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and all others similarly situated

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LOS ANGELES ATLANTIC EXPRESS CORP.

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE**

MARCO ANTONIO SANCHEZ ROSALES,
individually and on behalf of all other persons
similarly situated,

Plaintiffs,

v.

LOS ANGELES ATLANTIC EXPRESS
CORP., a California Corporation; and DOES
1 through 100, inclusive,

Defendants.

Case No.: 21STCV05609
Assigned for all purposes to:
Hon. William F. Highberger
Dept.: 10

CLASS ACTION

**JOINT STIPULATION FOR CLASS
ACTION SETTLEMENT**

1 This stipulation of settlement and release (“Stipulation of Settlement”) is made and entered
2 into by and between plaintiff Marco Antonio Sanchez Rosales (“Plaintiff” or “Class Representative”),
3 individually and on behalf of the Settlement Class, as defined below, and defendant Los Angeles
4 Atlantic Express Corp (“LAAEC” or “Defendant”), and their respective counsel of record, subject to
5 the terms and conditions hereof and the Court’s approval. This Stipulation of Settlement resolves all
6 claims that were asserted or could have been asserted against Defendant pertaining to the individual,
7 putative class, and representative claims set forth by Plaintiff in the Litigation.

8 **I. THE LITIGATION.**

9 **A.** On February 11, 2021, Plaintiff Marco Antonio Sanchez Rosales, filed a lawsuit in the
10 Superior Court for the County of Los Angeles, on behalf of himself and similarly situated persons,
11 entitled *Marco Antonio Sanchez Rosales v. Los Angeles Atlantic Express Corp., a California*
12 *corporation, et al.*, Case No. 21STCV05609 (the “Action.”) The Complaint asserted causes of action
13 for failure to pay employees wages, failure to pay minimum wages, failure to pay proper overtime
14 pay; failure to provide rest and meal breaks; failure to pay wages in a timely manner upon termination;
15 failure to provide accurate wage statements; violation of Labor Code §§ 2800, et seq.; violation of
16 California Business & Professions Code § 17200 based on the above practices; and violation of the
17 Private Attorneys General Act (“PAGA”).

18 **B.** LAASC filed a notice of appearance in the Action on April 19, 2021. Defendant denies
19 any liability or wrongdoing of any kind associated with the claims alleged in the Action. Defendant
20 contends that they have at all times complied with all applicable laws.

21 **C.** The Parties engaged in substantial investigation and discovery, including a significant
22 sample of class-wide discovery. Defendant provided Plaintiff’s counsel with sample payroll records
23 for 25% of the pay periods within the class period for all potential class members, in addition to other
24 documents regarding Defendant’s wage and hour practices.

25 **D.** On January 17, 2022, the Parties participated in a full day mediation with mediator Will
26 Klatte, a mediator experienced in handling wage and hour class action matters. The Parties agreed to
27 the settlement described in this Agreement as a result of settlement discussions at mediation and
28 following mediation.

1 **II. REPRESENTATIONS AND DEFINITIONS.**

2 **A. Class Counsel.** Counsel for the Settlement Class is Christian Petronelli, Petronelli
3 Law Group, 295 Redondo Ave., Suite 201, Long Beach, California 90803 (888) 855-3670.

4 **B. Defense Counsel.** Counsel for Defendants is Laurie Cortez, Esq. Emilio Law Group,
5 APC, 12832 Valley View St., Suite 106, Garden Grove, California 92845, (714) 379-6239.

6 **C. Administrative Costs.** All administrative costs of settlement, including cost of notice
7 to the Settlement Class, claims administration, and any fees and costs incurred or charged by the
8 Settlement Administrator in connection with the execution of its duties under this Stipulation of
9 Settlement.

10 **D. Agreement.** The terms “Agreement” or “Settlement Agreement” are used
11 synonymously herein to mean this Stipulation of Settlement for purposes of Settlement.

12 **E. Class Period.** The term “Class Period” as used herein means the period from February
13 11, 2017 through February 11, 2022. The effective date of the settlement embodied in this Stipulation
14 will be the date of final approval by the Court (hereinafter the “Effective Date of the Settlement”).

15 **F. Covered Claims.** The term “Covered Claims” means any and all claims, demands,
16 rights, liabilities, and/or causes of action arising out of the facts alleged in the Action including the
17 following: (1) failure to pay wages and overtime; (2) failure to pay minimum wage; (3) failure to pay
18 wages; (4) failure to provide meal periods; (5) failure to provide rest breaks; (6) waiting-time
19 penalties; (7) failure to provide accurate wage statements; (8) failure to reimburse business expenses;
20 and (9) unfair business practices under Business and Professions Code Section 17200 based on the
21 foregoing alleged violations.

22 **G. Final.** The term “Final” means: (1) the date of final affirmation of the Final Approval
23 from any appeal, the expiration of the time for, or the denial of, a petition to review the Final
24 Approval, or if review is granted, the date of final affirmation of the Final Approval following review
25 pursuant to that grant; or (2) the date of final dismissal of any appeal from the Final Approval or the
26 final dismissal of any proceeding to review the Final Approval, provided that the Final Approval is
27 affirmed and/or not reversed in any part; or (3) if no putative class members intervene but objections
28 are filed, the expiration date of the time for the filing or noticing of any appeal from the Court’s Final

1 Approval of the Settlement, as determined under Rule 8.104(a)(3) of the Cal. Rules of Court or (4) if
2 no putative class members intervene and there are no objections, the date the Court enters the Final
3 Approval Order and Final Judgment.

4 **H. Final Approval Order.** The term “Final Approval Order” means the Final Approval
5 Order entered by the Court following the Final Fairness and Approval Hearing.

6 **I. Final Judgment.** The term “Final Judgment” means the Final Judgment entered by the
7 Court following the Final Fairness and Approval Hearing.

