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Attorneys for Plaintiff ANGEL CHAPPARO

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN BERNARDINO

ANGEL CHAPPARO, individually and on
behalf of all persons similarly situated

PLAINTIFFS,

vs.

IMMANUEL BAPTIST CHURCH OF SAN
BERNADINO AND HIGHLAND,
CALIFORNIA, a California non-profit
corporation; IMMANUEL BAPTIST
CHURCH, a California non-profit corporation,
and Does 1 through 50, Inclusive,

DEFENDANTS.

Case No. CIVSB 2101240

**DECLARATION OF JEAN-CLAUDE
LAPUYADE, ESQ. IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: June 27, 2022

Time: 9:00 a.m.

Judge: Hon. David Cohn

Dept.: S-26

1 I, Jean-Claude Lapuyade, Esq., declare as follows:

2 1. I am over eighteen years of age and if called as a witness, I could and would competently
3 testify to the following facts from my own personal knowledge. I am an attorney-at-law and the owner
4 of the law firm of JCL LAW FIRM, APC (hereinafter "Class Counsel"). I am co-counsel of record for
5 Plaintiff ANGEL CHAPPARO (hereafter "Plaintiff") in this wage and hour class action filed against
6 IMMANUEL BAPTIST CHURCH OF SAN BERNARDINO AND HIGHLAND, CALIFORNIA, and
7 IMMANUEL BAPTIST CHURCH (hereinafter "Defendant" or "IBC").

8 2. This declaration is being submitted in support of Plaintiff's motion for Preliminary
9 Approval of Class Action Settlement.

10 **I. EXHIBITS**

11 3. Attached hereto as **Exhibit "1"** is a true and correct copy of the fully executed Joint the
12 Stipulation of Settlement of Class Action and PAGA Action Claims and Release of Claims
13 ("Agreement" or "Settlement Agreement"). Attached as **Exhibit "A"** to the Agreement is a true and
14 correct copy of the proposed Class Notice.

15 4. Attached hereto as **Exhibit "2"** is a true and correct copy of the proof of filing with the
16 Labor and Workforce Development Agency notice of this settlement with the Settlement Agreement
17 and Motion for Preliminary Approval of Class Action and PAGA Action Settlement evidencing Class
18 Counsel's compliance with California Labor Code Section 2699(l)(2).

19 5. Attached hereto as **Exhibit "3"** is a true and correct copy of the bid for settlement
20 administration submitted by ILYM Group, Inc., in the amount of \$8,500.

21 **II. INTRODUCTION**

22 6. An objective evaluation of the Settlement confirms that the relief negotiated on behalf of
23 the Settlement Class is fair, reasonable, and valuable. The Settlement was negotiated by the Parties at
24 arm's length. The Settlement confers substantial benefits to the Settlement Class. The relief offered by
25 the Settlement is particularly impressive when viewed against the difficulties encountered by plaintiffs
26 pursuing wage and hour cases (*see infra*). Indeed, by settling now rather than proceeding to trial, Class
27 Members will not have to wait (possibly years) for relief, nor will they have to bear the risk of class

1 certification being denied or of Defendants prevailing at trial. Given that there are approximately 150
2 Class Members, the average gross recovery is approximately \$776.66 (Net Settlement Amount divided
3 by Class Members).

4 7. As discussed below, the proposed Settlement satisfies all criteria for preliminary
5 settlement approval under California law and falls within the range of reasonableness. The average
6 Individual Settlement Share to the Settlement Class meet or exceeds awards in similar wage and hour
7 class actions. Moreover, the proposed Settlement Class is appropriate for provisional certification.
8 Accordingly, Plaintiff respectfully requests that this Court grant preliminary approval of the Settlement.

9 **III. FACTS AND PROCEDURE**

10 **A. Overview of the Litigation**

11 8. Defendants own, operate, and manage two church campuses located in California,
12 including a 40-acre plot with two education buildings and an administration building that are
13 approximately 33,000 square feet each. This action asserts claims on behalf of Defendants' non-exempt
14 employees working at those California church campus locations. Plaintiff worked for Defendant as a
15 non-exempt custodial supervisor in California from July 2002 to May 2020. At all times during her
16 employment, Plaintiff earned an hourly wage and was entitled to legally compliant meal and/or rest
17 periods, and minimum, regular and overtime wages for all hours worked. Throughout her employment,
18 Plaintiff was subject to Defendants' written policies and procedures contained in, among other
19 documents, the "Immanuel Employee Handbook."

20 9. Generally, Plaintiff claims that Defendants failed to pay for all time worked, including,
21 time spent on-call after working hours and on weekends, failed to provide compliant meal and rest
22 periods, failed to reimburse for required business expenses, failed to furnish accurate itemized wage
23 statements, and failed to pay all wages upon separation. Defendants forcefully deny liability for each of
24 Plaintiff's claims. Further, Defendants assert that they fully complied with all applicable employment
25 laws and raised several other significant defenses to Plaintiff's claims, including but not limited to,
26 compliant reimbursement policies, facially compliant meal and rest period policies, compliant wage
27 statements, and timely paid all wages due upon separation of employment.

1 10. On November 16, 2020, Plaintiff served Defendants and the Labor and Workforce
2 Development Agency (“LWDA”) with a Notice of Violations (“PAGA Notice”). Plaintiff’s PAGA
3 Notice set forth the facts and theories supporting Defendants’ alleged violations of various provisions
4 of the California Labor Code and applicable Industrial Welfare Commissions (“IWC”) Wage Order and
5 of her intent to pursue claims under California Labor Code Private Attorneys General Act, Cal. Lab.
6 Code Sections 2698 *et seq.* (“PAGA”).

7 11. On January 22, 2021, Plaintiff filed a class action complaint in the San Bernardino
8 Superior Court, Case Number CIVSB2101240 (“Action”). The Action alleged nine causes of action
9 against Defendants for: (1) Unfair Competition in Violation of Cal. Bus. & Prof. Code §§ 17200, *et*
10 *seq.*; (2) Failure to Pay Overtime Wages in Violation Of Cal. Lab. Code §§ 510, *et seq.*; (3) Failure to
11 Pay Minimum Wages in Violation Of Cal. Lab. Code §§ 1194, 1197 & 1197.1; (4) Failure to Provide
12 Required Meal Periods in Violation Of Cal. Lab. Code §§ 226.7 & 512 and the Applicable IWC Wage
13 Order; (5) Failure to Provide Required Rest Periods in Violation Of Cal. Lab Code §§ 226.7 & 512 and
14 the Applicable IWC Wage Order; (6) Failure to Reimburse Plaintiff for Required Expenses in Violation
15 Of Cal. Lab. Code § 2802; (7) Failure to Provide Accurate Itemized Statements in Violation Of Cal.
16 Lab. Code § 226; (8) Failure to Pay Wages When Due in Violation Of Cal. Labor Code §§ 201, 202
17 and 203; and (9) Violation of the Private Attorneys General Act [Labor Code §§ 2698 *et seq.*] (“Class
18 Claims”).

19 12. The Parties collectively agreed to mediate the Action, stay formal discovery, and continue
20 deadlines for class certification in the Action. To prepare for mediation, the Parties agreed to informally
21 produce additional documents and data points subject to the mediation privilege, including but not
22 limited to, employee handbooks, the Class Members’ time data, and certain payroll data points. As
23 discussed *infra*, Plaintiff’s counsel retained the forensic consultants at Berger Consulting Group
24 (“BCG”) to analyze Defendants’ time and payroll data.

25 13. On October 21, 2021, the Parties participated in a full day mediation with Tripper Ortman,
26 Esq., a respected mediator of wage and hour class and representative actions. After arms-length
27 negotiations and bargaining, the Parties reached an agreement to settle and signed a Memorandum of
28

Understanding. After reaching an agreement in principle, the Parties drafted and negotiated a long-form settlement agreement, which is the subject of the instant motion.

B. Class Counsel Thoroughly Investigated the Factual and Legal Issues

14. Months before filing the Action, Class Counsel began its pre-filing investigation into Plaintiff's complaints. Class Counsel's investigation started with several lengthy interviews with Plaintiff. As part of the interview process, Plaintiff produced documents related to her employment, including her wage statements, separation documents, and portions of Defendants' handbooks. At the conclusion of the interviews, Class Counsel determined that each Plaintiff's complaints justified further inquiry.

15. Class Counsel subsequently requested Plaintiff's employee file from Defendants. In response, Defendants produced hundreds of pages of documents, including but not limited to, copies of Plaintiff's employment agreements, performance evaluations, timekeeping policies, payroll and time records, and separation documents. Class Counsel reviewed and analyzed the documents and determined the documents appeared to substantiate Plaintiff's claim that Defendants failed to, among other things, pay for all time worked, issue accurate itemized wage statements, provide compliant meal and rest periods, and reimburse for required business expenses.

16. Considering the many anticipated factual disputes, the Parties agreed, relatively early in the litigation, that it would be in the best interest of both Parties to mediate the matter. To prepare for mediation, Class Counsel requested documents and data points to further evaluate Plaintiff's claims and Defendants' liability exposure to the Class Members. In response to Class Counsel's request, Defendants produced the time records for the Class Members, aggregate workweek and pay period data for the Class Members, aggregate meal premiums paid to the Class Members, average hourly rate for the Class Members, and copies of applicable handbooks, policies, and agreements containing, *inter alia*, compensation, timekeeping, and meal and rest period policies. In total, Defendants produced approximately 1,365 pages of time and payroll data for Class Counsel to analyze.

17. Class Counsel then retained the statisticians and economists at BCG to evaluate the Class Members' payroll and time data. BCG provides data analysis and damage modeling consulting

1 services, specializing in wage and hour class actions. BCG's team of financial and data analysts are
2 credentialed and experienced experts in their fields and have provided their expertise on thousands of
3 cases. Stated differently, the BCG is well-qualified to analyze Defendants' time and payroll data.

4 18. BCG analyzed Defendants' time and payroll data to assist in the development of various
5 damage models. Among other things, BCG determined the approximate number of work shifts,
6 workweeks, pay periods, average length of shift and average number of hours worked per week and pay
7 periods during the Settlement Period. BCG also estimated the number of missed, late or truncated meal
8 and rest periods, the amount of missed meal period premiums paid during the Settlement Period, the
9 amount of unpaid wages due to rounding, the amount of unreimbursed business expenses and the
10 amount of off-the-clock work performed by the Class Members during the Settlement Period.

11 19. In advance of mediation, Class Counsel created several damage models predicated on the
12 BCG analysis. Class Counsel's models calculated Defendants' potential liability exposure while
13 accounting for the uncertainties of continued litigation. These damage models informed and guided
14 Class Counsel during the mediated settlement discussions.

15 20. In addition to formal and informal discovery, witness interviews, document review, data
16 analysis and legal research, Class Counsel also researched similar wage and hour actions. Here, Class
17 Counsel's investigation uncovered *Chavez v. Adidas America, Inc.*, United States District Court,
18 Northern District of California, Case Number 5:16-cv-6533 LHK a prior wage and hour class action
19 against Defendant. In that case, Defendant resolved the class claims asserted on behalf of 3,700 class
20 members (a number similar to class members covered by this Settlement) for the period between
21 October 11, 2012 and September 15, 2017 for \$1.5 Million Dollars. Although no two cases are
22 identical, this research provided Class Counsel with a marker to inform settlement discussions and,
23 ultimately, to measure this settlement against. The investigation allowed to Class Counsel to
24 realistically assess the value of the claims and intelligently engage defense counsel in settlement
25 discussions that culminated in the proposed settlement now before the Court.

26 21. Overall, Class Counsel thoroughly investigated the claims at issue, including: (1)
27 determining Plaintiff's suitability as a putative class representative through interviews, background
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1 investigations, and analysis of her employment files; (2) evaluating all of Plaintiff's potential claims;
2 (3) researching similar wage and hour class actions as to the claims brought, the nature of the positions,
3 and the type of employer; (4) analyzing the Settlement Class' time and payroll records; (5) analyzing
4 Defendants' labor policies and practices; (6) researching settlements in similar cases as well as
5 outstanding issues which could affect settlement approval; (7) evaluating Plaintiff's claims and
6 estimating Defendants' liability for purposes of settlement; (8) holding phone interviews with several
7 putative class members; (9) drafting the mediation brief; and (10) participating in the mediation. This
8 investigation allowed Class Counsel to fully assess the nature and magnitude of the claims being settled,
9 as well as the impediments to recovery, such as to make an independent assessment of the
10 reasonableness of the terms to which the Parties have agreed.

