by the total number of Workweeks for the entire Settlement Class during the Class Period; and (ii) Multiply the Workweek Value by the number of Workweeks worked by each Class Member (all Class Members will be entitled to payment for at least one Workweek). Should any of the following occur, the Settlement Administrator will proportionately increase the estimated Individual Settlement Award of each Participating Class Member to ensure that the entire Net Settlement Amount is distributed to Participating Class Members: (i) any Class Member submits a timely and valid, or otherwise accepted, Request for Exclusion; (ii) the Court approves a Class Representative Service Award in an amount less than that requested by Plaintiff; (ii) the Court approves a Class Counsel Award in an amount less than that requested by Plaintiff; and/or (iii) the Court approves Settlement Administration Costs in an amount less than that requested by Plaintiff.

According to Defendant's records, you worked during the Class Period as a non-exempt employee in California for a total of [] Workweeks. Accordingly, your Individual Settlement Payment is estimated to be \$ [].

To the extent you dispute the number of Workweeks listed above, you must make your dispute ("Workweek Dispute") in writing and send it via fax or mail to the Settlement Administrator no later than [Response Deadline] (the "Response Deadline") using the below address/fax number:

Phoenix Settlement Administrators
[]
[]

The date of the fax or postmark on the mailing envelope will be the exclusive means to determine whether a Workweek Dispute has been timely submitted.

Your Workweek Dispute must be in writing and contain: (a) your full name, signature, address, and the last four digits of your Social Security number; (b) the number of Workweek you contend is correct; and (c) any evidence supporting your contention. Defendant's records will be presumed to be correct unless you prove otherwise by credible evidence or the Court, in its discretion, determines otherwise. All Workweek Disputes will be submitted to the Settlement Administrator with input from the parties for resolution, however the Court will have the final decision on all Workweek Disputes that cannot be resolved by the parties and the Court's decision will be non-appealable.

Questions? Contact the Settlement Administrator at 1-[]

The Settlement will become final on the “Effective Date.” The Effective Date of the Settlement will be 65 calendar days after the Court has held a formal fairness hearing and entered a final Order and Judgment approving the settlement if there are no written objections to the proposed settlement, or if written objections are filed with the Court and later withdrawn or denied. If written objections are filed which are not later withdrawn or denied, the Effective Date of the Settlement is 5 business days after the period for filing any appeal opposing the Court’s final Order, or 5 business days after any appeal has been finally and conclusively dismissed.

Once the settlement becomes effective (as defined above), Defendant will have 30 calendar days to deposit the settlement funds into a bank account. Within 14 calendar days after Defendant deposits the funds, the Settlement Administrator will send out settlement payments to Participating Class Members. Settlement checks will be valid for 180 days. Any checks that have not been cashed after 180 days will be voided and the funds will be sent to the Controller of the State of California to be held pursuant to the Unclaimed Property Law in the name of the Class Member to whom the check was issued, so that the funds may later be claimed by the Class Member.

IRS Forms W-2 and 1099 will be distributed to Participating Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Specifically, for purposes of the settlement, 33% of each Individual Settlement Payment will be allocated as wages for which IRS Forms W-2 will be issued, and 67% will be allocated as non-wages and interest for which IRS Forms 1099-MISC will be issued.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If you want to receive your payment from the settlement, then no further action is required on your part. You will then automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court. In addition, upon Defendant’s funding of the settlement, you will be deemed to have released or waived the following “Released Class Claims” against the “Released Parties” (i.e., Defendant and all its present and former parent companies, subsidiaries, divisions, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity which could be liable for any of the Released Class Claims and/or the Released PAGA Claims, and Defense Counsel of record in the Action):

All claims under state, federal or local law, whether statutory, common law or administrative law, that are pled in the operative Complaint or that could have been pled based on the facts and allegations set forth in the operative Complaint and that arose during the Class Period, including but not limited to claims for failure to pay all minimum wages owed, failure to pay all overtime wages owed, failure to provide meal periods, failure to authorize and permit rest periods, failure to provide accurate, itemized wage statements, failure to pay all wages upon termination of employment, unfair competition and all other alleged violations of the California Business and Professions Code section 17200, *et seq.* based on the facts and allegations set forth in the operative Complaint and that arose during the Class Period, injunctive relief, punitive damages, liquidated damages, penalties of any nature, interest, fees, including fees under California Code of Civil Procedure section 1021.5, and costs. The Released Class Claims shall not become effective until Defendant has fully funded the Gross Settlement Amount and associated employer-side taxes

