

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

This Class Action and Private Attorneys General Act (“PAGA”) Settlement Agreement and Release of Claims of the case entitled *Enriquez v. ShipBob, Inc.*, Riverside Superior Court Case No. CVRI2101452, is entered into by and between Plaintiff Sergio Enriquez (“Plaintiff” or “Class Representative”), individually, on behalf of all others similarly situated, and as the PAGA representative of the State of California, and Defendant ShipBob, Inc., subject to the terms and conditions herein and the Court’s approval.

A. Definitions

1. “Action” or “Lawsuit” means and refers to the case entitled *Enriquez v. ShipBob, Inc.*, Case No. CVRI2101452, filed in Riverside Superior Court.

2. “Agreement,” “Settlement Agreement,” “Settlement,” or “Stipulation” shall mean this Class Action and PAGA Settlement Agreement and Release of Claims, including any attached Exhibits.

3. “Class Claims” or “Released Class Claims” will include all claims that were asserted or that could have been asserted based on the facts alleged in Plaintiff’s original Complaint and Amended Complaint, whether known or unknown, including without limitation all known and unknown claims arising out of any alleged failure to pay all minimum, regular, and overtime wages, failure to provide meal periods or premium payments in lieu thereof, failure to provide rest periods or premium payments in lieu thereof, failure to provide accurate itemized wage statements (based on both direct and derivative theories of liability), failure to timely pay all wages due at separation, violation of California Business & Professions Code, sections 17200 *et seq.*, and any and all related penalties.

4. “Class Counsel” refers to Mehrdad Bokhour of Bokhour Law Group, P.C. and Joshua Falakassa of Falakassa Law, P.C.

5. “Class Data” means a complete list that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator on one Confidential spreadsheet and shall include the Settlement Class Members’ full names; last known addresses;

1 Social Security Numbers; and dates of employment during the Class Period and PAGA Period
2 and/or number of Pay Periods Worked as non-exempt or hourly employees of Defendant during
3 the Class Period and the PAGA Period for each Settlement Class Member.

4 6. “Class Member” refers to individual members of the Class.

5 7. “Class” and “Class Members” refers to all persons who are or were previously
6 employed by Defendant in California and classified as a non-exempt employee during the Class
7 Period.

8 8. “Class Period” shall mean March 17, 2017 through July 29, 2022.

9 9. “Class Representative” or “Plaintiff” means and refers to Sergio Enriquez.

10 10. “Complaint” refers to Plaintiff’s original Complaint and the operative First
11 Amended Complaint filed in the Riverside County Superior Court action entitled *Enriquez v.*
12 *ShipBob, Inc.*, Case No. CVT12101452.

13 11. “Court” means the California Superior Court, County of Riverside.

14 12. “Defendant” means and refers to ShipBob, Inc.

15 13. “Defendant’s Counsel” or “Defense Counsel” mean and refer to Joshua Levine
16 and Jocelyn Hannah of Littler Mendelson, P.C.

17 14. “Effective Date” means the date when the Settlement becomes “Effective” which
18 will be 60 days after the notice of an order granting final approval of the Settlement is served,
19 provided there have been no appeals filed within that time. If an appeal is filed on or before the
20 65th day after final approval, the Effective Date shall be the date that the Settlement and any
21 ensuing order or judgment can no longer be appealed or challenged, and the Settlement has
22 become final and binding. Defendant ShipBob, Inc. shall fund the Settlement within 15 calendar
23 days after the Effective Date. Payments to Class Counsel, Plaintiff Enriquez, the Settlement
24 Administrator, and Participating Class Members under the Settlement will occur within 10
25 calendar days after the Settlement is funded. The Effective Date will not occur, and Defendant
26 will not be obligated to fund this Settlement, until and unless there is no possibility of an appeal,
27 writ, or further appeal that could potentially prevent this Settlement Agreement from becoming
28 final and binding.

1 15. “Final” means that the Settlement has been granted “Final Approval” by the Court
2 and the “Effective Date” has occurred.

3 16. “Final Approval” or “Final Approval Order” refers to the order of the Court
4 granting final approval of this Settlement Agreement and entering a judgment approving this
5 Settlement on substantially the same terms provided herein and in the Proposed Final Approval
6 Order attached to this Settlement as Exhibit “C,” as may be modified by subsequent agreement
7 of the Parties or order of the Court.

8 17. “Final Settlement Class” means, collectively, all Participating Class Members and
9 all PAGA Employees.