11 22. Class Counsel only agreed to enter the Settlement following his thorough investigation
12 and evaluation of Plaintiff's claims. Based on his investigation of the facts, applicable law, and
13 marketplace for similar settlements, and considering the risk of significant delay, uncertainty associated
14 with litigation, and the various defenses asserted by Defendants, Class Counsel firmly believes this
15 Agreement to be in the best interests of the Class Members. Because the Settlement's terms are fair,
16 reasonable, and adequate, the Court should preliminarily approve the Settlement.

17 **C. The Parties Settled at Mediation**

18 23. On October 21, 2021, the Parties conducted a full day of mediation with Tripper Ortman,
19 Esq., a respected mediator of wage and hour class and representative actions. Mediator Ortman helped
20 manage the Parties' expectations and provided a useful, neutral analysis of the issues and risks to both
21 sides. The Parties made substantial progress with Mediator Ortman's assistance. Namely, the Parties
22 exchanged information regarding their respective claims and defense, including their respective
23 evaluation of the damages. At the conclusion of a full day of mediation, the Parties reached a settlement,
24 which was subsequently memorialized in the form of a Memorandum of Understanding. The complete
25 and final terms of the Parties' settlement are now set forth in the Agreement. Class Counsel submits
26 that the Settlement constitutes a fair, adequate, and reasonable compromise of the claims at issue.

24. Once the Parties agreed to the Memorandum of Understanding, the Parties engaged in protracted negotiations regarding the written terms of the class action settlement. The Parties' maintained the arm's length, non-collusive and adversarial negotiations while arriving at the final terms of the Settlement. The agreement is the final product of these mediated negotiations. Objectively, the Settlement terms are fair, adequate, and represent a reasonable compromise of the claims at issue.

IV. ARGUMENT

A. The Court Should Preliminarily Approve the Settlement

25. The Gross Settlement Amount of \$210,000 is fair and reasonable considering the nature and magnitude of the claims being settled and the various potential impediments to recovery. Prior to mediation, Class Counsel retained BCG to develop economic damage models measuring Defendants' liability exposure while accounting for the uncertainties of continued litigation. The various models were informed by Class Counsel's investigation, including the analysis of a significant sample of time and payroll data. Class Counsel projected Defendants' liability exposure for *class claims* (excluding PAGA Penalties) ranged between \$1,138,533.00 million dollars ("Conservative Model") and \$1,622,678.83 million dollars ("Aggressive Model") if successful at trial. This range reflects the uncertainty regarding several of the claims, together with the uncertainty surrounding derivative liability for inaccurate wage statements and waiting time penalties. Thus, the Gross Settlement Amount of \$210,000 represents approximately between 12.94% ("Aggressive Model") and 18.44% ("Conservative Model") of Defendants' *class-wide* liability exposure as estimated by Class Counsel at the time of mediation. The following summarizes Defendants' estimated exposure.

26. Plaintiff's primary claim in the Action alleged that Defendants failed to provide compliant meal periods. Specifically, Plaintiff alleges that as a result of their rigorous work schedules, Plaintiff and the Class Members were not able to take timely and duty-free meal periods.

27. Conversely, Defendants argued, among other things, that its policies and procedures required Class Members take uninterrupted, statutorily compliant meal breaks. Similarly, Defendants argued that any divergence from these written policies were not systematic and, if they existed at all, were location specific. Defendants also asserted that they maintained facially compliant meal period

1 policies and practices throughout the Settlement Period. Defendants further argued that they had in
2 place a written policy which required a waiver of Plaintiff's second meal period to be in writing and
3 they in fact obtained a signed meal period waiver from Plaintiff and other Class Members during their
4 employment with Defendants. Finally, Defendants argued that they paid meal period premiums when
5 missed, late, or truncated meal periods were reported. Thus, Defendants argued that there was no
6 potential liability for Plaintiff's alleged meal period violations.

7 28. Notwithstanding Defendants' arguments, Plaintiff perceived the meal break claim as the
8 strongest claim in the Action. Plaintiff estimated the damages for this claim was approximately
9 \$582,741 dollars.

10 29. Plaintiff also alleged that Defendants failed to provide compliant rest periods.
11 Specifically, Plaintiff alleged that because of their rigorous work schedule, Class Members were not
12 able to take timely and duty-free rest periods.

13 30. Defendants denied liability and asserted, among other things, that it maintained legally
14 compliant rest period policies and practices throughout the Settlement Period. Moreover, Plaintiff
15 recognizes the evidentiary burdens present in establishing this claim. Establishing Plaintiff's rest period
16 claim would rely, almost entirely, on Class Member testimony, making it a riskier claim at class
17 certification and liability stages. Defendants likely would have argued that only a small number of Class
18 Members missed their rest breaks. Certification likely would have required depositions of Class
19 Members who provided declarations, and Defendants surely would have obtained opposing declarations
20 stating either rest breaks were taken, or rest breaks were voluntarily waived.

21 31. Accordingly, the rest break claim was heavily discounted in Plaintiff's valuation of the
22 case and ranged between approximately \$548,360 and \$582,741 dollars.

23 32. Plaintiff alleged that because of Defendants' unlawful rounding policy, they failed to pay
24 Plaintiff and the Class Members all wages due for purposes of straight pay, overtime pay, and double-
25 time pay. Defendants denied liability and asserted that its employees were paid for all time worked.
26 Defendants argued that their employees review and verify that their pay is correct, and they understand
27

1 how they are paid. Defendants also argued that its rounding policy, if any, was neutral. Plaintiff
2 estimated that Defendants' exposure for this claim to be approximately \$7,432.

3 33. Plaintiff further alleged that Defendants failed to pay for all hours worked. Specifically,
4 Plaintiff asserted that Defendants failed to pay for all time spent on-call after work hours and on
5 weekends answering questions regarding job duties and the location of supplies and resetting the
6 security alarm.

7 34. Defendants vigorously denied liability for this claim. Collectively, Defendants asserted,
8 among other things, that its written policies and procedures directed its California employees to perform
9 work only while on-the-clock. Defendants asserted that any deviation from these written policies were
10 location specific and, thus, created individualized issues of liability unsuitable for class treatment.

11 35. Based on Plaintiff being on-call after working hours and on weekends, Plaintiff assumed
12 ten (10) minutes of unpaid compensable time per workweek by the Class Members during the
13 Settlement Period. Plaintiff estimated Defendants' exposure for this claim ranged between
14 approximately \$0 and \$64,988.33.

15 36. Plaintiff further alleged that Defendants failed to accurately compensate Plaintiff and the
16 California Class Members for overtime hours worked. Defendants denied liability and argued that they
17 accurately compensated Plaintiff and the Class Members for all overtime hours worked. Plaintiff
18 estimated that Defendants' exposure for this claim ranged between approximately \$0 and \$1,035.

19 37. Plaintiff alleged that Defendants required Class Members to incur personal expenses for
20 the use of their own personal cellular phones. California employers who require employees to incur
21 personal business expenses for work purposes must reimburse the employee for the cost incurred. (See
22 Cal. Lab. Code § 2802(a), providing that "[a]n employer shall indemnify his or her employee for all
23 necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his
24 or her duties, or of his or her obedience to the directions of the employer...."). Specifically, Plaintiff
25 alleged Defendants required Plaintiff and Class Members to use their own personal cellular phones in
26 order to perform work-related tasks, but Defendants failed to reimburse Plaintiff and Class Members
27 for the required business expenses in violation of California Labor Code section 2802.

1 38. Again, Defendants denied any liability for this claim. Defendants argued, among other
2 things, that on the rare occasion where employees did incur business expenses, these expenses were
3 fully reimbursed. This claim was heavily discounted based on Defendants' defenses. Plaintiff
4 estimated Defendants' exposure for this claim ranged between \$0 and approximately \$149,177.50.

5 39. Plaintiff alleges that Defendants' alleged violations resulted in derivative violations of
6 Labor Code sections 203 and 226(a). Class Counsel considered the arguable presence of various
7 penalties and weighed the potential recoveries against probable defenses. Specifically, Defendants
8 could argue that Plaintiff could not prove the "willful" prong needed to obtain waiting time penalties
9 under Labor Code section 203. Additionally, Defendants could argue that Plaintiff could not show that
10 Class Members suffered an "injury" because of wage statement violations, as required by Labor Code
11 section 226. Defendants could also argue that that meal and rest period violations do not entitle
12 employees like Plaintiff and the Class Members to pursue the derivative waiting time and itemized
13 wage statement penalties. (*See Naranjo v. Spectrum Security Services, Inc.*, (2019) 40 Cal.App.5th 444
14 (review granted); *Maldonado v. Epsilon Plastics, Inc.* (2018) 22 Cal.App.5th 1308.) Plaintiff would
15 have to overcome precedent to prove the Class deserved the penalties. *See, e.g., Howard v. CVS*
16 *Caremark Corp.*, 2014 U.S. Dist. LEXIS 172406 (C.D. Cal. Dec. 9, 2014) (denying class certification
17 for the same penalty claims); *Alonzo v. Maximus, Inc.*, 832 F. Supp. 2d 1122, 1134-1137 (C.D. Cal.
18 2011) (finding insufficient evidence of bad faith or actual injury). Plaintiff could not give the penalty
19 claims great weight given that they depended on proving the underlying claims, which had their own
20 risks. Plaintiff estimated Defendants' exposure for this claim to be between \$0 and approximately
21 \$234,564 dollars.

22 40. Class Counsel's damage models also estimated Defendants' exposure for PAGA
23 penalties. At the time of mediation, Plaintiff estimated Defendants' PAGA exposure was approximately
24 \$2.9 million dollars.

25 41. In order to recover any PAGA penalties, Plaintiff would be required at trial to prove each
26 of the underlying Labor Code violations. *See Cardenas v. McLane Foodservice, Inc.*, 2011 U.S. Dist.
27 LEXIS 13126, *10 (C.D. Cal. 2011) ("Given the statutory language [of PAGA], a plaintiff cannot

1 recover on behalf of individuals whom the plaintiff has not proven suffered a violation of the Labor
2 Code by the defendant."). Here, Plaintiff would need to prove that each Aggrieved Employee suffered
3 a violation for each pay period the employee worked. Again, Defendants raised several defenses that
4 presented serious threats to the claims of the Plaintiff and the Aggrieved Employees. In addition to
5 those arguments discussed *supra*, Defendants also argued that the Court of Appeals decision in *Cacho*
6 *v. Eurostar, Inc.* (2019) 43 Cal.App.5th 885, weakened Plaintiff's claims, on liability, value, and
7 manageability as to the rest period claims.

8 42. In all, Class Counsel projected Defendants' liability exposure for PAGA claims ranged
9 between \$1,858,133 million dollars ("Conservative Model") and \$2,776,878.83 million dollars
10 ("Aggressive Model") if successful at trial. Thus, the Gross Settlement Amount of \$210,000 represents
11 approximately between 7.56% ("Conservative Model") and 11.30% ("Aggressive Model") of
12 Defendants' total liability for damages and penalties.

13 **B. Litigation Risks**

14 43. Although Plaintiff is confident about the strength of her claims, it would be foolish to
15 ignore the most immediate risk to continued litigation, i.e., class certification. Class certification is far
16 from certain in this, in part, meal and rest period case. Class certification is routinely denied for meal
17 and rest period claims based on an inability to establish predominance.

18 44. Plaintiff recognizes that Defendant has factual and legal defenses that, if successful,
19 would potentially defeat or substantially impair the value of Plaintiff's lawsuit. Collectively, the
20 examples cited in Plaintiff's brief illustrate the uncertain nature of class litigation. Consequently, the
21 uncertainty of obtaining certification through a contested motion is a significant risk factor favoring
22 settlement.

23 45. Finally, continuing to litigate this action would require continued and extensive resources
24 coupled with significant Court time to proceed through trial and post-trial motions; which can often
25 take years. Furthermore, wage and hour litigation is complex and expensive, as it often necessitates
26 extensive expert testimony, particularly with regards to damages. But even if Plaintiff is successful at
27

trial, Plaintiff is acutely aware that a judgment does not end the litigation. Plaintiff fully expects that Defendants would appeal any favorable judgment.