8 **J. Date of Final Approval.** The terms “Date of Final Approval” or “Final Approval” as
9 used herein mean the final formal judgment entered by the Court at the Final Fairness and Approval
10 Hearing in accordance with the terms herein, approving this Agreement.

11 **K. Effective Date.** The term “Effective Date” will mean the date of final approval by the
12 Court of this Stipulation (hereinafter the “Effective Date of the Settlement”).

13 **L. Employer Taxes.** The term “Employer Taxes” as used herein means the employer-
14 funded share of taxes and contributions imposed on the wage portions of the Settlement Amount under
15 the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, and/or any similar state
16 taxes and contributions required of employers, such as for unemployment insurance. The Employer
17 Taxes will be paid separately by Defendant in addition to and at the same time as the Settlement
18 Amount.

19 **M. Net Settlement Amount.** The term “Net Settlement Amount” as used herein means
20 the Settlement Amount minus any award of attorneys’ fees and Litigation costs, Administrative Costs
21 and the enhancement to the Class Representative as provided in Sections VIII, XIV, and XV
22 respectively.

23 **N. Net Settlement Payments.** The term “Net Settlement Payment(s)” shall mean
24 payments made to the Settlement Class as part of the Settlement, including wages, penalties and
25 interest. The Class Members’ share of taxes for the wage portions of the Settlement Payment shall be
26 taken from each Net Settlement Payment.

27 **O. Notice of Proposed Class Action Settlement.** “Notice of Proposed Class Action
28 Settlement” or “Notice” shall mean the notice to be provided to all Settlement Class Members

1 regarding the terms of this Settlement, substantially in the form attached hereto as Exhibit A. The
2 Notice shall constitute class notice pursuant to California Rule of Court 3.769(f) and, once approved
3 by the Court, shall be deemed compliant with California Rule of Court 3.766.

4 **P. Preliminary Approval Order.** The term “Preliminary Approval Order” shall mean
5 the order entered by the Court following the Preliminary Approval Hearing.

6 **Q. Settlement Administrator.** The term “Settlement Administrator” as used herein
7 means Atticus Administration, LLC which will be responsible for the administration of the Settlement
8 Payment, as defined below, and all related matters.

9 **R. Settlement Agreement.** The terms “Settlement Agreement” or “Agreement” are used
10 synonymously herein to mean this Stipulation of Settlement.

11 **S. Settlement Amount.** The terms “Settlement Amount” as used herein mean a fund in
12 the sum of two hundred thousand dollars and zero cents (\$200,000.00), which shall be paid by
13 Defendant, and from which all: Net Settlement Payments, Court approved attorneys’ fees and
14 Litigation costs, Administrative Costs and enhancement to the Class Representative shall be paid,
15 except as provided herein. The Settlement Amount shall be non-reversionary.

16 **T. Settlement Class.** For settlement purposes only, the Parties agree to the certification
17 of a class pursuant to California *Code of Civil Procedure* § 382 defined as: all former and current non-
18 exempt employees who worked for LAAEC from February 11, 2017 to February 11, 2021 (Members
19 of the “Settlement Class” may also be referred to as “Class Members”).

20 **III. BACKGROUND.**

21 **A.** Plaintiff contends that Defendant violated California’s wage and hour laws and that this
22 case is appropriate for class certification as the requirements for class certification can be satisfied.
23 Specifically, Plaintiff alleges that Defendant (1) failed to pay wages and overtime, including failing to
24 pay overtime at the correct rate of pay; (2) failed to pay minimum wage (3) failed to pay wages due
25 (4) failed to provide meal periods (5) failed to provide rest breaks; (6) failed to pay waiting-time
26 penalties; (7) failed to provide accurate wage statements; (8) failed to reimburse business expenses;
27 and (9) engaged in unfair business practices under Business and Professions Code Section 17200
28 based on the foregoing alleged violations.

1 **B.** Defendant denies any liability or wrongdoing of any kind associated with the claims
2 alleged in the Action, and denies that this action is appropriate for class treatment for any purpose
3 other than settling this Action. Defendant contends, among other things, that it has complied at all
4 times with the California Labor Code and related California Wage Orders, that it made all appropriate
5 wage payments to Class Members, that all Class Members were provided with the opportunity to take
6 all legally required rest breaks and meal periods and that any claim for wage payments is not
7 actionable and/or does not give rise to any penalties under the California Labor Code. Defendant
8 further contends that it has complied at all times with the provisions of the California Business and
9 Professions Code. Defendant has denied and continues to deny each and every material factual
10 allegation and alleged claim asserted against it in the Action.

11 **C.** Since commencement of the actions, the Parties have engaged in an extensive exchange
12 of information and documents pertaining to the Covered Claims. Plaintiff engaged in formal and
13 informal discovery, including written discovery in the form of Requests for Production of Documents
14 and Special Interrogatories. The Parties reviewed and analyzed a substantial amount of
15 documentation for Class Members, including Defendant's policies and procedures regarding meal and
16 rest breaks, expense reimbursement, time keeping, issuance of wage statements, and review of pay and
17 time records. Class Counsel also had communications with Class Members regarding the Company's
18 pay practices and the Class Members' opportunity to take required meal and rest breaks. Defendant
19 provided Class Counsel with a significant sampling of data regarding Class Members' working time
20 and related payroll records, and those records were reviewed in detail by Class Counsel. Moreover,
21 the Parties researched and discussed a number of legal and factual issues, including but not limited to,
22 the financial condition of the Defendant, which included no insurance for defense or indemnification.
23 Plaintiff's counsel reviewed financial records of Defendant to verify whether or not Defendant had the
24 ability to fund extensive litigation and a settlement.

25 **D.** On January 19, 2022, the Parties participated in a mediation with Will Klatte, a very
26 experienced attorney and mediator in wage and hour class actions, during which mediation further
27 information was exchanged. The Parties engaged in a good faith-arms length negotiation concerning
28 settlement of the Covered Claims asserted in the Action. After a full day of mediation and subsequent

1 settlement discussions, the parties were able to reach a settlement.