10 18. “Gross Settlement Amount” is the maximum amount that will be paid by
11 Defendant as a result of this Settlement, which is Nine Hundred and Twenty-Five Thousand
12 Dollars and Zero Cents (\$925,000.00), which includes the Individual Settlement Amounts,
13 attorneys’ fees of Class Counsel, costs and expenses, the Service Award to Plaintiff, all Settlement
14 Administration Costs, employee-side tax withholdings for the wage component of the Individual
15 Settlement Amounts, and the PAGA Award, including all payments to PAGA Employees and the
16 Labor Workforce Development Agency (LWDA). With the sole exception of employer-side
17 taxes due on individual settlement payments to Participating Class Members (which Defendant
18 will pay in addition to the Gross Settlement Amount), the Gross Settlement Amount is the
19 maximum amount that Defendant will pay for any reason in connection with this Settlement.

20 19. “Individual Settlement Amount” or “Individual Settlement Payment” means the
21 amount payable from the Net Settlement Amount (defined below) that the Settlement
22 Administrator will pay to each Participating Class Member and/or PAGA Employee, as calculated
23 pursuant to Paragraph 54(d) below.

24 20. “Net Settlement Amount” or “Net Distribution Fund” is the Gross Settlement
25 Amount minus the amounts allotted to: (1) Class Counsel’s fees (up to \$308,333.33), (2) Class
26 Counsel’s litigation costs (up to \$15,000.00); (3) the Service Award for Plaintiff (up to
27 \$12,000.00), (5) the 75% of the PAGA Award to be paid to the LWDA (\$18,750.00); (6) the 25%
28 of the PAGA Award to be paid to PAGA Employees (\$6,250); and (7) Settlement Administration

Costs (up to \$12,000.00).

21. “Notice” means the Notice of Class Action and PAGA Settlement that will be sent to the Class Members consistent with the terms of this Settlement and substantially the same as the Proposed Notice attached to this Settlement as Exhibit “A” (or as may be modified by subsequent agreement of the Parties or order of the Court).

22. “Notice Response Deadline” is 45 calendar days from the date the Notice is mailed to the Class Members.

23. “Objecting Class Member” means a Class Member, other than Plaintiff, who submits a valid and timely objection to the terms of this Agreement with respect to the Class Claims pursuant to Paragraph 76(c) below.

24. “PAGA” shall refer to the California Private Attorneys General Act, California Labor Code 2698 et seq.

25. “PAGA Award” is the \$25,000 of the Gross Settlement Amount that is allocated to PAGA penalties in this Settlement, 75% of which (\$18,750.00) will be remitted to the LWDA and 25% of which (\$6,250.00) will go into a PAGA Distribution Fund and be distributed on a prorated basis to all PAGA Employees based on their number of pay periods worked during the PAGA Period as specified below

26. “PAGA Claims” or “Released PAGA Claims” shall include any and all claims for civil penalties pursuant to PAGA that were alleged or that could have been alleged based on the facts and underlying California Labor Code violations alleged in Plaintiff’s Complaint, Amended Complaint, or Plaintiff’s March 16, 2021 Labor and Workforce Development (“LWDA”) notice letter, including for underlying claims based on alleged failure to pay all minimum, regular, and/or overtime wages, failure to provide meal periods or premium payments in lieu thereof, failure to provide rest periods or premium payments in lieu thereof, failure to provide accurate itemized wage statements (based on both direct and derivative theories of liability), failure to timely pay all wages due at separation, and violation of California Business & Professions Code, sections 17200 *et seq.* Plaintiff, the PAGA Employees, and the State of California (acting through Plaintiff as its authorized PAGA representative) release the Released Parties from the PAGA claims.

1 27. “PAGA Distribution Fund” is the 25% of the PAGA Award (i.e., \$6,250) allocated
2 for distribution on a prorated basis to all PAGA Employees based on their number of pay periods
3 worked during the PAGA Period as specified below.

4 28. “PAGA Employees” include all persons who are or were previously employed by
5 Defendant in California and classified as a non-exempt or hourly employee at any time from
6 March 16, 2020 through July 29, 2022 (*i.e.*, the “PAGA Period”).

7 29. “PAGA Notice” or “LWDA notice letter” shall refer to the notice sent by Plaintiff,
8 by and through counsel, on or about March 16, 2021, to the LWDA and to Defendant, alleging
9 that Defendant engaged in violations of the California Labor Code and California Wage Order(s).

10 30. “PAGA Period” shall mean March 16, 2020 through July 29, 2022.

11 31. “Participating Class Member” means all Class Members who are deemed to
12 participate and receive an Individual Settlement Amount for the Class Claims and who do not
13 opt-out of the settlement of the Class Claims by submitting timely and valid Requests for
14 Exclusion.