46. In this matter, Class Counsel negotiated a Gross Settlement Amount of \$210,000 that is roughly between 12.94% (“Conservative Model”) and 18.44% (“Aggressive Model”) of Defendants’ maximum class wide liability exposure. Given the amount of the settlement here, as compared to potential value of the claims, offset by the various inherent risks to continued litigation, the settlement is fair and reasonable.

B. Proposed Notice Informs the Class About the Case and Settlement

47. The Parties jointly drafted the Class Notice which fairly and neutrally informs the Class Members of their rights and remedies. The Settlement Administrator will first verify addresses, then mail the proposed Class Notice to all Class Members. The Notice will include information regarding the nature of the lawsuit, a summary of the substance of the Settlement’s terms, the class definition, the procedure, and time period within which to requests for exclusions or objections to the Settlement, the date for the final approval hearing, the formula used to calculate settlement payments, and the terms and scope of the Released Claims. Agreement at § 3.1.

48. This method was negotiated by the Parties to ensure delivering the most reasonable method of notice to the Class Members while ensuring cost effective administration of the Settlement.

C. The Court Should Preliminarily Approve the Enhancement Award

49. The Settlement provides for a Class Representative Service Award of \$5,000 for Plaintiff. The service award is fair and reasonable compensation for the Plaintiff’s efforts bringing the action, assisting Class Counsel with the litigation and settlement, regularly conferring with Class Counsel on the status of her case and the strategies for prosecuting the claims, reviewing the proposed Settlement to ensure that its terms are fair and provide adequate relief for the Settlement Class, and agreeing to provide Defendants a general release of all claims arising out of her employment.

50. Class Counsel on behalf of Plaintiff will file a formal motion for the negotiated Class Representative Service Award once preliminary approval of the Settlement is granted. Plaintiff

1 respectfully submits that the above showing is sufficient for preliminary approval of the negotiated
2 Class Representative Service Award.

3 **D. The Court Should Preliminary Approve the Negotiated Class Counsel Award**

4 51. Class Counsel took this matter on a contingency fee basis and invested significant time
5 and expense successfully prosecuting Plaintiff's claims. As discussed *supra*, the estimated average
6 Individual Settlement Share illustrates the demonstrably positive outcome for the Settlement Class
7 Members. Considering the positive outcome for the Class Members, and in light of the supporting
8 authority, the proposed Class Counsel award is fair and reasonable.

9 52. Plaintiff will file a formal motion for the negotiated Class Counsel Award once
10 preliminary approval of the Settlement is granted. Plaintiff respectfully submits that the above showing
11 is sufficient for preliminary approval of the negotiated attorneys' fees.

12 **E. The Court Should Provisionally Certify the Settlement Class**

13 53. For Settlement, Plaintiff contends, and Defendants do not dispute, that provisional
14 certification of the Class is appropriate.

15 54. Because all Class Members are Defendants' current and former employees, the class is
16 readily ascertainable from Defendants' regular business records, i.e., payroll records.

17 55. The statutes relating to each of Plaintiff's claims apply with equal force and effect to the
18 entire Settlement Class. Factually, Defendants' policies and practices apply class-wide and Defendants'
19 liability can be determined by facts common to all members of the class. The wage and hour issues are
20 both numerous and substantial, and a class action is the most advantageous method of dealing with the
21 claims of the Settlement Class.

22 56. Plaintiff's wage and hour claims are typical of the proposed Settlement Class because
23 they arise from the same factual basis and are based on the same legal theories applicable to the other
24 Class Members. Likewise, Plaintiff's interests are entirely coextensive with the interests of the
25 Settlement Class. Plaintiff alleges that she was injured by the same company-wide practices to which
26 the proposed Class Members were subject to and seek the same relief. Plaintiff has already demonstrated
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her ability to advocate for the interests of the Class Member by initiating this litigation, undertaking extensive class discovery, and evaluating the proposed settlement to assure that it is fair.

57. A class action is superior to a multitude of individual lawsuits. Given the size and amount of each individual claim, the Class Members likely have little incentive to litigate their claims on an individual basis because the out-of-pocket expense and personal commitment necessary to litigate each claim outweighs any potential recovery. In sum, class treatment is superior to individual, case-by-case adjudication.

F. Class Counsel's Experience

58. Plaintiff, the Settlement Class Members and the Aggrieved Employees are represented by competent and experienced counsel to pursue their claims. I established the JCL Law Firm, APC ("Firm"), in 2010. The Firm is a boutique plaintiff firm representing aggrieved employees and consumers throughout California in wage and hour class actions, PAGA Actions and complex multi-party product liability matters. The Firm currently consists of myself, Jean-Claude Lapuyade, Esq. (Partner/Owner), Eduardo Garcia (Associate Attorney), Tesla Stone (Paralegal), Jennifer Hemming (Legal Secretary), Sydney Castillo-Johnson (Law Clerk), and Sara Christensen (Legal Assistant).

59. I am qualified to represent the Plaintiff, the State of California and the Aggrieved Employees. I have extensive experience with wage and hour class and representative actions litigation like this matter, and employment matters in general. Additionally, I have extensive complex mass tort litigation experience and complex construction product liability experience. I can, will and have adequately represented the interests of the Plaintiff, the State of California and the Aggrieved Employees throughout this action.

60. I have represented consumers and employees in California class actions, and complex multi-party product liability actions exclusively for more than 13 years. I have been in practice as a plaintiffs' civil litigation attorney since April 2007.

61. I have significant class counsel and collective action counsel experience. I served as class and/or collective (PAGA) counsel in the following matters:

1 a. *Nunes v. Home Depot U.S.A., Inc.* San Joaquin Superior Court Case No. Case
2 No. STK-CV-UOE-2020-0011011 (October 20, 2021 – Hon. Roger Ross appointed the
3 Jean-Claude Lapuyade, Esq. as Class Counsel and approved a \$1.5 million dollar wage
4 and hour class and PAGA action settlement for, among things, unpaid off-the-clock
5 work.

6 b. *Munoz v. AMTCR, Inc.*, San Bernardino Superior Court Case No.
7 CIVDS2001914 (August 24, 2021 – Hon. David Cohn approved a \$1.85 million dollar
8 wage and hour class and PAGA action for, among other things, inaccurate itemized wage
9 statements, and appointed the JCL Law Firm, APC as Class Counsel.)

10 c. *Rodriguez v. RSI Home Products, Inc.*, San Bernardino Superior Court Case No.
11 CIVDS2023354 (July 30, 2021 – Hon. David Cohn approved a \$1.45 million class and
12 PAGA settlement for, *inter alia*, failure to comply with piece-rate laws, and appointed
13 the JCL Law Firm, APC as Class Counsel)

14 d. *Jer Vang v. Bridge Property Management*, Alameda County Superior Court,
15 Case No RG19047434 (January 8, 2021 – Hon. Winifred Smith approved a class and
16 PAGA settlement for, *inter alia*, unpaid off the clock work. The JCL Law Firm, APC
17 acted as class counsel for the settlement class and as representative PAGA counsel the
18 State of California and the Aggrieved Employees.)

19 e. *Johnson v. Volt Management Corp., Inc. et al.*, Los Angeles County Superior
20 Court, Case No. 19STCV16466 (December 11, 2020 – Hon. Amy Hogue approved a
21 PAGA Settlement negotiated on behalf of the State of California and the aggrieved
22 employees by the JCL Law Firm, APC.)

23 f. *Salazar v. Frontier Auto Sales Inc., dba Frontier Toyota*, Los Angeles Superior
24 Court, Case No. 19STCV20382 (November 24, 2020 – Hon. John P. Doyle appointed
25 the JCL Law Firm, APC as class counsel and approved a class and PAGA settlement
26 for, *inter alia*, missed meal and rest periods.)
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g. *Villalobos v. Alterra Group, LLC et al.*, Los Angeles County Superior Court, Case No. 19STCV19448 (November 11, 2020 – Hon. Richard Fruin approved a PAGA Settlement for, *inter alia*, unreimbursed business expenses. The JCL Law Firm, APC acted as counsel for the plaintiff, the State of California and the Aggrieved Employees.)

h. *Stevens et al., v. Bank of England*, San Diego County Superior Court Case No. 37-2019-00018662-CU-OE-CTL (October 16, 2020 – Hon. John Meyer appointed JCL Law Firm as Class Counsel and granted final approval of wage and hour class action for, *inter alia*, off-the-clock work.)

i. *Frazier v. ASA Carlton, Inc.*, San Diego Superior Court Case No. 37-2019-00036147 (October 9, 2020 Hon. Kenneth Medel appointed the JCL Law Firm as Class Counsel and granted final approval of wage and hour class action for off-the-clock work.)

j. *Krake et al., v. Central Valley Diner, Inc.*, Placer County Superior Court Case No. SCV0041645 (September 4, 2020 – Hon. Michael Jones appointed JCL Law Firm as class counsel and granted final approval of wage and hour class action for meal period violations.)

k. *Conner v. Ascendant Marketing, LLC et al.*, San Diego Superior Court Case No. 37-2019-00026864-CU-OE-CTL (July 24, 2020 Hon. Joel Wohlfeil granted approval of PAGA Settlement for, among other things, off-the-clock work. JCL Law Firm, APC acted as lead counsel.)

l. *Guerrero v. Estancia Operations, LLC.*, San Diego Superior Court Case No. 37-2019-00028963 (August 25, 2020 – Hon. Katherine Bacal approved PAGA Settlement for, *inter alia*, missed meal and rest periods. JCL LAW Firm, APC, acted as lead counsel.)

m. *Moreno v. Dash Lube, et al.*, United States District Court, Southern District of California, Case No. 18cv1922 DMS (AHG) (December 13, 2019 – Granted class

certification of Labor Code Section 226 claim and appointed JCL Law Firm, APC, as Class Counsel.)

n. *Perkins et al., v. Tahiti Enterprises, Inc., et al.*, Orange County Superior Court Case No. 30-2016-00863095 (October 22, 2019 – Hon. Peter Wilson appointed JCL Law Firm, APC, as Class Counsel and granted final approval for an unlawful housing class action settlement arising out of Civil Code Section 1940.1.)

o. *Hill v. Stemak Holdings, Ltd.*, San Diego Superior Court Case No., 37-2018-00000747 (January 28, 2020 – Hon. Kenneth Medel appointed JCL Law Firm, APC as class counsel and granted final approval of wage and hour class action for unpaid overtime.)

p. *Shachno et al., v. KT Hotels, LLC, et al.* San Diego Superior Court Case No Case No. 37-2018-00043601 (May 31, 2019 – Hon, Gregory Pollack appointed JCL Law Firm, APC, as Class Counsel and granted preliminary approval for the wage and hour class action settlement involving nearly 900 current and former employees. Final approval scheduled for October 4, 2019)

q. *Almanza v. The Express Group, Inc.*, San Bernardino Superior Court Case No. CIVDS1722542 (April 19, 2019 – Hon. David Cohn appointed the JCL Law Firm, APC, as Class Counsel and granted final approval for a wage and hour class action settlement for *inter alia*, missed meal and rest periods and independent contractor misclassification.)

r. *Moschetto v. Pillow Global, Inc.* San Diego Superior Court, Case No. 37-2017-00024031-CU-OE-CTL (April 5, 2019 – Hon. John S. Meyer appointed JCL LAW Firm, APC, as Class Counsel and granted final approval for a wage and hour wage class action settlement involving misclassified house cleaners.)

s. *Burke v. Friendship Hotel, LLC*, San Diego County Superior Court Case No. 37-2017-00022517-CU-OE-CTL (March 10, 2019 – final approval granted on for an unlawful housing class action arising under Civil Code Section 1940.2)

1 t. *Terrado et al., v. Accredited Debt Relief, LLC*, San Diego County Superior Court
2 Case No. 37-2018-00014181-CU-OE-CTL (February 8, 2019 – Hon. Gregory W.
3 Pollock appointed JCL Law Firm, APC as Class Counsel and granted final approval for
4 a wage and hour class action settlement for meal and rest period violations);

5 u. *Macaspac v. San Antonio Regional Hospital*, San Bernardino Superior Court
6 Case No. CIVDS1512625, (July 27, 2018 – Hon. Thomas S. Garza appointed JCL Law
7 Firm, APC, as Class Counsel and granted final approval for a wage and hour class action
8 settlement involving claims for on duty meal and rest periods.);

9 v. *Summerlin et al. v. Maplebear, Inc. dba Instacart*, Los Angeles Superior Court
10 Case No. BC603030 (2018 - certified and settled wage and hour class action.)