2 **E.** Based on their own independent investigations and evaluations, Defendant and Plaintiff
3 and their respective counsel are of the opinion that the settlement for the consideration and on the
4 terms set forth in this Stipulation of Settlement is fair, reasonable, and adequate and is in the best
5 interests of the Settlement Class and Defendant in light of all known facts and circumstances and the
6 risks inherent in litigation, including the potential appellate issues.

7 **F.** Defendant has concluded that, because of the substantial expense of defending against
8 the Litigation, the length of time necessary to resolve the issues presented herein, the inconvenience
9 involved, and the concomitant disruption to their business operations, it is in its best interests to accept
10 the terms of this Agreement.

11 **G.** Settlement of the Action, the negotiation and execution of this Stipulation of
12 Settlement, and all acts performed or documents executed pursuant to or in furtherance of this
13 agreement or the settlement: (i) are not, shall not be deemed to be, and may not be used as, an
14 admission or evidence of any wrongdoing or liability on the part of Defendant or of the truth of any of
15 the factual allegations in the operative complaint in the Action; (ii) are not, shall not be deemed to be,
16 and may not be used as, an admission or evidence of any fault or omissions on the part of Defendant
17 in any civil, criminal, or administrative proceeding in any court, administrative agency or other
18 tribunal; and (iii) are not, shall not be deemed to be, and may not be used as, an admission or evidence
19 of the appropriateness of these or similar claims for class certification or administration other than for
20 purposes of administering this Stipulation of Settlement.

21 **H.** The Parties recognize that the issues presented in the Action are likely only to be
22 resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause
23 inconvenience, distraction, disruption, delay and expense disproportionate to the potential benefits of
24 litigation. The Parties have taken into account the risk and uncertainty of the outcome inherent in
25 further litigation.

26 **I.** The purpose of this Stipulation of Settlement is to settle and compromise all Covered
27 Claims by Plaintiff and the Settlement Class (as defined in Section II (C)(D) and (R) above) that
28 Plaintiff and Class Members have against Defendant and the Releasees (as defined in Section VII(A)

1 below).

2 **J.** This Stipulation of Settlement is contingent upon the approval and certification by the
3 Court of the Settlement Class for settlement purposes only. Defendant does not waive, and instead
4 expressly reserves, its rights to challenge the propriety of class certification should the Court not
5 approve this Stipulation.

6 **K.** For settlement purposes only, Defendant will stipulate that the Settlement Class
7 described herein may be certified. This Stipulation is contingent upon the Preliminary and Final
8 approval and certification of the Settlement Class only for purposes of settlement. The Parties agree
9 that certification for settlement purposes under the more lenient standard courts have applied to
10 settlements is in no way an admission that class certification is proper under the more stringent
11 standard applied for litigation purposes, and that evidence of this limited stipulation to certification for
12 settlement will not be admissible in the Action for any purpose other than seeking court approval of
13 the settlement, and will not be admissible in this or any other proceeding as evidence that (a) a class
14 should be certified for any non-settlement purpose, and/or (b) Defendant is liable to Plaintiff or the
15 other Class Members as alleged in the Action. If for any reason, this settlement is not approved, the
16 settlement class certification will have no force or effect and will be immediately revoked and the fact
17 that the Parties were willing to stipulate provisionally to class certification as part of the Settlement
18 shall have no bearing on, and shall not be admissible in connection with, the issue of whether a class
19 should be certified in a non-settlement context in the Litigation.

20 **IV. JURISDICTION.**

21 The Court has jurisdiction over the Parties and the subject matter of this Action. The Action
22 includes claims that, while Defendant denies them in their entirety, would, if proven, authorize the
23 Court to grant relief pursuant to the applicable statutes. After the Court has granted Final Approval of
24 the Settlement, pursuant to *Code of Civil Procedure* Section 664.6 the Court shall retain jurisdiction of
25 this action solely for the purpose of interpreting, implementing, and enforcing this Settlement
26 consistent with the terms set forth herein.

27 **V. MOTION FOR PRELIMINARY APPROVAL.**

28 Plaintiff will bring a motion before the Court for an order preliminarily approving the

1 Settlement including the Notice of Proposed Class Action Settlement, which is attached as **Exhibit**
2 “A,” and including conditional certification of the Settlement Class for settlement purposes only, and
3 will request that the Court enter the Preliminary Approval Order. The date that the Court grants
4 Preliminary Approval of this Agreement will be the “Preliminary Approval Date.” Class Counsel will
5 prepare the Motion for Preliminary Approval.

6 **VI. STATEMENT OF NO ADMISSION.**

7 **A.** Defendant expressly denies liability to Plaintiff and to the Settlement Class upon any
8 claim or cause of action. This Agreement does not constitute, and is not intended to constitute, an
9 admission by Defendant as to the merits, validity, or accuracy of any of the allegations or claims made
10 against them in the Action.

11 **B.** Nothing in this Agreement, nor any action taken in implementation thereof, nor any
12 statements, discussions or communications, nor any materials prepared, exchanged, issued or used
13 during the course of the negotiations leading to this Agreement or the Settlement, is intended by the
14 Parties to constitute, nor will any of the foregoing constitute, be introduced, be used or be admissible
15 in any way in this case or any other judicial, arbitral, administrative, investigative or other forum or
16 proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance,
17 regulation, rule or executive order, or any obligation or duty at law or in equity. The Parties
18 themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in this case or
19 any other judicial, arbitral, administrative, investigative or other forum or proceeding, as purported
20 evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or
21 executive order, or any obligation or duty at law or in equity, or for any other purpose.
22 Notwithstanding the foregoing, this Agreement may be used in any proceeding before the Court that
23 has as its purpose the interpretation, implementation, or enforcement of this Agreement or any orders
24 or judgments of the Court entered in connection with the Settlement.