Additionally, all Class Members who were employed by Defendant as a non-exempt employee in California between November 17, 2019 and [end of Class Period] (the “PAGA Period”) will be deemed a PAGA Employee and further be deemed to have released the Released Parties from the following “Released PAGA Claims” upon Defendant’s funding of the settlement:

Questions? Contact the Settlement Administrator at 1-

All claims under the California Private Attorneys General Act of 2004 (“PAGA”) that are pled in the operative Complaint or that could have been pled based on the facts and allegations set forth in the operative Complaint and that arose during the PAGA Period, including but not limited to claims seeking civil penalties under PAGA for failure to pay all minimum wages owed, failure to pay all overtime wages owed, failure to provide meal periods, failure to authorize and permit rest periods, and failure to provide accurate, itemized wage statements, and failure to pay all wages upon termination of employment, including but not limited to claims for violations of California Labor Code sections 201-204, 226, 226.3, 226.7, 510, 512, 558, 1194, and 2698, *et seq.* The Released PAGA Claims shall not become effective until Defendant has fully funded the Gross Settlement Amount and associated employer-side taxes.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the Class portion of the settlement, you may exclude yourself by submitting a written request to the Settlement Administrator clearly indicating that you do not wish to be included in the settlement. The written “Request for Exclusion” must also: (i) contain your name, address, telephone number, and last four digits of your Social Security Number; (ii) be signed and dated by you, and (iii) be returned by fax or mail to the Settlement Administrator at the below address and/or facsimile number no later than **[Response Deadline]**.

Phoenix Settlement Administrators
[Redacted]
[Redacted]

The date of the fax or postmark on the mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted.

If you submit a valid and timely Request for Exclusion, you will not get a class settlement payment and you will not be bound by the settlement nor release the Released Class Claims.

However, to the extent you are eligible to receive a portion of the PAGA Payment, you will still receive that amount whether or not you submit a Request for Exclusion. This is because, if the Court approves the PAGA Payment, there is no statutory right to opt out, object, or otherwise exclude yourself from the PAGA Payment and the associated release of claims and rights under PAGA.

A Class Member who does not submit a timely and valid Request for Exclusion from the settlement will be deemed a Participating Class Member and will be bound by all terms of the settlement if the settlement is granted final approval by the Court.

Option 3 – Object to the Settlement

A Participating Class Member may object to the settlement if he/she believes it is unfair or unreasonable by submitting a written objection to the Settlement Administrator. If you choose to object to the settlement, your written “Notice of Objection” must provide: (i) your full name, signature, address, telephone number, and the last four digits of your Social Security number; and (ii) a written statement of all grounds for the objection. Your Notice of Objection should also include a statement indicating whether you intend to appear at the Fairness Hearing, along with copies of any papers, briefs, or other documents upon which your objection is based. The Notice of Objection must be returned by fax or mail to the Settlement Administrator at the below address and/or facsimile number no later than **[Response Deadline]**:

Phoenix Settlement Administrators
[Redacted]
[Redacted]

Questions? Contact the Settlement Administrator at 1- [Redacted]

The date of the fax or postmark on the mailing envelope will be the exclusive means to determine whether a Notice of Objections has been timely submitted. Late objections will not be considered.

Even if you do not submit a written objection, you may also, if you wish and at your own expense, appear at the Final Approval Hearing set for **1:00 p.m. on May 11, 2021** in Department 10 of the Los Angeles County Superior Court located at 312 N. Spring St., Los Angeles, 90012, and discuss your objection with the Court and the parties. You may also retain an attorney at your own expense to represent you at the hearing.

Any Class member who elects to appear personally at the Court for any reason related to this Lawsuit must comply with the Court's social distancing and mandatory face covering requirements, as well as any other orders related to COVID-19. All such rules and orders can be located at the Court's website: www.lacourt.org.