11 w. *Ortega v. Prime Healthcare*, San Diego Superior Court Case No. 37-2014-
12 00011240-CU-OE-CTL (2018 – Approved PAGA only settlement for on duty meal and
13 rest periods)

14 x. *Engstrom v. Bender-Rosenthal, Inc.* San Diego Superior Court Case No. 37-
15 2016-00012373-CU-OE-CTL (2017 - Certified and settled class action for employee
16 misclassification);

17 y. *Crawford v. Outlook Amusements, Inc.*, Los Angeles Superior Court Case No.
18 BC617160 (2017 - Certified and settled wage and hour class action.);

19 z. *Hernandez v. Sunglass Hut Trading, LLC*, San Bernardino Superior Court Case
20 No. CIVDS1505181 (2016 - Certified and settled wage and hour class action);

21 aa. *Burns v. Shalom, LLC*, San Diego Superior Court, Case No., 37-2013-00058356-
22 CU-BT-CTL (2015 - certified and settled class action for unlawful housing practices
23 arising out of Civil Code Section 1940.1);

24 62. Since 2010, my firm has successfully resolved more than sixty (65) cases and recovered
25 in excess of \$75 million on behalf of the Firm's clients.

26 63. Since 2010, I have successfully tried two (2) cases to conclusion, each resulting in a
27 favorable verdict for the firm's clients.

64. Finally, I have published appellate experience in *William Blanchette et al., v. The Superior Court of Imperial County, (GHA Enterprises)*, 8 Cal.App.5th 521.

65. Consequently, I was named to the prestigious Thomson Reuters, Super Lawyers, Rising Star in 2015, 2016, 2017 and, again, in 2018. According to Thomson Reuters, the Super Lawyers, Rising Star list recognizes the top 2.5% of eligible attorneys. (see https://www.superlawyers.com/about/selection_process.html.)

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 20th day of May 2022, at San Diego, California.

JCL LAW FIRM, APC

By: Jean-Claude Lapuyade
Jean-Claude Lapuyade
Attorneys for Plaintiff

EXHIBIT 1

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Attorneys for IBC IMMANUEL BAPTIST CHURCH OF
SAN BERNARDINO AND HIGHLAND, CALIFORNIA,
and IMMANUEL BAPTIST CHURCH

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN BERNARDINO

ANGEL CHAPPARO, an individual, on behalf of
herself, and on behalf of all persons similarly
situated,

Plaintiff,

v.

IMMANUEL BAPTIST CHURCH OF SAN
BERNARDINO AND HIGHLAND,
CALIFORNIA, a California non-profit corporation;
IMMANUEL BAPTIST CHURCH, a California
non-profit corporation, and DOES 1 through 50,
Inclusive,

Defendants.

Case No. CIVSB 2101240

*ASSIGNED FOR ALL PURPOSES TO THE
HONORABLE DAVID COHN, DEPT. S26*

**CLASS AND REPRESENTATIVE ACTION
SETTLEMENT AGREEMENT AND
RELEASE OF CLAIMS**

Complaint Filed: January 22, 2021

1 This Class Action Settlement Agreement and Release of Claims (“Agreement”) is between (1)
2 plaintiff ANGEL CHAPPARO (“Plaintiff”), on the one hand; and (2) defendants IMMANUEL BAPTIST
3 CHURCH OF SAN BERNARDINO AND HIGHLAND, CALIFORNIA, and IMMANUEL BAPTIST
4 CHURCH (collectively, “IBC”), and its affiliates and subsidiaries, on the other hand.

5 Subject to judicial approval, and as provided below, Plaintiff and IBC, (collectively, the “Parties.”)
6 intend to settle the Action (defined below) and to fully, finally, and forever resolve, discharge, and settle
7 the Released Claims (defined below). If this Agreement is not finally approved, or is otherwise nullified,
8 then the Parties shall return to their positions preceding this Agreement and IBC shall retain all rights to
9 challenge the Plaintiff’s claims and the certification of any class.

10 **1. DEFINITIONS**

11 For the purposes of this Agreement, the Parties define the following terms. Each defined term
12 appears throughout in initial capital letters.

13 **1.1. “Action”** refers to the following case: *Chapparo v. Immanuel Baptist Church of*
14 *San Bernardino and Highland, California, et.al.*, San Bernardino County Superior Court Case Number
15 CIVSB 2101240.

16 **1.2. “Administrative Costs”** refers to all costs associated with administration of the
17 settlement contemplated by this Agreement. Administrative Costs include all fees and costs for, among
18 other things, printing, copying, formatting, postage, envelopes, computer searches to locate addresses,
19 calculation of payments to individual class members, calculation of applicable payroll withholdings and
20 payroll taxes, preparation and filing of appropriate IRS Forms, any cost associated with the process for
21 any uncashed settlement checks, provision of weekly reports, and any other expenses the Settlement
22 Administrator incurs to complete the settlement process according to the terms of this Agreement.
23 Administrative Costs are borne in the first instance by the Settlement Administrator.

24 **1.3. “Agreement”** refers to this Class and Representative Action Settlement Agreement
25 and Release of Claims, which includes all its Recitals herein and all the attached Exhibits.

26 **1.4. “Class Action Complaint”** refers to the operative complaint containing class
27 allegations in the Action.
28

1 **1.5. “Class Counsel”** refers to JCL LAW FIRM, APC, 5440 Morehouse Drive, Suite
2 3600, San Diego, CA 92121; Telephone: (619)599-8292; Facsimile: (619) 599-8291; [jlapuyade@jcl-](mailto:jlapuyade@jcl-lawfirm.com)
3 [lawfirm.com](mailto:jlapuyade@jcl-lawfirm.com) and ZAKAY LAW GROUP, APLC, 5440 Morehouse Drive, Suite 3600, San Diego, CA
4 92121; Telephone: (619)255-9047; Facsimile: (858) 404-9203; shani@zakaylaw.com.

5 **1.6. “Class Counsel Payment”** refers to the amount of attorney’s fees and costs that
6 the Court awards to Class Counsel in connection with the resolution of the Action in accordance with this
7 Agreement. The attorney’s fees portion of Class Counsel Payment shall be allocated equally 50/50
8 between JCL LAW FIRM, APC and ZAKAY LAW GROUP, APLC.

9 **1.7. “Class Member”** refers to all current or former non-exempt employees of IBC in
10 California during the Settlement Period.

11 **1.8. “Class Representative”** refers to Plaintiff Angel Chapparo.

12 **1.9. “Class Representative Service Award”** refers to any payment that the Court
13 awards to the Class Representative for efforts in prosecuting the Action on behalf of the Class Members.

14 **1.10. “Consideration Period”** refers to the 45 calendar days following the date when
15 the Settlement Administrator mails the Notice of Class Action Settlement. The Consideration Period is
16 the period in which a Class Member can submit an Objection or a Request for Exclusion.

17 **1.11. “Court”** refers to the Judge presiding over the Class Action and PAGA Action.

18 **1.12. “IBC”** refers to Immanuel Baptist Church of San Bernardino and Highland,
19 California, and each of its affiliates and subsidiaries.

20 **1.13. “Defense Counsel”** refers to Seyfarth Shaw LLP. For purposes of providing any
21 notices required under this Agreement, Defense Counsel shall refer to Andrew McNaught, Seyfarth Shaw
22 LLP, 560 Mission Street, Suite 3100, San Francisco, California 94105.

23 **1.14. “Effective Date”** means the date of an order granting final approval and entry of
24 judgment, if no objections are filed to the settlement. If objections are filed and overruled, and no appeal
25 is taken of the final approval order and judgment, then the Effective Date will be thirty (30) days after the
26 trial court enters final approval and judgment. If an appeal is taken from the Court’s overruling of
27 objections to the settlement, then the Effective Date will be twenty (20) days after the appeal is withdrawn
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1 or after an appellate decision affirming the final approval decision becomes final. No money will be
2 distributed to the settlement administrator, and then from the settlement administrator to the Settlement
3 Class, unless and until the Effective Date occurs.

4 **1.15. “Eligible Workweek”** refers to a workweek in which a Class Member was
5 employed by IBC during the Settlement Period (defined below), and received any regular pay. Any
6 workweek in which the Class Member did not receive any regular pay will not be an Eligible Workweek,
7 even if the Class Member received other pay (such as Paid Time Off, for example). The Settlement Period
8 includes no more than 20,000 total Eligible Workweeks.

9 **1.16. “Fairness Hearing”** refers to the hearing at which the Court decides whether the
10 terms of the Agreement are fair, reasonable, and adequate for the Class Members and meet all
11 requirements for final approval.

12 **1.17. “Final Approval Order”** refers to the final order by the Court approving the
13 Settlement following the Fairness Hearing.

14 **1.18. “Gross Settlement Amount”** refers to the payment IBC are obligated to make in
15 connection with the Agreement: Two Hundred Ten Thousand Dollars and Zero cents (\$210,00.00), plus
16 any employer-side payroll taxes. In no event shall IBC be obligated to pay more than this amount, except
17 as set forth in Section 5.5.1, below. This sum includes all Individual Settlement Payments (including any
18 employee share of payroll taxes), any Class Representative Service Award, the PAGA Payment,
19 Administrative Costs, and the Class Counsel Payment. IBC shall be responsible for paying any
20 appropriate and legally-required employer payroll taxes.

21 **1.19. “Individual Settlement Payment”** refers to the amount calculated by the
22 Settlement Administrator to distribute to each Settlement Class Member. The Individual Settlement
23 Payment shall be paid from the Net Settlement Amount.

24 **1.20. “Judgment”** refers to the final judgment entered by the Court in this Class Action
25 following the Fairness Hearing.

1 **1.21. “LWDA”** refers to the California Labor & Workforce Development Agency,
2 which helps to enforce the Private Attorney General Act (“PAGA”), and which will receive the LWDA
3 portion of the PAGA Payment.

4 **1.22. “Net Settlement Amount”** refers to the portion of the Gross Settlement Amount
5 that remains after accounting for any Class Representative Service Award, the PAGA Payment,
6 Administrative Costs, and the Class Counsel Payment. The Net Settlement Amount shall include all
7 Individual Settlement Payments, including each Class Member’s share of payroll taxes.

8 **1.23. “Notice of Class Action Settlement”** refers to the Notice of Class Action
9 Settlement, substantially in the form attached as Exhibit A.

10 **1.24. “Objection”** refers to a written statement submitted timely by a Class Member to
11 the Settlement Administrator that contains (1) the name and case number of the Action (or reasonable
12 portion thereof), (2) the full name, last four digits of their social security number, and current address of
13 the Class Member making the Objection, (3) the specific reason(s) for the Objection, and (4) all evidence
14 and supporting papers (including, without limitation, all briefs, written evidence, and declarations) for the
15 Court to consider.

16 **1.25. “Objector”** refers to a Settlement Class Member who has submitted Objection or
17 attends the Fairness Hearing to object without having submitted a written Objection.

18 **1.26. “PAGA Payment”** refers to a Ten Thousand Dollars And No Cents (\$10,000.00)
19 payment that shall be set aside from the Gross Settlement Amount in settlement of claims for civil
20 penalties under the Private Attorneys General Act of 2004. Of the PAGA Payment, Seven Thousand Five
21 Hundred Dollars And No Cents (\$7,500.00), representing 75% of the PAGA Payment, shall be payable to
22 the LWDA. The remaining Two Thousand, Five Hundred Dollars And No Cents (\$2,500.00),
23 representing 25% of the PAGA Payment, shall be distributed to the Aggrieved Employees. Aggrieved
24 Employees will receive their PAGA Payment on a pro-rata basis based on the number of Pay Periods they
25 worked during the PAGA Period compared to the total number of Pay Periods all of the Aggrieved
26 Employees worked during the PAGA Period. Aggrieved Employees will receive their PAGA Payment
27 regardless of whether or not they file a Request for Exclusion from the class portion of the Settlement.
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1 **1.27. “Parties”** refers collectively to (1) Plaintiff Angel Chapparo, individually and on
2 behalf of the Class, and (2) Immanuel Baptist Church of San Bernardino and Highland California, and its
3 affiliates and subsidiaries.