25 **C.** None of the documents produced or created by Plaintiff or the Settlement Class in
26 connection with the claims procedures or claims resolution procedures constitute, and they are not
27 intended to constitute, an admission by Defendant of any violation of any federal, state, or local law,
28 statute, ordinance, regulation, rule or executive order, any California Wage Order, or any obligation or

1 duty at law or in equity.

2 **VII. WAIVER, RELEASE, DISMISSAL, AND CONFIDENTIALITY.**

3 **A. Release as to All Settlement Class Members.**

4 Upon the Date of Final Approval, Plaintiff and all members of the Settlement Class, except
5 those that make a valid and timely request to be excluded from the Settlement Class and Settlement,
6 waive, release, discharge, and promise never to assert in any forum any and all wage-related claims
7 against Defendant, its respective subsidiaries, affiliates, predecessors or successors in interest, or the
8 owners, officers, directors, shareholders, employees, attorneys, agents, assigns, insurers, re-insurers, of
9 any of them, (collectively referred to herein as the “Releasees”), that were alleged in the Action for the
10 Class Period or claims which arise out of facts asserted in the action for the Class Period, including
11 but not limited to: (1) failure to pay wages and overtime; (2) failure to pay minimum wage (3) failure
12 to pay wages (4) failure to provide meal periods (5) failure to provide rest breaks; (6) waiting-time
13 penalties; (7) failure to provide accurate wage statements; (8); unfair business practices under
14 Business and Professions Code Section 17200 based on the foregoing alleged violations; and (9)
15 violation of the Private Attorneys General Act (“PAGA”).

16 **VIII. SETTLEMENT ADMINISTRATOR.**

17 Plaintiff and Defendant, through their respective counsel, have selected Atticus
18 Administration, LLC as the Settlement Administrator to administer the Settlement, which includes but
19 is not limited to distributing the Notice of Proposed Class Action Settlement (including obtaining
20 updated class member addresses, performing a National Change of Address search, and/or skip-
21 tracing), establishing a toll-free number to respond to inquiries regarding the Settlement, determining
22 the validity of the opt-outs, keeping track of opt-outs and objections, and calculating all amounts to be
23 paid from the Settlement, including the amount of all payroll tax deductions to be withheld or backup
24 withholdings, deducting appropriate tax withholdings and paying them to the appropriate government
25 entity, mailing checks for individual settlement payments for attorneys’ fees and litigation costs,
26 enhancement to the Plaintiff, providing Class Counsel and Counsel for Defendant with weekly updates
27 on the status of Settlement administration (including numbers and percentages of mailed Notices,
28 returned Notices, re-mailed Notices, undeliverable Notices, opt-outs, and objections), providing

1 declarations and/or reports as required for court filings, and for any other tasks that the Parties may
2 mutually agree or the Court orders the Claims Administrator to perform. Charges and expenses of the
3 Settlement Administrator are estimated to be \$8,500 and will be paid from the Settlement Amount. If
4 the actual Settlement Administrator fees are less than the Parties' estimation, the difference between
5 the actual and estimated Settlement Administrator fees will flow through to the Net Settlement
6 Amount.

7 **IX. NOTICE, OBJECTIONS AND EXCLUSION RIGHTS.**

8 **A. Notice.**

9 Plaintiff and Defendant, through their respective attorneys, have jointly prepared a Notice of
10 Class Action and Proposed Settlement (the "Notice") that will be provided to the members of the
11 Settlement Class through the following procedure:

12 As soon as practicable following Preliminary Approval of the Settlement, but no later than
13 fifteen (15) calendar days after the Court's Preliminary Approval order, Defendant will provide to the
14 Settlement Administrator the following information about each Settlement Class member: (1) name;
15 (2) last known home address; (3) number of workweeks as a Class Member during the Class Period;
16 and (4) social security number (collectively the "Class List").

17 The Settlement Administrator shall run all the addresses provided through the United States
18 Postal Service NCOA database (which provides updated addresses for any individual who has moved
19 in the previous four years who has notified the U.S. Postal Service of a forwarding address) to obtain
20 current address information. The Settlement Administrator shall mail the Notice to the members of the
21 Settlement Class via first-class regular U.S. Mail using the most current mailing address information
22 available within fourteen (14) calendar days after the receipt of the Class List from Defendant.

23 The Notice shall provide the members of the Settlement Class with a sixty (60) day notice of
24 all applicable dates and deadlines. The Notice will also include information regarding the nature of
25 the Action; a summary of the terms of the Settlement; the definition of the Settlement Class member; a
26 statement that the Court has preliminarily approved the Settlement; the procedure and time period for
27 objecting to the Settlement; the date and location of the Final Approval hearing; information regarding
28 the opt-out procedure; Defendant's calculation of the number of full workweeks that the Settlement

1 Class member has worked as an employee in California at any time during the Class Period; and the
2 estimated individual settlement payment the Settlement Class member will receive if they do not
3 validly opt-out of the Settlement.

4 If a Notice is returned from the initial notice mailing, the Settlement Administrator will submit
5 the applicable and available information, including name, social security number, and original mailing
6 address, to a company that specializes in address skip tracing in an attempt to locate a more current
7 address. If the Settlement Administrator is successful in locating a new address, it will re-mail the
8 Notice to the Settlement Class member. Further, any Notices returned with a forwarding address to
9 the Settlement Administrator, as non-deliverable before the deadline date, shall be sent to the
10 forwarding address affixed thereto. If the Settlement Administrator is unsuccessful in locating a new
11 address, it will re-mail the Notice to the original address it had for the Settlement Class member.

12 No later than twenty-five (25) days prior to the Final Approval Hearing, the Settlement
13 Administrator shall provide Counsel for Defendant and Class Counsel with a declaration attesting to
14 the completion of the Notice process, including the number of attempts to obtain valid mailing
15 addresses for and re-sending of any returned Notices, as well as the number of valid opt-outs and
16 deficiencies which the Settlement Administrator received.