For more information on how to appear remotely, please visit the Court's website at <http://www.lacourt.org/division/civil/CI0040.aspx> and <https://www.lacourt.org/lacc/>.

By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only.

Summary of Settlement Options

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, you will be deemed to have released or waived all of the Released Class Claims against the Released Parties.

If you choose **Option 2**, you will no longer be a Class Member, and you will (i) be barred from participating in the class portion of the settlement and will not be deemed to have released the Released Class Claims, (ii) be barred from filing an objection to the settlement, and (iii) not receive a payment from the settlement (unless you are entitled to receive a portion of the PAGA Payment).

If you choose **Option 3**, you will still be a Participating Class Member. If the Court overrules your objection and approves the settlement, you will be entitled to receive your estimated Individual Settlement Payment and deemed to have released or waived all of the Released Class Claims against the Released Parties.

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case, which may be inspected at the Office of the Clerk for the Superior Court of California for the County of Los Angeles, 312 N. Spring St., Los Angeles, 90012. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator or counsel for the parties at the addresses set forth below:

Class Counsel
LIDMAN LAW, APC
Scott M. Lidman
Elizabeth Nguyen
Milan Moore
2155 Campus Drive, Suite 150

Defendant's Counsel
JACKSON LEWIS P.C.
Adam Y. Siegel
Eric J. Gitig
725 S. Figueroa, Suite 2500
Los Angeles, CA 90017

Questions? Contact the Settlement Administrator at 1-

El Segundo, California 90245
Tel: (424) 322-4772; Fax: (424) 322-4775
Email: slidman@lidmanlaw.com
enguyen@lidmanlaw.com
mmoore@lidmanlaw.com

Tel: (213) 689-0404; Fax: (213) 689-0430
Email: Adam.Siegel@jacksonlewis.com
Eric.Gitig@jacksonlewis.com

HAINES LAW GROUP, APC
Paul K. Haines
2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350; Fax: (424) 292-2355
Email: phaines@haineslawgroup.com

PLEASE DO NOT CONTACT THE CLERK OF THE COURT OR THE JUDGE WITH INQUIRIES.

4878-0364-8257, v. 3

EXHIBIT 3

EXHIBIT 3

LIDMAN LAW

2155 CAMPUS DRIVE, SUITE 150, EL SEGUNDO, CA 90245

OFFICE: (424) 322-4772

FAX: (424) 322-4775

February 2, 2022

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

**VIA U.S. CERTIFIED MAIL – RETURN
RECEIPT REQUESTED**

JACKSON LEWIS P.C.

Talya Z. Friedman
Eric J. Gitig
725 South Figueroa Street, Suite 2500
Los Angeles, California 90017
Attorneys for Defendant Stratasys Direct, Inc.

Re: *Oscar Gerardo v. Stratasys Direct, Inc.*

To Whom It May Concern:

Please be advised that this law firm represents Oscar Gerardo in claims arising from his employment with Stratasys Direct, Inc., a California corporation (“Defendant”). Mr. Gerardo is an “aggrieved employee” as defined by Labor Code sections 2699, *et seq.* due to Defendant’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, an “aggrieved employee” should be considered to include all current and former hourly-paid employees in California who worked, at least in part, during the one year immediately preceding the date of this letter through the present date.

By this letter, Mr. Gerardo hereby supplements his correspondence to the LWDA dated November 17, 2020 (the “LWDA letter”). Attached hereto as **Exhibit A** is a true and correct copy of the LWDA letter and is incorporated herein by reference. In addition to the Labor Code violations identified in the LWDA letter, Mr. Gerardo alleges Defendant is also liable for the following:

Rest Period Violations

Mr. Gerardo was not authorized and permitted to take all legally required and compliant rest periods due to Defendant’s unlawful rest period policies and practices. As a result of the work demands imposed by Defendant, Defendant’s rest period policies and practices fail to authorize and permit paid rest periods for every four hours worked, or *major fraction thereof*. See Labor Code §§ 226.7 and 516; the Wage Order 1, § 12. As a result, Defendant’s rest period policy and/or practices fail to authorize and

permit legally compliant duty-free rest periods, and Mr. Gerardo and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”)

Failure to Pay All Wages Upon Termination

Defendant failed to timely pay its former non-exempt employees all of their final wages at the time of separation, which include, among other things, underpaid minimum and overtime wages, and meal and rest period premium wages. Further, Mr. Gerardo is informed and believes, that as a matter of uniform policy and practice, Defendant continues to fail to pay other aggrieved employees all earned wages at the end of employment in a timely manner pursuant to the requirements of Labor Code §§ 201-203. Defendant’s failure to pay all final wages was willful within the meaning of Labor Code § 203. Defendant’s willful failure to timely pay aggrieved employees their earned wages upon separation from employment results in a continued payment of wages up to thirty (30) days from the time the wages were due.