4 **1.28. “Plaintiff”** refers to Class Representative Angel Chapparo, individually and on
5 behalf of the Class.

6 **1.29. “Preliminary Approval Order”** refers to the order entered by the Court following
7 a Motion for Preliminary Approval of the Agreement.

8 **1.30. “Qualified Settlement Fund (QSF)”** refers to a Qualified Settlement Fund
9 pursuant to U.S. Treasury Regulation Section 468B-1.

10 **1.31. “Released Claims”** refers to all claims that will be extinguished by operation of
11 this Agreement and the events it provides for. The Released Claims shall apply to all Class Members who
12 do not timely file a Request for Exclusion. The Released Claims are defined in Section 6.1, below.

13 **1.32. “Released Parties”** refers to IBC, its affiliates and subsidiaries, and their
14 predecessors, successors, subsidiaries, parent companies, other corporate affiliates, and assigns, and each
15 and all of their current or former subsidiaries, parents, affiliates, predecessors, insurers, agents, servants,
16 employees, successors, assigns, officers, officials, directors, attorneys, personal representatives, registered
17 representatives, executors, and shareholders, including their respective pension, profit sharing, savings,
18 health, and other employee benefits plans of any nature, the successors of such plans, and those plans’
19 respective current or former trustees and administrators, agents, employees, and fiduciaries, and any other
20 persons acting by, through, under or in concert with any of them.

21 **1.33. “Request for Exclusion”** refers to a timely, written, opt-out request signed by a
22 Class Member who thereby elects to be excluded from this Agreement.

23 **1.34. “Settlement Administrator”** refers to ILYM Group, Inc., the third-party
24 administrator the Parties have selected, subject to Court approval.

25 **1.35. “Settlement Class”** refers to all Class Members who do not file a timely and valid
26 Request for Exclusion.

27 .

1 **1.36. “Settlement Payment”** refers to payments made to Settlement Class Members.

2 **1.42. “Settlement Period”** refers to the time period from January 22, 2017 through
3 December 22, 2021.

4 **1.43. “PAGA Period”** refers to the time period from November 16, 2019 through
5 December 22, 2021.

6 **1.44. “Aggrieved Employees”** refers to Class Members who were employed by
7 Defendant during the PAGA Period.

8 **2. RECITALS AND PROCEDURAL HISTORY**

9 **2.1. Allegations in Class Action Complaint.** On January 22, 2021, Plaintiff Angel
10 Chapparo filed a class action and PAGA complaint intending to represent all hourly-paid, non-exempt
11 employees employed by IBC in California since January 22, 2017. Plaintiff alleges claims for: (1) failure
12 to pay overtime wages under Cal. Lab. Code §§ 510, 1194, and 1199; (2) failure to pay minimum wages
13 in violation of Cal. Lab. Code §§ 1194, 1194.2, 1197 and IWC No. 5; (3) failure to provide meal breaks
14 under Cal. Lab. Code §§ 512, 226.7 and IWC No. 5; (4) failure to provide rest breaks under Cal. Lab.
15 Code §§ 512, 226.7 and IWC No. 5; (5) failure to pay wages upon termination in violation of Cal. Lab.
16 Code §§ 201-203; (6) failure to provide accurate wage statements in violation of Cal. Lab. Code §226; (7)
17 failure to reimburse business expenses under Cal. Lab. Code § 2802; (8) a cause of action for Civil
18 Penalties under Labor Code § 2699; and (9) violating Cal. Bus. & Prof. Code §17200 et seq.

19 **2.2. IBC’S Denials.** IBC denies (1) all the material allegations in the Action, (2) that it
20 violated any applicable laws, (3) that it is liable for damages, penalties, interest, restitution, attorneys’
21 fees, or costs, or for any other compensation or remedy with respect to anyone on account of the claims
22 asserted in the Action, and (4) that class certification or representative treatment is appropriate as to any
23 claim in the Action. IBC contends that its policies, procedures, and practices comply with all applicable
24 laws asserted in the Action. Nonetheless, without admitting any liability or wrongdoing whatsoever and
25 without admitting that class or representative treatment is appropriate for any purpose other than for
26 settlement purposes alone, IBC has agreed to settle the Action on the terms set forth in this Agreement, to
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1 avoid the burden, expense, and uncertainty of litigation. Any statements by IBC in this Agreement are
2 made for settlement purposes only.

3 **2.3. Class Counsel's Investigation.** Class Counsel represent that they have conducted
4 a sufficiently thorough investigation into the claims of the Plaintiff Class. Based on their own independent
5 investigation and evaluation and all known facts and circumstances, including the risk of significant
6 defenses asserted by IBC, Class Counsel are of the opinion that the Settlement is fair, reasonable, and
7 adequate and is in the best interests of the Settlement Class.

8 **2.4. Negotiation of Settlement.** Class Counsel engaged in intensive negotiations with
9 IBC with a view toward achieving substantial benefits for the Class Members, while avoiding the cost,
10 delay, and uncertainty of further litigation. Plaintiff and Class Counsel advocate approval of this
11 Agreement after considering (1) the factual and legal defenses to the claims asserted, which render
12 uncertain the ultimate outcome of the Action and class certification, (2) the potential difficulties Plaintiff
13 and Class Members would encounter in establishing their claims and maintaining class or representative
14 treatment, (3) the substantial benefits that Class Members would receive under this Agreement, (4) that
15 this Agreement provides Class Members relief in an expeditious and efficient manner, compared to any
16 manner of recovery possible after litigation and potential appeal, and (5) that this Agreement allows Class
17 Members to opt out of the settlement and individually pursue the claims alleged in the Class Action.

18 **2.5. Certification of Settlement Class.** This Agreement is contingent upon the Court's
19 certification of the Settlement Class under California Code of Civil Procedure Section 382 for settlement
20 purposes only. IBC stipulates to certification of the Settlement Class for purposes of the Settlement only,
21 but does not waive, and instead expressly reserves, the right to challenge the propriety of class
22 certification, or representative treatment for any other purpose should the Court not approve the
23 Settlement.

24 Now therefore, in consideration of the agreements set forth herein, and of the release of all
25 Released Claims, the Parties agree to the terms of this Agreement, subject to the approval of the Court.
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1 **3. NOTICE TO CLASS MEMBERS**

2 **3.1. Content of Class Notice.** The Class Notice shall be substantially in the form
3 attached as **Exhibit A** and include the amount of the Settlement, a calculation of the Class Members'
4 anticipated share of the Net Settlement Amount and the Aggrieved Employees' anticipated share of the
5 PAGA Payment and the full amounts of the Class Counsel Payment, Class Representative Service Award,
6 and Administrative Costs to be awarded, the terms of the release, the procedure to opt out of the Settlement
7 through a Request for Exclusion, notice that they may not opt out of the PAGA portion of the Settlement,
8 the procedure to submit an Objection to the Settlement, and the date of the Fairness Hearing. No claim
9 form will be required to participate in the Settlement.

10 **3.2. Settlement Administrator.** The Parties select ILYM Group, Inc. as the Settlement
11 Administrator. The duties of the Settlement Administrator shall include, without limitation, mailing
12 notices to Class Members, providing weekly updates to counsel for the Parties, establishing a QSF,
13 obtaining appropriate tax identification number(s), calculating Individual Settlement Payments (including
14 all required tax withholdings and payments), mailing Individual Settlement Payments and tax forms to
15 Settlement Class Members, remitting all tax payments and requisite reporting documentation to taxing
16 authorities, and the other duties associated with settlement administration, including specified in this
17 Agreement. Any dispute relating to the settlement administration will, after good-faith efforts by the
18 Parties to resolve the dispute, be referred to the Court.

19 **3.3. Class Data for the Settlement Administrator.** Within 14 calendar days of the
20 later of preliminary approval of this Settlement or Court approval of the Settlement notice to the Class,
21 IBC shall provide to the Settlement Administrator a confidential class list containing: (1) the names; (2)
22 employee ID numbers; (3) last known address and telephone number(s); (4) dates of active employment
23 for Settlement Class Members; (5) number of Eligible Workweeks worked during the Settlement Period
24 for Settlement Class Members; and (6) last four digits of social security numbers. This information shall
25 be used to facilitate the administration of this Agreement. The Settlement Administrator shall keep the
26 class data provided by IBC strictly confidential and shall use the class data only for the purposes described
27 in this Agreement, and shall return the class data to IBC or confirm the destruction of same upon
28

1 completing the settlement administration called for by this Agreement. Under no circumstances will the
2 class data be provided to Class Counsel.

3 **3.4. Mailing Materials to Class Members.** Within seven (7) business days of the
4 receipt of the class data discussed immediately above in Section 3.3, the Settlement Administrator shall
5 send the Notice of Class Action Settlement to Class Members to their last known address via First Class
6 U.S. Mail. Any mailing returned to the Settlement Administrator as undeliverable shall be sent within
7 five calendar days via First Class U.S. Mail to any available forwarding address. If no forwarding address
8 is available, then the Settlement Administrator shall attempt to determine the correct address by using a
9 computer-based skip-trace search, and shall then perform, if feasible, a re-mailing via First Class U.S.
10 Mail within five (5) calendar days. If the last known address is not available for a Class Member, then
11 the Notice of Class Action Settlement for that Class Member will be deemed undeliverable. Only one re-
12 mailing is required. If a Class Member cannot be located within two attempts at mailing, then the Notice
13 of Class Action Settlement for that Class Member will be deemed undeliverable. It is the intent of the
14 Parties that reasonable means be used to locate Class Members.

15 **3.5. Proof of Mailing.** At least thirty (30) calendar days prior to the Fairness Hearing,
16 the Settlement Administrator shall provide a declaration of due diligence and proof of mailing with regard
17 to mailing of the Notice of Class Action Settlement to Class Counsel and Defense Counsel, which they
18 shall in turn provide to the Court.

19 **4. CLASS MEMBERS' OPTIONS TO RESPOND**

20 **4.1. Consideration Period.**

21 **4.1.1. Submission of Objections and Requests for Exclusion.** Class Members
22 will have forty-five (45) calendar days from the date of the mailing or fifteen (15) days from the date of
23 re-mailing of the Notices to postmark their objections or written requests for exclusion to the Settlement
24 Administrator. Requests for exclusion must state, in effect, that the Class Member does not wish to
25 participate in the Settlement. In addition, any request must include the Class Member's first and last
26 name, signature, address, phone number, and last four digits of the Class Member's Social Security
27 number for verification purposes. A Class Member who excludes himself or herself from the Settlement
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1 shall lose standing to object. Except as specifically provided herein, no Class Member response of any
2 kind that is postmarked after the Consideration Period shall be considered absent agreement of the Parties.

3 **4.1.2. Deficiency Notices.** Within five (5) calendar days after receipt by the
4 Settlement Administrator of each timely-submitted request for exclusion, the Settlement Administrator
5 will send a deficiency notice to the Class Members addressing any irregularities in the request for
6 exclusion (such as failure to sign or include last four digits of Social Security Number). The deficiency
7 notice will provide the Class Members ten (10) days from the mailing of the deficiency notice to postmark
8 a written response to cure all deficiencies. The failure of a Class Member to cure all deficiencies in a
9 timely manner shall invalidate a request for exclusion and will not be subject to cure.

10 **4.2. Requests for Exclusion and Opt Out Rights.** Class Members shall be given the
11 opportunity to opt out of the Settlement.

12 **4.2.1. Opt Out Procedure.** Class Members may opt out of this Settlement by
13 mailing the Settlement Administrator a Request for Exclusion. A Request for Exclusion, to be valid, must
14 include the Class Member's name, current address, current telephone number, and the last four digits of
15 the Class Member's Social Security number. Any Request for Exclusion that does not include all of the
16 required information or that is not submitted in a timely manner will be deemed ineffective. If there is a
17 dispute regarding the timeliness or validity of a Request for Exclusion, then the Settlement Administrator
18 shall make the determination, after consultation with Class Counsel and Defense Counsel.