17 **B. Objections.**

18 In order for any Settlement Class member to object to this Settlement, or any term of it, the
19 person making the objection must not submit a request for exclusion (i.e., must not opt out) and must,
20 by no later than sixty (60) days after the Notice of Proposed Class Action Settlement was initially
21 mailed to the Settlement Class members, serve on the Settlement Administrator a written statement of
22 the grounds of objection, signed by the objecting Settlement Class member or his or her attorney,
23 along with all supporting papers. All such objections and written notices of intention to appear must
24 be signed and must contain the Settlement Class member's current address and the address of counsel,
25 if any. The objection should clearly explain why the settlement class member objects to the
26 Settlement and state whether the Settlement Class member (or someone on his or her behalf) intends
27 to appear at the Final Approval Hearing. A Settlement Class member may appear personally or
28 through an attorney, at his or her own expense, at the Final Approval hearing to present his or her

1 objection directly to the Court. Any attorney who will represent an individual objecting to this
2 Settlement must file a notice of appearance with the Court and serve Class Counsel and Defense
3 Counsel no later than sixty (60) days after the Notice of Proposed Class Action Settlement was
4 initially mailed to the Settlement Class members. If a Settlement Class member objects to this
5 Settlement, the Settlement Class member will remain a member of the Settlement Class and if the
6 Court approves this Agreement, the Settlement Class member will be bound by the terms of the
7 Settlement and Final Approval in the same way and to the same extent as a Settlement Class member
8 who does not object. The date of mailing of the Notice of Proposed Class Action Settlement to the
9 objecting Settlement Class member shall be conclusively determined according to the records of the
10 Settlement Administrator. The Court retains final authority with respect to the consideration and
11 admissibility of any Settlement Class member objections. Provided that the Settlement Administrator
12 mailed the Notice to a member of the Settlement Class as set forth in Paragraph IX.A., this deadline to
13 mail an objection shall apply notwithstanding assertion by any member of the Settlement Class of
14 non-receipt of the Notice.

15 Plaintiff and Defendant will be permitted to respond in writing to such objections no later than
16 seven (7) days before the Final Approval hearing.

17 **C. Opportunity to be Excluded.**

18 In order for any Settlement Class member to validly exclude himself or herself from this
19 Settlement (i.e., to validly opt out), a written request for exclusion ("Request to be Excluded") must be
20 signed by the Settlement Class member or his or her authorized representative and must be sent to the
21 Settlement Administrator, postmarked by no later than sixty (60) days after the date the Settlement
22 Administrator initially mails the Notice of Proposed Class Action Settlement to the Settlement Class
23 members. The Notice of Proposed Class Action Settlement shall contain instructions on how to opt
24 out. Specifically, the Notice of Proposed Class Action Settlement shall specify that the Settlement
25 Class Member's Request to be Excluded must include the Class Member's name and address, be
26 signed by the Settlement Class Member, and state words to the effect of the following: "I hereby
27 request to be excluded from the Class Action Settlement in *Rosales v. Los Angeles Atlantic Express*
28 *Corp.*"

1 The date of the initial mailing of the Notice, and the date the signed request to be excluded was
2 postmarked, shall be conclusively determined according to the records of the Settlement
3 Administrator. Any Settlement Class member who timely and validly submits a request to be
4 excluded from the Settlement Class and this Settlement will not be entitled to any individual
5 settlement payment, will not be bound by the terms and conditions of this Settlement, and will not
6 have any right to object, appeal, or comment thereon. Any member of the Settlement Class who does
7 not timely file and mail a request to be excluded from the Settlement Class will be deemed included in
8 the Settlement Class in accordance with this Settlement. Named Plaintiff waives any right to be
9 excluded from the Settlement Class.

10 **D. Non-Cooperation.**

11 The Parties and their respective counsel agree not to encourage members of the Settlement
12 Class to opt out of this settlement, or to object to the Settlement, directly or indirectly, through any
13 means. If a Settlement Class member contacts Class Counsel, Class Counsel may objectively discuss
14 the terms of the Settlement and the Settlement Class member's options.

15 **X. CLAIMS PROCEDURE.**

16 Settlement Class members shall not be required to submit a claim form to participate in the
17 Settlement. Named Plaintiffs and Defendant have agreed upon the following procedure to resolve all
18 claims during the Settlement Period.

19 In the Notice of Proposed Class Action Settlement, each member of the Settlement Class will
20 receive a calculation of the total number of workweeks that she/he was employed as a Settlement
21 Class member during the Class Period (hereinafter "Eligible Workweeks"), as well as the Settlement
22 Class Member's estimated Net Settlement Payment. There can be no partial workweeks; all partial
23 workweeks shall be rounded up to the nearest integer. Periods of non-membership in the Class (i.e., in
24 an exempt position or outside California or outside the Class Period) are excluded from the workweek
25 calculation.

26 If the member of the Settlement Class disputes the number of Eligible Workweeks set forth in
27 the Notice, such person must follow the directions in the Notice, including preparing a statement
28 setting forth the number of Eligible Workweeks that such person believes in good faith is correct and

1 stating that the member of the Settlement Class authorizes the Settlement Administrator to review the
2 Settlement Class member's personnel file to determine such information and attaching any relevant
3 documentation in support thereof. The member of the Settlement Class must mail the signed and
4 completed statement no later than sixty (60) days after the date of the mailing of the Notice, or the
5 number of Eligible Workweeks set forth in the Notice will govern the Net Settlement Payments to the
6 members of the Settlement Class.

7 Upon timely receipt of any such challenge, the Settlement Administrator, in consultation with
8 Class Counsel and Counsel for Defendant, will review the pertinent payroll records showing the dates
9 the Settlement Class member was employed and the pertinent leave(s) taken, which records Defendant
10 agrees to make available to the Settlement Administrator.