15 32. “Parties” or “Settling Parties” mean Plaintiff, the Participating Class Members, the
16 PAGA Employees, and Defendant, collectively.

17 33. “Pay Periods Worked” for each Class Member and PAGA Employee means the
18 number of pay periods during the Class Period and/or the PAGA Period, as applicable, in which
19 the Class Member and/or PAGA Employee was employed by Defendant as a non-exempt
20 employee in California and worked at least one shift during the pay period for Defendant. Pay
21 Periods Worked will be calculated based on Defendant’s business records.

22 34. “Preliminary Approval Date” means the date the Court preliminarily approves the
23 Settlement Agreement, and the exhibits thereto, and enters the Preliminary Approval Order.

24 35. “Preliminary Approval Order” means the judicial Order to be entered by the Court,
25 upon the application or motion of the Plaintiff, preliminarily approving this Settlement on
26 substantially the same terms provided herein and in the Proposed Preliminary Approval Order
27 attached to this Settlement as Exhibit “B” (or as may be modified by subsequent agreement of the
28 Parties or order of the Court) and providing for the issuance of the Notice of Class Action and

1 PAGA Settlement, an opportunity to opt out of settlement of the Class Claims, an opportunity to
2 submit timely objections to the terms of this Settlement related to the Class Claims, and setting a
3 final approval hearing to address the fairness of the terms of Settlement, including approval of
4 Class Counsel's fees and costs.

5 36. "QSF" means the Qualified Settlement Fund set up by the Settlement
6 Administrator for the benefit of the Final Settlement Class, and from which the settlement
7 payments shall be made.

8 37. "Release" shall mean the release and discharge of the Class Claims by Plaintiff
9 and all of the Participating Class Members and the release and discharge of the PAGA Claims by
10 Plaintiff and all of the PAGA Employees.

11 38. "Released Parties" shall refer to Defendant ShipBob, Inc., together with its current
12 and former officers, employees, directors, agents, successors, and assignees.

13 39. "Response Deadline" shall refer to the date by which Settlement Class Members
14 must opt-out of or object to the settlement.

15 40. "Request for Exclusion" means a timely written request by a Class Member to
16 exclude herself/himself from the Settlement, which must be completed and mailed in the manner
17 set forth in this Settlement Agreement and the Notice of Settlement as further detailed in
18 Paragraph 76(a) below.

19 41. "Service Payment" or "Service Award" means the amount approved by the Court
20 to be paid to Class Representative (*i.e.*, Plaintiff) in addition to his Individual Settlement Amount
21 as a Participating Class Member in an amount up to \$12,000. The Service Payment is subject to
22 approval from the Court and will be paid from the Gross Settlement Amount. Any Service Award
23 not awarded by the Court will be added to the Net Distribution Fund and distributed to Class
24 Members who do not opt out of this Settlement.

25 42. "Settlement Administration Costs" means the costs payable from the Settlement
26 Amount to the Settlement Administrator for administering this Settlement, including, but not
27 limited to, printing, distributing, and tracking documents for this Settlement, tax reporting, due
28 diligence, reporting and remittance obligations, distributing the Settlement Amount, and

1 providing necessary reports and declarations, as requested by the Parties. The Settlement
2 Administration Costs shall be paid from the Settlement Amount.

3 43. "Settlement Administrator" means and refers to Phoenix Settlement
4 Administrators, that will provide the Notice to the Class Members and distribute the settlement
5 amounts as described in this Agreement.

6 44. "Class Member" refers to individual members of the Settlement Class.

7 45. "Class" and "Class Members" refers to all persons who are or were previously
8 employed by Defendant in California and classified as a non-exempt employee during the Class
9 Period.

10 **B. General Terms**

11 46. On or about March 17, 2021, Plaintiff filed a class action complaint in this Court
12 against Defendant, including allegations of: (1) unpaid wages and failure to pay minimum wages,
13 (2) failure to pay overtime wages, (3) meal period violations, (4) rest period violations, (5) waiting
14 time penalties, (6) wage statement violations, and (7) unfair competition. On or about June 10,
15 2021, Plaintiff filed a First Amended Complaint to add a cause of action for PAGA penalties
16 based on the foregoing Labor Code violations. Prior to filing his lawsuit, Plaintiff submitted a
17 notice letter to the LWDA on March 16, 2021 to exhaust administrative remedies for bringing his
18 PAGA claim.

19 47. Defendant denies all of Plaintiff's claims and allegations and contends that the
20 Action is not suitable for class certification and/or representative treatment outside of the context
21 of this Settlement.

22 48. Class Representative believes he can proceed with his class and representative
23 claims, that the Action is meritorious, and that class certification is appropriate.