19 **4.2.2. Effect of Exclusion Through Opting Out.** Any Class Member who opts
20 out of this Settlement may not submit an Objection and shall not receive any Individual Settlement
21 Payment, and shall not be bound by the releases set forth in this Agreement, however, if the Class Member
22 is also an Aggrieved Employee he/she shall still receive his/her portion of the PAGA Payment and will
23 remain bound by the PAGA Release in this Agreement. If a Class Member submits both a Request for
24 Exclusion and an Objection, then the Request for Exclusion will be valid and will invalidate the Objection.
25 Each Class Member who does not submit a timely, valid Request for Exclusion shall be bound by the
26 releases for which this Agreement provides.

1 **4.2.3. Tolerance of Opt-Outs—Defendant’s Right to Withdraw.** If the number
2 of Class Members who opt out by submitting Requests for Exclusion exceeds ten percent (10%) of the
3 total number of Class Members, then IBC may, in the exercise of its sole discretion, abrogate this
4 Agreement. IBC’s right expires 15 calendar days after the expiration of the Consideration Period. All
5 signatories and their counsel agree not to encourage opt-outs. In the event IBC exercises this option, the
6 costs of administration shall be borne by IBC.

7 **4.3. Objections.** Class Members who do not submit a Request for Exclusion shall be
8 entitled to object to the terms of the Agreement.

9 **4.3.1. Objection Procedures.** Any written objection to this Agreement must
10 contain (1) the name and case number of this Action (or reasonable portion thereof), (2) the full name, last
11 four digits of their social security number, and current address of the Settlement Class member making
12 the Objection, and (3) the specific reason(s) for the Objection. Settlement Class members who submit an
13 Objection remain bound by this Agreement if it is approved by the Court. Class Counsel shall file any
14 and all written Objections with the Court. Settlement Class members may also appear in Court at the
15 Fairness Hearing to make their Objection orally, without submitting a written Objection.

16 **4.3.2. Waiver of Objection Rights.** Settlement Class members who fail to submit
17 an Objection in the manner specified in the Notice of Class Action Settlement shall be deemed to have
18 waived any objection and shall be foreclosed from objecting to this Agreement, whether by appeal or
19 otherwise.

20 **4.4. Proof of Class Members’ Responses.** At least thirty (30) calendar days prior to
21 the Fairness Hearing, the Settlement Administrator will prepare a declaration to submit to the Court
22 regarding the mailing of the Notice of Class Action Settlement, the inability to deliver any mailing due to
23 invalid addresses, the number of any Requests for Exclusion, and the number of any Objections and the
24 contents of the Objections.

25 **4.5. Binding Effect of Settlement.** Although a Settlement Class member might not
26 receive the Notice of Class Action Settlement, and might not timely submit an Objection or a Request for
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1 Exclusion because of inability to locate the Settlement Class member's current address, that Settlement
2 Class member shall nonetheless be bound by this Agreement.

3 **4.6. No Interference with Class Member Responses.** Each Party agrees not to
4 encourage any Class Member to submit an Objection or a Request for Exclusion and agrees not to retaliate
5 against any Class Member for participating or not participating in the settlement that this Agreement
6 contemplates.

7 **5. DISTRIBUTION OF SETTLEMENT PROCEEDS**

8 **5.1. Administrative Costs.** The Parties agree to obtain a reasonable estimate of
9 Administrative Costs of up to Eight Thousand, Five Hundred Dollars and No Cents (\$8,500.00), and seek
10 approval of Administrative Costs to be drawn from the Gross Settlement Amount. If the Court approves
11 only a lesser amount, then the other terms of this Agreement shall still remain in effect. The amount of
12 Administrative Costs is not a material term of this Agreement. If this Agreement is not finally effectuated,
13 then any Administrative Costs incurred to date will be paid in equal parts by IBC and Plaintiff, except if
14 IBC exercises its right to abrogate the Agreement under Section 4.2.3, IBC shall be solely responsible for
15 payment of all Administrative Costs incurred.

16 **5.2. Class Counsel Payment.** Class Counsel intend to request—and IBC agrees not to
17 oppose—that the Court award a Class Counsel Payment, to be drawn from the Gross Settlement Amount,
18 for (a) attorneys' fees of 1/3 of the Gross Settlement Amount (currently Seventy Thousand Dollars
19 (\$70,000)), and (b) litigation costs actually incurred in representing the interests of the Class Members,
20 supported by adequate documentation, in an amount not to exceed Fifteen Thousand Dollars (\$15,000.00).
21 IBC shall have no liability for any other attorneys' fees or costs. To the extent that the Court approves
22 less than the amount of Class Counsel Payment that Class Counsel request, the difference between the
23 requested and awarded amounts will be distributed to Settlement Class Members on a proportional basis
24 relative to the size of their claims as set forth in Sections 5.5.1 and 5.5.2, below.

25 **5.2.1. Approval of Class Counsel Payment Not Material.** The Court's approval
26 of the Class Counsel Payment in the amount requested is not a material term of this Agreement. If the
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1 Court approves only a lesser amount, then the other terms of this Agreement shall still remain in effect
2 and the difference will remain part of the Net Settlement Amount.

3 **5.2.2. Timing of Class Counsel Payment.** The Settlement Administrator shall
4 issue the Class Counsel Payment within twenty-five (25) calendar days after the Effective Date. Within
5 five (5) calendar days after the Effective Date, Class Counsel shall transmit instructions to the Settlement
6 Administrator as to how any approved attorneys' fees and costs shall be paid. The Settlement
7 Administrator shall issue appropriate Internal Revenue Service Forms 1099 to Class Counsel. Class
8 Counsel shall be solely responsible for paying all applicable taxes on any Class Counsel payment and
9 shall indemnify and hold harmless IBC from any claim or liability for taxes, penalties, or interest arising
10 as a result of the Class Counsel payment.

11 **5.3. Class Representative Service Award.** Class Counsel intends to request—and IBC
12 agree not to oppose—that the Court award a Class Representative Service Award to the Class
13 Representative Angel Chapparo in an amount of Five Thousand Dollars And No Cents (\$5,00.00), to be
14 drawn from the Gross Settlement Amount. Any Class Representative Service Award shall be in addition
15 to the Class Representative's Individual Settlement Payment. To the extent that the Court approves less
16 than the amount of Class Representative Service Award that Class Counsel request, the difference between
17 the requested and awarded amounts will be distributed to Settlement Class Members on a proportional
18 basis relative to the size of their claims as set forth in Sections 5.5.1 and 5.5.2, below.

19 **5.3.1. Class Representative Service Awards Not Material.** The Court's
20 approval of the Class Representative Service Award is not a material term of this Agreement. If the Court
21 does not approve or approves only a lesser amount than that requested for a Class Representative Service
22 Award, then the other terms of this Agreement shall still remain in effect.

23 **5.3.2. Timing of Class Representative Service Awards.** The Settlement
24 Administrator shall pay any Class Representative Service Award within twenty-five (25) calendar days
25 after the Effective Date, and shall issue an IRS Form 1099 to the Class Representatives. The Class
26 Representative shall be solely responsible for paying all applicable taxes on any Class Representative
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1 Service Award and shall indemnify and hold harmless IBC from any claim or liability for taxes, penalties,
2 or interest arising as a result of the Class Representative Service Award.

3 **5.4. PAGA Payment.** The Parties will seek approval for PAGA Payment of Ten
4 Thousand Dollars And No Cents (\$10,000.00). Seven Thousand, Five Hundred Dollars And No Cents
5 (\$7,500.00), representing 75% of the PAGA Payment, will be drawn from the Gross Settlement Amount
6 and paid to the LWDA. The remaining Two Thousand, Five Hundred Dollars And No Cents (\$2,500.00),
7 representing 25% will be allocated to the Aggrieved Employees on a pro-rata basis based on the number
8 of Pay Periods they worked during the PAGA Period compared to the total number of Pay Periods all of
9 the Aggrieved Employees worked during the PAGA Period.

10 **5.4.1. Amount of PAGA Payment Not Material.** Any change in the requested
11 PAGA Payment is not a material term of this Agreement. If the Court approves a lesser or greater amount
12 than that requested, the other terms of this Agreement shall still remain in effect. However, some approval
13 of a PAGA Payment is a material term of the Settlement and this Agreement. If the Court does not approve
14 a PAGA Payment, then the entire Agreement will be, at IBC's sole discretion, void and unenforceable. In
15 the event IBC exercises this option, the costs of administration shall be borne by IBC.

16 **5.4.2. Timing of PAGA Payment.** The Settlement Administrator shall pay 75
17 percent of any approved PAGA Payment to the LWDA and 25 percent of any approved PAGA Payment
18 to the Aggrieved Employees within twenty-five (25) calendar days after the Effective Date.

19 **5.5. Individual Settlement Payments.** Each Settlement Class Member shall be entitled
20 to an Individual Settlement Payment consisting of a share of the Net Settlement Amount, as set forth
21 below.

22 **5.5.1. Calculation of Individual Settlement Share.** Each Settlement Class
23 member will be eligible to receive a portion of the Net Settlement Amount based on the following formula:

24 The individual Settlement Share payment to a Settlement Class Member will be calculated
25 by dividing the number of Eligible Workweeks attributed to the Settlement Class Member
26 by all Eligible Workweeks attributed to members of the Settlement Class, multiplied by
27 the Net Settlement Amount. Otherwise stated, the formula for a Class Member is:
28 (individual's Eligible Workweeks ÷ total Settlement Class Eligible Workweeks) x Net
Settlement Amount.

1 IBC's time records regarding the number of Eligible Workweeks worked for each Settlement Class
2 member shall be used for purposes of calculating Individual Settlement Payments. The Class Notice will
3 include information for each Class Member showing how much the individual Class Member is expected
4 to receive based on this formula and their number of eligible workweeks. The Class Notice will also
5 provide the Class Members an opportunity to dispute the number of Workweeks indicated on the Class
6 Notice. Such dispute must be made no later than thirty (30) calendar days from the date of the mailing or
7 ten (10) calendar days after re-mailing of the Class Notices. IBC and/or the Settlement Administrator
8 shall review any documentation provided by the Class Member to determine whether there was an error
9 in the number of Eligible Workweeks calculated, and adjust any payment to be allocated if necessary.

10 It is estimated that there are approximately 150 Class Members who worked approximately 20,000
11 workweeks during the Settlement Period. Defendant will provide a declaration under penalty of perjury
12 confirming the number of applicable Class Members and workweeks they worked during the applicable
13 Settlement Period. If the workweek number increases by more than 15% of the estimate stated, the Gross
14 Settlement Amount will increase proportionally for the number of workweeks over 115% of 20,000
15 (23,300), and Class Counsel shall be permitted to request and recover attorney's fees equal to 1/3 of the
16 increased Gross Settlement Amount.

17 **5.5.2. Timing of Individual Settlement Payments.** The Settlement
18 Administrator shall issue Individual Settlement Payments no later than twenty-five (25) calendar days
19 after the Effective Date. Any checks from this distribution that are not cashed within one-hundred-eighty
20 (180) calendar days from the date of the mailing of the checks shall be cancelled and said cancellation
21 shall not affect the validity of the Release of claims provided for herein and the Settlement Class member
22 shall be deemed to, nevertheless, be bound by the Release of claims provided herein. As soon as
23 practicable after the 180-day check cashing period, the Settlement Administrator shall prepare for the
24 Parties a Final Report—a document summarizing relevant events to date and advising the total dollar
25 amount paid to Settlement Class members, the status of any uncashed checks, and any amount remaining
26 in the QSF. The Parties will request the Court to order that all funds represented by uncashed settlement
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1 checks, plus any accrued interest, be tendered to The Interdisciplinary Center for Healthy Workplaces, as
2 a *cypres* recipient.