11 After consulting with Class Counsel and Counsel for Defendant, the Settlement Administrator
12 shall compute the number of Eligible Workweeks to be used in computing the Settlement Class
13 member's pro rata share of the Net Settlement Amount. In the event there is a disparity between the
14 dates a Settlement Class member claims he or she worked during the Settlement Period and the dates
15 indicated by Defendant's records, Defendant's records will control unless inconsistent with paycheck
16 stub(s) (or bona fide copies thereof) provided by the Settlement Class member, in which case the
17 paycheck stub(s) will control. The Settlement Administrator's decision as to the total number of
18 Eligible Workweeks shall be final and non-appealable. The Settlement Administrator shall send
19 written notice of the decision on any such claim to the Settlement Class member, to Class Counsel,
20 and Counsel for Defendant within ten (10) calendar days of receipt of the dispute.

21 **XI. FINAL APPROVAL HEARING AND ENTRY OF FINAL APPROVAL ORDER AND**
22 **FINAL JUDGMENT.**

23 Upon expiration of the Objection/Exclusion Deadlines, on the date set forth in the Preliminary
24 Approval Order, a Final Approval Hearing shall be conducted in order to: (1) review this Settlement
25 and determine whether the Court should give it final approval; (2) consider any objections timely
26 submitted before the Objection Deadline; and (3) consider Class Counsel's request for attorney's fees
27 and costs, the Class Representative's Enhancement Award, and the requested Administrative Costs.

28 At the Final Approval Hearing, Plaintiff, through Class Counsel, shall ask the Court to grant

1 final approval to this Settlement and shall submit a Final Approval Order and a Final Judgment, to the
2 Court for its approval. The Parties shall take all reasonable efforts to secure entry of the Final
3 Approval Order and Final Judgment.

4 **XII. COMPUTATION AND DISTRIBUTION OF PAYMENTS.**

5 **A. Distribution Formula.**

6 Members of the Settlement Class not opting out will receive a lump sum payment as good and
7 valuable consideration for the waiver and release of claims set forth in Section VII.A., above, in an
8 amount determined by the Settlement Administrator in accordance with the provisions of this
9 Agreement. The lump sum payment to each member of the Settlement Class not excluding
10 him/herself will be determined by dividing the Net Settlement Amount by the total number of Eligible
11 Workweeks worked by all members of the Settlement Class during the Settlement Period (the
12 “Weekly Amount”) and then multiplying the Weekly Amount by the number of Eligible Workweeks
13 by the individual Class Member as determined by the Settlement Administrator in accordance with
14 Section X, above, less any applicable withholding taxes based on the Parties stipulated allocation of
15 the Net Settlement Amount as provided for in Section XVI, below.

16 **B. Funding of Settlement.**

17 Within thirty (30) calendar days after the Court grants Preliminary Approval of the
18 Settlement, Defendant will deposit \$100,000 (“the Initial Payment”) of the Settlement Amount, plus
19 any Employer Taxes owed on the amount of that payment to be paid to the Class Members as wages,
20 into an interest-bearing trust account for the benefit of Settlement Class members and Class Counsel,
21 through the Settlement Administrator. Within (30) calendar days after the Court grants Final
22 Approval of the Settlement, Defendant shall deposit another \$100,000 (“the Final Payment”), plus any
23 Employer Taxes owed on the amount of that payment to be paid to the Class Members as wages, into
24 an interest-bearing trust account for the benefit of Settlement Class members and Class Counsel,
25 through the Settlement Administrator.

26 **C. Time for Distribution.**

27 Within fifteen (15) calendar days following the receipt of the Final Payment, the Settlement
28 Administrator shall mail Class Members their pro rata portion of the Net Settlement Amount from the

1 Settlement Amount. Within that same time, the Settlement Administrator shall mail the Court
2 approved enhancement award to Plaintiff. Also, within the same deadline, the Settlement
3 Administrator shall deduct its Administrative Costs from the Settlement Amount.

4 Any settlement checks remaining uncashed after one hundred and eighty (180) days shall be
5 turned over by the Settlement Administrator, with information for each Settlement Class member who
6 failed to timely cash his/her settlement check, to California's Unclaimed Property Fund, as provided
7 for in Title 10 of Part 3 of the California Code of Civil Procedure, beginning with Code of Civil
8 Procedure section 1300, in the name of the Settlement Class member so that Settlement Class
9 members may later claim such funds. If a check is returned to the Settlement Administrator as
10 undeliverable, the Settlement Administrator shall promptly attempt to obtain a valid mailing address
11 by performing a skip trace search and, if another address is identified, shall mail the check to the
12 newly identified address. If the Settlement Administrator is unable to obtain a valid mailing address
13 through this process, the monies represented by the check shall be transmitted to the state of
14 California's Unclaimed Property Fund, as provided for in Title 10 of Part 3 of the Code of Civil
15 Procedure, beginning with Code of Civil Procedure section 1300, in the name of the Settlement Class
16 member so that Settlement Class members may later claim such funds.

17 **XIII. NO CONTRIBUTIONS TO EMPLOYEE BENEFIT PLAN.**

18 The amounts paid under this Agreement do not represent a modification of any previously
19 credited hours of service under any employee benefit plan, vacation, policy or bonus program
20 sponsored by Defendant. Such amounts will not form the basis for additional contributions to,
21 benefits under, or any other monetary entitlement under, benefit plans (self-insured or not) sponsored
22 by Defendant's, policies, vacation or bonus programs. Any payments made under the terms of this
23 Settlement shall not be applied retroactively, currently or on a going forward basis as salary, earnings,
24 wages, or any other form of compensation for the purposes of Defendant's benefit plan, policy or
25 bonus program.