As an “aggrieved employee,” Mr. Gerardo will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein and, in his LWDA letter. Based on Mr. Gerardo’s own investigation, and on information and belief, Defendant committed the following Labor Code violation, in addition to the violations set forth in Mr. Gerardo’s LWDA letter:

- a) Defendant violated Labor Code §§ 226.7, 516, and 558 by failing to provide all legally required and paid rest periods and failing to pay rest period premiums to Mr. Gerardo and other aggrieved employees;
- b) Defendant violated Labor Code § 203 by failing to pay Mr. Gerardo and other aggrieved employees for all wages owed at the time of their termination of employment.

Pursuant to Labor Code section 2699.3(a)(2)(A), please notify us and Defendant if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
LIDMAN LAW, APC

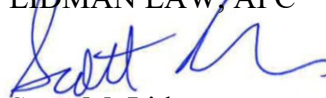

Scott M. Lidman

EXHIBIT A

EXHIBIT A

LIDMAN LAW

2155 CAMPUS DRIVE, SUITE 150, EL SEGUNDO, CA 90245

OFFICE: (424) 322-4772

FAX: (424) 322-4775

November 17, 2020

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

VIA U.S. CERTIFIED MAIL – RETURN

RECEIPT REQUESTED

STRATASYS DIRECT, INC.
c/o CT Corporation System, Agent for Service
of Process
818 West Seventh Street, Suite 930
Los Angeles, Ca 90017

VIA U.S. CERTIFIED MAIL – RETURN

RECEIPT REQUESTED

STRATASYS DIRECT, INC.
28309 Avenue Crocker
Valencia, Ca 91355

Re: *Oscar Gerardo v. Stratasys Direct, Inc.*

To Whom It May Concern:

Please be advised that this law firm represents Oscar Gerardo in claims arising from his employment with Stratasys Direct, Inc., a California corporation (“Defendant”). Mr. Gerardo is an “aggrieved employee” as defined by Labor Code sections 2699, *et seq.* due to Defendant’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, an “aggrieved employee” should be considered to include all current and former hourly-paid employees in California who worked, at least in part, during the one year immediately preceding the date of this letter through the present date.

Mr. Gerardo, a current employee, has been employed by Defendant since approximately 2008 through the present. However, since approximately February 2020, Mr. Gerardo has been on a medical leave of absence. Mr. Gerardo worked at Defendant’s facility in Valencia, California and job duties included, without limitation, finishing parts and prototypes.

During his employment with Defendant, Mr. Gerardo was generally scheduled to begin his shift at 6:00 a.m. and then later was scheduled to begin at 7:00 a.m. Defendant kept track of Mr. Gerardo’s time worked by requiring him to clock in and out by entering his unique employee ID number and scanning his hand.

During his employment with Defendant, Defendant would keep track of Mr. Gerardo’s time worked and would unlawfully shave Mr. Gerardo’s work time and/or round his work time such that Mr. Gerardo would not be fully paid for all time worked. This time-shaving and/or rounding practice utilized by Defendant was not even-handed over time and would almost exclusively round and shave in

Defendant's favor such that Mr. Gerardo was routinely unpaid for his time worked. As a result, Defendant failed to pay Mr. Gerardo all required minimum and overtime wages.

Throughout his employment, Mr. Gerardo was not provided all required meal periods due to Defendant's meal period policies and practices which fail to provide uninterrupted, duty-free 30-minute meal periods when employees work in excess of 5.0 hours in a day. Specifically, as of the work demands imposed by Defendant, Mr. Gerardo was often provided with a meal period after his fifth hour of work in violation of California law.