3 **5.5.3. Tax Allocation of Individual Settlement Payments.** Each individual
4 Settlement Share Payment will be allocated as one-third to wages and two-thirds to interest and penalties,
5 which represents the Parties' good faith allocation based on the claims asserted and potential damages
6 related to wages and interest and penalties. In accordance with law, the Settlement Administrator will
7 make required tax withholdings from each individual Settlement Payment on the portion designated as
8 wages and will remit the withholding to the appropriate taxing authorities. The Settlement Administrator
9 shall issue any necessary Form W-2 and 1099 statements to Settlement Class members for their respective
10 individual Settlement Payments. Settlement Class members shall be solely responsible for paying all other
11 applicable taxes on their respective individual Settlement Payments and shall indemnify and hold harmless
12 IBC and the Released Parties from any claim or liability for taxes, penalties, or interest arising as a result
13 of individual Settlement Payments. PAGA Payments to the Aggrieved Employees shall be allocated 100%
14 to penalties, and the Settlement Administrator shall issue any necessary 1099 statement to the Aggrieved
15 Employees for their respective PAGA Payments.

16 **5.5.4. Tax Allocations of Individual Settlement Payments Not Material.** The
17 Court's approval of the allocation of Individual Settlement Payments set forth above is not a material term
18 of this Agreement. If the Court does not approve or approves a different allocation of the Individual
19 Settlement Payments, then the other terms of this Agreement shall still remain in effect.

20 **5.6. Funding of Gross Settlement Amount.** By fifteen (15) days after the Effective
21 Date, IBC will deposit all of the Gross Settlement Amount, into the QSF established by the Settlement
22 Administrator, as well as any employer side payroll taxes.

23 **6. RELEASES**

24 **6.1. Release by Settlement Class Members.** Upon the Court's entry of the Final
25 Approval Order and Judgment, and upon funding of the Gross Settlement Amount, and except as to rights
26 this Agreement creates, Plaintiff and each member of the Settlement Class shall release the Released
27 Parties from any and all claims, debts, liabilities, demands, obligations, penalties, premium pay,
28

1 guarantees, costs, expenses, attorney's fees, damages, actions or causes of action of whatever kind or
2 nature, whether known or unknown, contingent or accrued, under any legal theory under federal and state
3 law during the Class Period for any alleged failure to pay all wages due (including minimum wage and
4 overtime wages), failure to pay for all hours worked (including off-the clock and on-call work), failure to
5 provide meal and authorize and permit rest periods, short/late meal and rest periods, failure to relieve of
6 all duties during meal and rest periods, failure to reimburse business expenses, failure to timely pay wages
7 and final wages, failure to pay wages and final wages, failure to furnish accurate wage statements
8 including claims derivative and/or related to these claims, liquidated damages, and conversion of wages.
9 This Release shall include, claims that were raised, or that reasonably could have been raised based on the
10 facts and allegations in the operative complaint at the time of the Court's entry of the Final Approval
11 Order and Judgement. This Release shall include all claims and theories arising under the applicable
12 regulations, Wage Orders and Labor Code, as well as claims under Business and Professions Code section
13 17200 et seq., based on violations of the above Labor Code provisions. This release shall apply to all
14 claims, as described above, arising at any point during the Settlement Period.

15 **6.2. Release by the Aggrieved Employees.** Upon the Court's entry of Final Approval
16 Order and Judgement, and funding of the Gross Settlement Amount, the Defendant shall receive a release
17 from the Aggrieved Employees of all PAGA claims alleged in the operative complaint at the time of the
18 Court's entry of the Final Approval Order and Judgement and Plaintiff's PAGA notice to the LWDA
19 which occurred during the PAGA Period.

20 **6.3. Class Representative's Individual Release.** In addition to the release given by
21 each member of the Settlement Class, Class Representative Angel Chapparo also generally releases claims
22 against each Released Party. This general release includes all claims arising from Plaintiff's relationship
23 with IBC, but expressly excludes only the individual claims asserted in Plaintiff's DFEH Charge filed
24 against IBC on August 3, 2021, which are the subject of a separate confidential settlement agreement and
25 release. This general release by the Class Representative also includes a waiver of rights under California
26 Civil Code Section 1542, which states:

27 A general release does not extend to claims that the creditor or releasing party does not
28 know or suspect to exist in his or her favor at the time of executing the release and that, if

known by him or her, would have materially affected his or her settlement with the debtor or released party.

This general release from the Class Representative is effective only upon the Court granting final approval of the Settlement, entry of Judgment, and payment by IBC to the Settlement Administrator and applies only to claims that may be released as a matter of law.

6.4. Settlement is Contingent Upon Release of Claims. This Agreement is conditioned upon the releases by the Settlement Class and Class Representative as described herein, and upon covenants by the Settlement Class Members and Class Representative that they will not participate in any action, lawsuits, proceedings, complaints, or charges in any court or before any administrative body related to any claims they have released under this Settlement.

6.5. Inadmissibility of Settlement Documents. The Parties agree that this Agreement and all exhibits thereto shall be inadmissible in any proceeding, except an action or proceeding to approve, interpret, or enforce this Agreement. The Parties agree that, to the extent permitted by law, this Agreement will operate as a complete defense to—and may be used as the basis for an injunction against—any action, suit, or other proceeding attempted in breach of this Agreement.

7. SETTLEMENT APPROVAL PROCEDURE

7.1. Preliminary Approval. Plaintiff shall submit to the Court a Motion for Preliminary Approval of Class Action Settlement. This motion shall seek an order to preliminarily approve this Agreement according to the terms in this Agreement and provide for the Notice of Class Action Settlement to be sent to Class Members as specified in this Agreement, substantially in the form attached hereto as **Exhibit A**. This motion shall include the bases for demonstrating that settlement amounts are reasonable in light of the facts and controlling authorities pertaining to the claims alleged. The motion shall also be accompanied by a declaration of Class Counsel discussing the risks of continued litigation and the decision that the best interests of the Class Members are served by the terms of this Agreement. Defense counsel shall have the opportunity to review and comment on a draft of the motion before it is filed.

7.2. Final Approval. Plaintiff shall submit to the Court a Motion for Final Approval Order, which shall include findings and orders (a) approving the Agreement, (b) adjudging the terms to

1 be fair, reasonable, and adequate, (c) reciting the Released Claims in full, (d) directing that the terms of
2 the Agreement be carried out, and (e) retaining jurisdiction to oversee enforcement of this Agreement and
3 the Court's orders. Defense counsel shall have the opportunity to review and comment on a draft of the
4 motion before it is filed.

5 **7.3. Motion for Class Counsel Payment.** Along with the Motion for Final Approval,
6 Class Counsel may file a motion for Court approval of an attorneys' fees and costs award in the amount
7 of (a) 1/3 of the Gross Settlement Amount (currently Seventy Thousand Dollars (\$70,000)), and (b)
8 litigation costs actually incurred in representing the interests of the Class, supported by adequate
9 documentation, in an amount not to exceed Fifteen Thousand Dollars (\$15,000).

10 **7.4. Motion for Class Representative Service Award.** Along with the Motion for
11 Final Approval, Class Counsel may file a motion for Court approval of Class Representative Service
12 Award in the amount of Five Thousand Dollars (\$5,000) to Class Representative Angel Chapparo.

13 **7.5. Timing of Judgment.** After the Final Approval Order, Plaintiff shall request that
14 the Court enter Judgment in accordance with this Agreement, without further fees or costs.

15 **7.6. Appeal Rights.** Only an Objector has the right to appeal the Judgment, if the
16 Judgment is in accord with this Agreement. Each Class Representative and Class Counsel hereby waive
17 any right to appeal any judgment, ruling, or order in this Action, including, without limitation, any Final
18 Approval Order and any Judgment in the Action. This waiver includes all rights to any post-judgment
19 proceeding and appellate proceeding, such as, but not limited to, a motion to vacate judgment, a motion
20 for new trial, and any extraordinary writ, and the Judgment therefore will become non-appealable at the
21 time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal,
22 appellate proceedings, or post-judgment proceedings.

23 **7.7. Schedule of contemplated events.** By way of review, the events contemplated by
24 the settlement approval procedure are as follows:

25 Deadline for IBC to provide current class list to 26 Settlement Administrator	27 Within 14 calendar days of the later of 28 preliminary approval of this Settlement or court approval of Settlement notice to the class
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Deadline for Settlement Administrator to mail Notice of Class Action Settlement	Within 7 business days of receipt of the class data from IBC
Settlement Administrator to report to Defense and Class Counsel on Requests for Exclusion, Objections and other results of class notice	30 calendar days from date that Notice of Class Action Settlement is mailed
Last day for class members to dispute their number of Eligible Workweeks	30 calendar days from date that Notice of Class Action Settlement is mailed
Last day for class members to submit Requests for Exclusion or Objections	45 calendar days from date that Notice of Class Action Settlement is mailed or re-mailed
Deadline for Class Counsel to move for Final Approval, attorneys' fees and costs, and Class Representative Service Awards	To be set by the Court
Hearing on Final Approval and on motion for Class Counsel Payment and Class Representative Service Award	To be set by the Court [the Parties request a date to be set that is 120 days after the Court grants preliminary approval of this Settlement or court approval of Settlement notice to the class]

8. MISCELLANEOUS

8.1. Materiality of Terms. Except as otherwise stated herein, each substantive term of this Agreement is material and has been relied upon by the Parties in entering into this Agreement. If the Court does not approve any substantive term, or if the Court effects a material change to the Agreement—such as increasing any amount that IBC must pay—then the entire Agreement will be, at IBC's sole discretion, void and unenforceable. Where this Agreement states that a term is not material, then the Court's refusal to approve that term leaves all the other terms of the Agreement in effect, and does not give Class Counsel or any Class Member any basis to abrogate this Agreement.

8.2. No Tax Advice. Neither Class Counsel nor Defense Counsel intend anything contained in this Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Agreement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended) or otherwise.

8.3. No Impact on Employee Benefits. No payment made under this Agreement shall be considered as compensation or hours worked or hours paid for purposes of determining eligibility,

1 vesting, participation, or contributions with respect to any employee benefit plan. For purposes of this
2 Agreement, the term “benefit plan” means every ERISA “employee benefit plan,” as defined in the
3 Employee Retirement and Income Security Act of 1974 (“ERISA”), 29 U.S.C. section 1002(3). The term
4 also includes any 401(k) plan, bonus, pension, stock option, stock purchase, stock appreciation, welfare,
5 profit sharing, retirement, disability, vacation, severance, hospitalization, insurance, incentive, deferred
6 compensation, or any other similar benefit plan, practice, program, or policy, regardless of whether any
7 such plan is considered an ERISA employee benefit plan.

8 **8.4. Language of Settlement Documents.** All Settlement-related documents to be
9 filed with the Court or sent to Class Members must be approved by all Parties before being filed or sent.

10 **8.5. Parties’ Authority.** The signatories hereto represent that they are fully authorized
11 to bind the Parties to all the terms of this Agreement. The Parties agree that Class Members are so
12 numerous that it is impossible or impractical to have each Class Member execute this Agreement. This
13 Agreement may be executed on behalf of Class Members by the proposed Class Representatives and by
14 Class Counsel.

15 **8.6. Entire Agreement.** This Agreement, which includes its Definitions, Recitals, and
16 all Exhibits attached hereto, constitutes the entire agreement on its subject matter, and supersedes all prior
17 and contemporaneous negotiations and understandings between the Parties.

18 **8.7. Counterparts.** This Agreement may be executed in counterparts, and each
19 counterpart signed and delivered shall be deemed an original, and when taken together with other signed
20 counterparts, signed and delivered shall constitute one signed Agreement, which shall be binding upon
21 and effective as to all Parties.

22 **8.8. Facsimile or Scanned Signatures.** A Party may sign and deliver this Agreement
23 by signing on the designated signature block and transmitting that signature page via facsimile or as an
24 attachment to an email to counsel for the other Party. Any such signature shall be deemed an original for
25 purposes of this Agreement and shall be binding upon the Party who transmits the signature page.

26 **8.9. Waivers and Modifications to Be in Writing.** No waiver, modification, or
27 amendment of this Agreement—whether purportedly made before or after the Court’s approval of this
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1 Agreement—shall be valid unless it appears in a writing signed by or on behalf of all Parties, and then
2 shall be valid subject to any required Court approval. Any failure by any Party to insist upon the strict
3 performance by the other Party of any provision of this Agreement shall not be deemed a waiver of future
4 performance of the same provisions or of any other provision of this Agreement, and such Party,
5 notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any
6 provision of this Agreement. The time periods and dates provided in this Agreement with respect to giving
7 of notices and hearings are subject to Court approval and modification by the Court or by written
8 stipulation of Class Counsel and Defense Counsel.