26 **XIV. ATTORNEYS' FEES AND LITIGATION COSTS.**

27 **A. Class Counsel Attorneys' Fees and Litigation Costs.**

28 Defendant shall not oppose an application by Class Counsel for, and Class Counsel shall not

1 seek or receive an amount in excess of \$66,666.00 for attorneys fees, which represents 33¹/₃% of the
2 Settlement Amount for all past and future attorneys' fees necessary to prosecute, settle and administer
3 the Litigation and this Settlement. In addition, Defendant shall not oppose Class Counsel's request for
4 reimbursement for actual litigation costs, not to exceed \$10,000. Any attorneys' fees or costs awarded
5 to Class Counsel by the Court shall be deducted from the Settlement Amount for the purpose of
6 determining the Net Settlement Amount. The "future" aspect of these amounts include, without
7 limitation, all time and expenses expended by Class Counsel in defending the Settlement and securing
8 Final Approval (including any appeals therein).

9 There will be no additional charge of any kind to either the members of the Settlement Class or
10 request for additional consideration from Defendant for such work. This amount shall include all
11 attorneys' fees, litigation costs and expenses for which Plaintiff and Class Counsel could claim under
12 any legal theory whatsoever. Within fifteen (15) calendar days following receipt of the Final
13 Payment, the Settlement Administrator shall disburse the attorneys' fees and costs award approved by
14 the Court to Class Counsel. Should the Court approve a lesser percentage or amount of fees and/or
15 litigation costs than the amount that Class Counsel ultimately seeks, then the unapproved portion or
16 portions shall flow to the Net Settlement Amount.

17 **XV. ENHANCEMENT TO NAMED PLAINTIFF.**

18 Defendant shall not oppose an application by Plaintiff, and Plaintiff shall not seek or receive an
19 amount in excess of Three Thousand Dollars and Zero Cents (\$3,000.00) for participation in and
20 assistance with the Litigation. Any enhancement awarded to Plaintiff by the Court shall be deducted
21 from the Settlement Amount for the purpose of determining the Net Settlement Amount, and shall be
22 reported on IRS Form 1099. If the Court approves an enhancement of less than \$3,000.00 to the
23 Plaintiff, then the unapproved portion or portions shall flow to the Net Settlement Amount. Any such
24 decrease shall not be grounds to void this agreement.

25 **XVI. TAXATION AND ALLOCATION.**

26 The amount paid to each participating Settlement Class member shall be net of the
27 participating Settlement Class member's share of all federal, state and local taxes and required
28 withholdings, including without limitation, FICA, Medicare tax, FUTA, and state unemployment

1 taxes. The Employer Taxes for Defendant's share of taxes for the wage portions of the Settlement
2 Payment shall be paid by Defendant separately and in addition to Defendant's payment of the
3 Settlement Amount. The Parties agree that all employment taxes and other legally required
4 withholdings will be withheld from payments to the members of the Settlement Class and Named
5 Plaintiff based on the Parties stipulated allocation of the Net Settlement Amount as provided for in this
6 Section. The amount of federal income tax withholding will be based upon a flat withholding rate for
7 supplemental wage payments in accordance with Treas. Reg. § 31.3402(g)-1(a)(2) as amended or
8 supplemented.

9 Income tax withholding will also be made pursuant to applicable state and/or local withholding
10 codes or regulations. For withholding tax characterization purposes and payment of taxes, the Net
11 Settlement Amount shall be deemed and is allocated by the Parties as follows ("Net Settlement
12 Allocation"): (1) 10% as W-2 wages; (2) 80% as penalties; and (3) 10% as interest.

13 Forms W-2 and/or Forms 1099 will be distributed at times and in the manner required by the
14 Internal Revenue Code of 1986 (the "Code") and consistent with this Agreement. If the Code, the
15 regulations promulgated thereunder, or other applicable tax law, is changed after the date of this
16 Agreement, the processes set forth in this Section may be modified in a manner to bring Defendant
17 into compliance with any such changes.

18 **CIRCULAR 230 DISCLAIMER.** EACH PARTY TO THIS STIPULATION OF
19 SETTLEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING
20 PARTY" AND EACH PARTY TO THIS STIPULATION OF SETTLEMENT OTHER
21 THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY")
22 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
23 STIPULATION OF SETTLEMENT, AND NO WRITTEN COMMUNICATION OR
24 DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS
25 AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY
26 SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED
27 OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED
28 STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS
AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED
EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND
TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION
WITH THIS STIPULATION OF SETTLEMENT, (B) HAS NOT ENTERED INTO
THIS STIPULATION OF SETTLEMENT BASED UPON THE
RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR
ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY

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

11 **XVII. PRIVATE ATTORNEY GENERAL ACT ALLOCATION**

12 In order to implement the terms of this Settlement and to settle claims alleged under the Private
13 Attorneys' General Act ("PAGA"), California *Labor Code* section 2698 *et seq.*, the Parties agree to
14 allocate Five Thousand Dollars and Zero Cents (\$5,000.00) of the Settlement Amount as the PAGA
15 Settlement from which \$3,750.00 will be paid to the California Labor Workforce Development
16 Agency ("LWDA") and \$1,250.00 to Settlement Class members by having that 25% amount flow
17 through to the Net Settlement. Within fifteen (15) calendar days following the receipt of the Final
18 Payment, the Settlement Administrator shall disburse the \$3,750.00 allocation of the Settlement
19 Amount to the LWDA.

20 **XVIII. COURT APPROVAL.**

21 This Agreement and the Settlement is contingent upon Final Approval by the Court. Plaintiff
22 and Defendant agree to take all steps as may be reasonably necessary to secure Preliminary Approval
23 and Final Approval of the Settlement, to the extent not inconsistent with the terms of this Agreement,
24 and will not take any action adverse to each other in obtaining Court approval, and, if necessary,
25 appellate approval, of the Settlement in all respects. Named Plaintiffs and Defendant expressly agree
26 that they will not file any objection to the terms of this Stipulation of Settlement or assist or encourage
27 any person or entity to file any such objection.

28 **XVIII. MISCELLANEOUS PROVISIONS.**

A. Stay of Litigation.

Named Plaintiffs and Defendant agree to the stay of all discovery in the Action, pending Final
Approval of the Settlement by the Court.