Although Mr. Gerardo was not provided with all legally-compliant meal periods to which he was entitled, Defendant failed to compensate Mr. Gerardo with the required meal period premium for each workday in which he experienced a meal period violation as mandated by Labor Code § 226.7. Upon information and belief during at least a portion of the class period, Defendant maintained no payroll code or other mechanism for the payment of meal period premium payments under Labor Code § 226.7 in the event that a legally compliant meal period was not provided to their non-exempt employees.

As a result of Defendant's failure to pay all minimum and overtime wages, as well as meal period premium wages, Defendant maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Gerardo.

As described above, Defendant committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 1 ("Wage Order 1"):

Minimum Wage Violations

Defendant was required to pay Mr. Gerardo and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. See Labor Code §§ 1194; 1194.2, 1197; The Wage Order 1, § 4. Mr. Gerardo and other aggrieved employees were not paid for all hours worked due to Defendant's timekeeping and compensation practices. As alleged above, Defendant caused Mr. Gerardo and other aggrieved employees to work hours in a workweek but did not properly compensate Mr. Gerardo and other aggrieved employees at least minimum wages for all such hours, due to Defendant's unlawful timekeeping practices of rounding and/or shaving Mr. Gerardo's time worked. This practice by Defendant resulted in Defendant not paying Mr. Gerardo for all wages owed for the work he performed, including failing to pay him all required minimum wages.

Overtime Violations

Defendant was required to pay Mr. Gerardo and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. See Labor Code §§ 1194(a) and 1198; the Wage Order 1, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated equal to one and one-half times their regular rate of pay for all overtime hours worked. As explained above, Defendant had a policy/practice of shaving Mr.

Gerardo's work time and/or rounding Mr. Gerardo's work time such that he was not fully paid for all time worked. As a result of these policies/practices, Mr. Gerardo and other aggrieved employees were not compensated for all overtime wages on occasions when they worked over eight hours in a workday and/or 40 hours in a workweek.

Meal Period Violations

As alleged above, Defendant failed to provide Mr. Gerardo and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 1, § 11. As described above, as a result of the work demands imposed by Defendant, Mr. Gerardo was often provided with a meal period after his fifth hour of work in violation of California law. As a result, Mr. Gerardo and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided."). Although Mr. Gerardo was not provided with all legally-compliant meal periods to which he was entitled, Defendant failed to compensate Mr. Gerardo and other aggrieved employees with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Wage Statement Violations

Defendant knowingly and intentionally, as a matter of uniform practice and policy, failed to furnish Mr. Gerardo and other aggrieved employees with accurate and complete, itemized wage statements that included, among other requirements, all minimum and overtime wages earned, total gross wages earned, total net wages earned, and meal period premium wages in violation of Labor Code § 226 *et seq.* Defendant's failure to furnish Mr. Gerardo and other aggrieved employees with complete and accurate, itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all minimum and overtime wages earned, and unpaid meal period premium wages, and deprived them of the information necessary to identify discrepancies in Defendant's reported data.

As an "aggrieved employee," Mr. Gerardo will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Gerardo own investigation, and on information and belief, Defendant committed the following Labor Code violations:

- a) Defendant violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Gerardo and other aggrieved employees all overtime compensation earned;
- b) Defendant violated Labor Code §§ 1194, 1194.2, and 1197 by failing to pay Mr. Gerardo and other aggrieved employees the statutory minimum wage for all hours worked;
- c) Defendant violated Labor Code §§ 226.7, 512, and 558 by failing to provide all legally required meal periods and failing to pay meal period premiums to Mr. Gerardo and other aggrieved employees;

- d) Defendant violated Labor Code § 226 by failing to furnish Mr. Gerardo and other aggrieved employees with accurate and compliant itemized wage statements;
- e) Defendant violated Labor Code § 204 by failing to pay Mr. Gerardo and other aggrieved employees all earned wages at least twice during each calendar month; and
- f) Defendant violated Labor Code § 1174 by failing to maintain accurate records on behalf of Mr. Gerardo and other aggrieved employees.

Pursuant to Labor Code section 2699.3(a)(2)(A), please notify us and Defendant if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
LIDMAN LAW, APC

Scott M. Lidman