9 **8.10. Construction.** Each Party participated jointly in the drafting of this Agreement,
10 and its terms are not intended to be, and shall not be, construed against any party by virtue of
11 draftsmanship.

12 **8.10.1. Exhibits Incorporated by Reference.** This Agreement includes the terms
13 set forth in any attached exhibit. Any exhibit to this Agreement is an integral part of it.

14 **8.10.2. Headings.** The headings within this Agreement appear for convenience of
15 reference only and shall have no effect upon the construction or interpretation of any part of this
16 Agreement.

17 **8.10.3. Invalidity of Any Provision.** Before declaring any provision of this
18 Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent
19 possible so as to render all provisions of this Agreement enforceable.

20 **8.11. Duty to Cooperate.** Each Party, upon the request of another, agrees to perform
21 such acts and to execute and to deliver such documents as are reasonably necessary to carry out this
22 Agreement. In the same spirit, the Parties agree to make all reasonable efforts to avoid unnecessary
23 Administrative Costs.

24 **8.12. No Prior Assignments or Undisclosed Liens.** The Class Representative and Class
25 Counsel represent that they have not assigned, transferred, conveyed, or otherwise disposed of any
26 Released Claim or claim to attorneys' fees and costs award to be paid under this Agreement. The Class
27 Representative and Class Counsel further represent and warrant that there are not any liens or claims
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1 against any amount that IBC is to pay under this Agreement. The Class Representative and Class Counsel
2 agree to defend, to indemnify, and to hold IBC harmless from any liability, losses, claims, damages, costs,
3 or expenses, including reasonable attorneys' fees, resulting from a breach of these representations or from
4 any lien or assignment.

5 **8.13. Waiver of Right to Request Exclusion by Class Representatives.** The Class
6 Representative, by signing this Agreement, agrees not to request exclusion from the Settlement. The Class
7 Representative, by signing this Agreement, further represent that she has no objection to the terms of the
8 Agreement and believes the terms to be fair, reasonable and adequate.

9 **8.14. Confidential Information.** Class Counsel will destroy all confidential documents
10 and information provided by IBC within 60 calendar days after the completion of the administration of
11 this Agreement. Class Counsel further agree that none of the information provided by IBC shall be used
12 for any purpose other than prosecution of this Action.

13 **8.15. Publicity.** Neither Plaintiff nor Class Counsel will publicize the Settlement in any
14 way that identifies IBC, except as follows: Nothing in this Agreement shall preclude Class Counsel from
15 communicating with members of the Settlement Class after preliminary approval, and after preliminary
16 approval Class Counsel is permitted to post Court-filed documents on their website(s) for viewing by the
17 Settlement Class members. Further, Class Counsel shall be permitted to disclose their approval as Class
18 Counsel in this Settlement in declarations filed with any court in support of Class Counsel's adequacy.

19 **8.16. Continuing Jurisdiction.** The Court shall retain jurisdiction over the
20 implementation of this Agreement as well as any matter arising out of, or related to, the implementation
21 of this Agreement. The Court shall not have jurisdiction to modify the terms of this Agreement without
22 the consent of all Parties.

23 **8.17. Disputes.** If the Parties dispute the interpretation of this Agreement, they shall first
24 attempt to resolve the dispute informally through good faith negotiations and with the help of the mediator
25 (Tripper Ortman) if necessary, and, if those efforts are unsuccessful, they agree to mediate any such
26 dispute. The Parties will split the costs of the mediator, and all parties will bear their own fees and costs.
27
28

1 **8.18. Governing Law.** All terms of this Agreement shall be governed by and interpreted
2 according to California law.

3
4 SO AGREED:

5
6 Dated: February 9¹, 2022

Angel Chapparo

Angel Chapparo (Feb 19, 2022 12:51 PST)

Plaintiff And Class Representative ANGEL
CHAPPARO

7
8
9 Dated: February __, 2022

10
11 By _____
12 For IMMANUEL BAPTIST CHURCH OF SAN
13 BERNARDINO AND HIGHLAND,
14 CALIFORNIA and IMMANUEL BAPTIST
15 CHURCH

16 Approval As To Form and Content By Counsel:

17 Dated: February 22, 2022

18 JCL LAW FIRM, APC

19
20 By



Jean-Claude Lapuyade
Attorney for Plaintiff ANGEL CHAPPARO and the
Settlement Class.

21
22 Dated: February 22, 2022

23 ZAKAY LAW GROUP APCAL

24
25 By



Shani Zakay
Attorney for Plaintiff ANGEL CHAPPARO and the
Settlement Class

1 **8.18. Governing Law.** All terms of this Agreement shall be governed by and interpreted
2 according to California law.

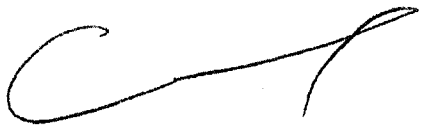
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4 SO AGREED:

5
6 Dated: February __, 2022

Plaintiff And Class Representative ANGEL
CHAPPARO

7
8
9 Dated: February 23, 2022

10
11 By



For IMMANUEL BAPTIST CHURCH OF SAN
BERNARDINO AND HIGHLAND,
CALIFORNIA and IMMANUEL BAPTIST
CHURCH

12
13
14 Approval As To Form and Content By Counsel:

15
16 Dated: February __, 2022

17
18 JCL LAW FIRM, APC

19
20 By

Jean-Claude Lapuyade
Attorney for Plaintiff ANGEL CHAPPARO and the
Settlement Class.

21
22 Dated: February __, 2022

23
24 ZAKAY LAW GROUP APCAL

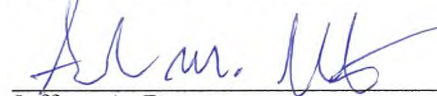
25
26 By

Shani Zakay
Attorney for Plaintiff ANGEL CHAPPARO and the
Settlement Class

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3 Dated: February ^{24th}, 2022

SEYFARTH SHAW LLP

4 By



Jeffrey A. Berman
Andrew M. McNaught

6 Attorney for IBC IMMANUEL BAPTIST CHURCH OF
7 SAN BERNARDINO AND HIGHLAND,
8 CALIFORNIA, and IMMANUEL BAPTIST CHURCH
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EXHIBIT 2

EXHIBIT 3

Case Name: Chapparo v. Immanuel Baptist

Wednesday, February 2, 2022

Requesting Attorney:	Eddie Garcia
Requesting Attorney's E-mail:	EGarcia@jcl-lawfirm.com
ILYM Contact	Sean Hartranft
E-Mail	Sean@ilymgroupclassaction.com
Contact Number	949.690.2564

ESTIMATE FOR ADMINISTRATION SOLUTIONS

Opt-Out

ASSUMPTIONS	
Total Estimated Number of Class Members	150
Estimated Percentage of Undeliverable Mail	20%
NCOA	Yes
Certified Spanish Translation	No
Case Duration (Years)	1

Activity	Rate Type	Unit Cost	Volume	Amount
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CASE STARTUP				
Initial Setup - Import and Formatting of Data*	Hourly	\$150.00	2	\$300.00
Programming of Class Database	Hourly	\$175.00	2	\$350.00

**ILYM assumes that data will be in a standard format. Client will be notified immediately if not in standard format to correct data or ILYM can convert to standard format @ \$150.00 per hour.*

Subtotal \$650.00

PROJECT MANAGEMENT				
Project Manager (Case notification and maintenance)	Hourly	\$120.00	5	\$600.00
Staff Hours for Processing Opt-Outs, Disputes & Objection(s)	Hourly	\$70.00	1	\$70.00
Staff Hours for Processing Returned Mail	Hourly	\$70.00	0	\$0.00
Report Processing	Hourly	\$70.00	3	\$210.00
NCOA	Per Piece	\$46.00	1	\$46.00
Toll-Free Phone Support	Flat Fee	\$75.00	1	\$75.00
ILYM Group Static Website, Including Hosting	Flat Fee	\$750.00	1	\$750.00
Status Reports	Flat Fee	\$750.00	1	Waived

Subtotal \$1,751.00

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Activity	Rate Type	Unit Cost	Volume	Amount
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NOTIFICATION/MAILING				
Fulfillment of Notices	Per Piece	\$2.00	150	\$300.00
USPS First Class Postage	Per Piece	\$0.76	150	\$114.00
Remails (Forward/Skip Trace Undeliverables)	Per Piece	\$2.75	30	\$82.50
Storage, Photocopies, Deliveries	Flat Fee	\$300.00	1	\$300.00

Subtotal \$796.50

DISTRIBUTION (Includes EIN, Bank Acct * /QSF Setup)				
Distribution Setup & Management	Hourly	\$150.00	3	\$450.00
Account Reconciliation & Distribution Reporting	Hourly	\$125.00	3	\$375.00
Check, Stub & Release - Print & Mail (including W2 and/or 1099)**	Per Check	\$1.50	150	\$225.00
Check Mailing Postage	Per Piece	\$0.55	150	\$82.50
Reminder Mailing, Includes Postage	Per Piece	\$2.00	15	\$30.00
Preparation of Taxes	Hourly	\$120.00	12	\$1,440.00
Annual Filing of Tax Return	Per Year	\$1,500.00	1	\$1,500.00

***Additional Bank fees may apply*

Subtotal \$4,102.50

CASE CONCLUSION				
Data Manager Final Reporting	Hourly	\$100.00	2	\$200.00
Project Manager Final Reporting	Hourly	\$120.00	2	\$240.00
Declaration	Hourly	\$125.00	2	\$250.00

Subtotal \$690.00

Total Case Estimate: \$7,990.00

Terms and Conditions

All services to be provided by ILYM Group, Inc. (hereinafter, "ILYM") to Client shall be subject to the following terms and conditions:

Services: Subject to the terms hereof, ILYM agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are attached. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make provision for any services or class members/size not delineated in the request for proposal or stipulations. Such services do not in any way constitute legal services or advice. ILYM is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.

Mailing and Data Conversion: ILYM's database administration assumes the Client will provide complete data that includes all information required to send notifications and complete the administration process. Data must be provided in a complete, consistent, standardized electronic format. ILYM's standard format is Microsoft Excel, however, ILYM may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by ILYM on a time and materials basis, according to ILYM's Standard Rates.

Charges for Services: Charges to the Client for services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to ILYM. Actual fees charged by ILYM to Client may be greater or less than such estimate, and Client shall be responsible for the payment of all such charges and expenses in accordance with Section 5 hereof. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. ILYM may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

Indemnification: Client will indemnify and hold ILYM (and the officers, employees, affiliates and agents harmless against any Losses incurred by ILYM, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by ILYM in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by ILYM pursuant to Client's instructions.

Payment of Charges: ILYM reserves the right to request payment of postage charges and 50% of the final administration charges at the start of the case. ILYM bills are due upon receipt unless otherwise negotiated and agreed to with the Client. In the event settlement terms provide that ILYM is to be paid out of the Settlement Fund, ILYM will request that Counsel endeavor to make alternate payment arrangements for ILYM charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the Settlement Account is funded by, or no later than the time of disbursement. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Client's liability to ILYM for payment of services. Services are not provided on a contingency fee basis.

Confidentiality: ILYM maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to ILYM by Client in connection herewith. Should ILYM ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, ILYM will promptly notify the Client, unless prohibited by applicable law. The Client shall have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse ILYM for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If ILYM is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, ILYM will not be liable for breach of said obligation.

Data Rights: ILYM does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by ILYM in the ordinary course of business in the performance of this Agreement.

Document Retention: Unless directed otherwise in writing by Client, ILYM will destroy undeliverable mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. ILYM will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.

Limitation of damages: ILYM is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of ILYM to the Client shall not exceed the total amount billed to the Client for the particular services that give rise to any loss.

Termination: The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to ILYM. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. ILYM may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client.

Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of ILYM or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.

Force Majeure: To the extent performance by ILYM of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond ILYM's reasonable control, then such performance shall be excused and this Agreement, at ILYM's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

Waiver of Rights: No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.

Jurisdiction: The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.

Entire Agreement: These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. **Attached here to is Exhibit D:** ILYM hereby incorporates the attached Exhibit D into the terms and conditions herein and Exhibit D shall be a part of this agreement. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.