B. Interpretation of the Agreement.

1 This Agreement constitutes the entire agreement between Plaintiff and Defendant. Except as
2 expressly provided herein, this Agreement has not been executed in reliance upon any other written or
3 oral representations or terms, and no such extrinsic oral or written representations or terms shall
4 modify, vary or contradict its terms. In entering into this Agreement, the parties agree that this
5 Agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic
6 evidence. The Agreement will be interpreted and enforced under the laws of the State of California,
7 both in its procedural and substantive aspects, without regard to its conflict of laws provisions. Any
8 claim arising out of or relating to the Agreement, or the subject matter hereof, will be resolved solely
9 and exclusively in the Superior Court of the State of California for the County of Los Angeles, and
10 Plaintiff and Defendant hereby consent to the personal jurisdiction of the Court over them solely in
11 connection therewith. Plaintiff, on his own behalf and on behalf of the Settlement Class, and
12 Defendant participated in the negotiation and drafting of this Agreement and had available to them the
13 advice and assistance of independent counsel. As such, neither Plaintiff nor Defendant may claim that
14 any ambiguity in this Agreement should be construed against the other. The terms and conditions of
15 this Agreement constitute the exclusive and final understanding and expression of all agreements
16 between Plaintiff and Defendant with respect to the Settlement of the Action. The Agreement may be
17 modified only by a writing signed by the original signatories and approved by the Court.

18 **C. Further Cooperation.**

19 Named Plaintiffs and Defendant and their respective attorneys shall proceed diligently to
20 prepare and execute all documents, to seek the necessary approvals from the Court, and to do all
21 things reasonably necessary or convenient to consummate the Agreement as expeditiously as possible.

22 **D. Confidentiality of Documents.**

23 After the expiration of any appeals period, Plaintiff, the Settlement Administrator, and Class
24 Counsel shall maintain the confidentiality of all documents, declarations and other information
25 obtained in the Action, unless necessary for appeal or such documents are ordered to be disclosed by
26 the Court or by a subpoena.

27 **E. Counterparts.**

28 The Agreement may be executed in one or more actual or non-original counterparts, all of

1 which will be considered one and the same instrument and all of which will be considered duplicate
2 originals. Additionally, signatures delivered via facsimile or electronic transmission shall have the
3 same force, validity and effect as the originals thereof.

4 **F. No Third Party Beneficiaries.**

5 Plaintiff, members of the Settlement Class, and Defendant are direct beneficiaries of this
6 Agreement, and there are no third party beneficiaries.

7 **G. Force Majeure.**

8 The failure of any party to perform any of its obligations hereunder shall not subject such party
9 to any liability or remedy for damages, or otherwise, where such failure is occasioned in whole or in
10 part by acts of God, fires, accidents, earthquakes, other natural disasters, explosions, floods, wars,
11 interruptions or delays in transportation, power outages, labor disputes or shortages, shortages of
12 material or supplies, governmental laws, restrictions, rules or regulations, sabotage, terrorist acts, acts
13 or failures to act of any third parties, or any other similar or different circumstances or causes beyond
14 the reasonable control of such party.

15 **H. Deadlines Falling on Weekends or Holidays.**

16 To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or legal
17 holiday, that deadline shall be continued until the following business day.

18 **I. Severability.**

19 In the event that any one or more of the provisions contained in this Agreement shall for any
20 reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
21 unenforceability shall in no way effect any other provision if Defense Counsel and Class Counsel, on
22 behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid,
23 illegal, or unenforceable provision had never been included in this Agreement.

24 **K. Successors and Assigns**

25 This Settlement Agreement shall be binding upon, and inure to the benefit of, the successors or
26 assigns of the Parties hereto, as previously defined.

27 **L. Non-Approval of Settlement**

28 In the event that this Settlement is not granted final approval, this Agreement shall be deemed

1 void *ab initio* and the Parties shall be returned to their respective positions as though this Agreement
2 was never executed, including with respect to any releases of claims.

3 **M. Jurisdiction of the Court and Venue**

4 The Parties agree that this Settlement Agreement shall be enforceable by the Court pursuant to
5 California Code of Civil Procedure Section 664.6. The Court shall retain jurisdiction with respect to
6 the interpretation, implementation, and enforcement of the terms of this Settlement Agreement and all
7 orders and judgments entered in connection therewith, and the Parties and their counsel submit to the
8 jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the settlement
9 embodied in this Settlement Agreement and all orders and judgments entered in connection therewith.
10 Any adjudicated dispute regarding the interpretation or validity of or otherwise arising out of this
11 Settlement Agreement, or relating to the Action or the Released Claims, shall be subject to the
12 exclusive jurisdiction of the California state courts in and for the County of Orange, and Plaintiff,
13 Class Members, and Defendant agree to submit to the personal and exclusive jurisdiction and venue of
14 these courts.

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18 Dated: March ____, 2022

PETRONELLI LAW GROUP, PC

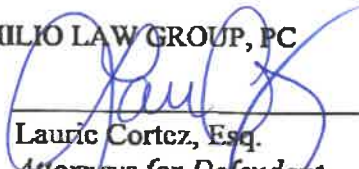
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21 CHRISTIAN J. PETRONELLI, ESQ.
22 *Attorney for Plaintiff MARCO ANTONIO*
23 *SANCHEZ ROSALES, and all others similarly*
24 *situated*

25 Dated : March ____, 2022

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27 Marco Antonio Sanchez Rosales
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Dated: March 31, 2022

EMILIO LAW GROUP, PC


Laurie Cortez, Esq.
Attorneys for Defendant
LOS ANGELES ATLANTIC EXPRESS CORP.

Dated: March 28, 2022

**LOS ANGELES ATLANTIC EXPRESS
CORPORATION**



Branch Monagan
TITLE, Owner/CEO