24 49. The Parties have conducted a thorough investigation into the facts of the Action.
25 This includes conducting extensive exchange of informal discovery, including the relevant
26 written policies at issue, the production of a 15% random sample of payroll and timekeeping
27 records for Class Members and PAGA Employees, a complete class list, and relevant data,
28 including the average hourly pay rate and pay period information for Class Members and PAGA

1 Employees. Defendant's productions included 4,920 pages of documents and data. Class Counsel
2 is both knowledgeable about and has done extensive research with respect to the applicable law
3 and potential defenses to the claims of the Class Members and PAGA Employees. Class Counsel
4 has diligently pursued an investigation of the Class Members' claims against Defendant. Based
5 on the foregoing data and on their own independent investigation and evaluation, Class Counsel
6 is of the opinion that the settlement with Defendant for the consideration and on the terms set
7 forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of
8 the Class Members and PAGA Employees in light of all known facts and circumstances, including
9 the risk of significant delay and uncertainty associated with litigation, various defenses asserted
10 by Defendant, and numerous potential appellate issues.

11 50. Although Defendant disputes all of Plaintiff's claims and any wrongdoing, it
12 recognizes that further litigation of this Action would be costly, time-consuming, and
13 burdensome. As such, Defendant has agreed to this Settlement to put this matter to rest and agrees
14 that the Settlement represents a good faith compromise of the claims, which is fair, adequate, and
15 reasonable.

16 51. On June 27, 2022, the Parties participated in mediation before Marc Feder, Esq.,
17 a highly experienced class action mediator. After a full-day mediation and the issuance of a
18 mediator's proposal, the Parties reached a settlement and signed a Memorandum of
19 Understanding with the key terms, which are further described in this Settlement Agreement.

20 52. No Admission of Liability. The Parties enter into this Agreement to resolve the
21 dispute that has arisen between them and to avoid the burden, expense, and risk of continued
22 litigation. In entering into this Agreement, Defendant does not admit, and specifically denies,
23 that it has: violated any federal, state, or local law; violated any regulations or guidelines
24 promulgated pursuant to any statute or any other applicable laws, regulations, or legal
25 requirements; breached any contract; violated or breached any duty; engaged in any
26 misrepresentation or deception; or engaged in any other unlawful conduct with respect to its
27 employees or any other person or entity. Neither this Agreement, nor any of its terms or
28 provisions, nor any of the negotiations connected with it, or proceedings, payouts or other events

1 associated with it, shall be construed as an admission or concession by Defendant of any such
2 violation(s) or failure(s) to comply with any applicable law by Defendant or any Released Parties.
3 Except as necessary in a proceeding to approve, interpret, or enforce the terms of this Agreement,
4 this Agreement and its terms and provisions shall not be offered or received as evidence in any
5 action or proceeding to establish any liability or admission on the part of the Released Parties or
6 to establish the existence of any condition constituting a violation of, or noncompliance with,
7 federal, state, local, or other applicable law.

8 53. Stipulation for Class Certification and Representative Treatment for Settlement
9 Purposes. For settlement purposes only, Defendant will stipulate that the Class Members
10 described herein who do not submit a Request for Exclusion from the Class may be conditionally
11 certified as a settlement class and that the PAGA Employees are appropriate for representative
12 treatment for purposes of settlement. This stipulation to certification and representative treatment
13 for settlement purposes is in no way an admission that class action certification and/or
14 representative treatment is proper in a non-settlement context and shall not be admissible in this
15 or in any other action except for the sole purpose of enforcing this Agreement. Should, for
16 whatever reason, the Court not grant Final Approval consistent with the terms of this Settlement
17 or if the Settlement does not become Effective, the Parties' stipulation to class certification and
18 representative treatment as part of the Settlement shall become null and void *ab initio* and shall
19 have no bearing on and shall not be admissible in connection with the issue of whether or not
20 class certification and/or representative treatment would be appropriate in a non-settlement
21 context. Defendant expressly reserves its right to and declare that it will continue to oppose class
22 certification, representative treatment, and the substantive merits of the case should the Court not
23 grant Final Approval. Plaintiff expressly reserves his rights and declares that he will continue to
24 pursue class certification and representative treatment and a trial should the Court not grant Final
25 Approval.

26 **C. Terms of Settlement**

27 54. The financial terms of the Settlement are as follows:

28 (a) Gross Settlement Amount: The Parties agree to settle this Action for the total

1 maximum amount of Nine Hundred Twenty-Five Thousand Dollars (\$925,000) (“the Settlement
2 Amount” or “Gross Settlement Amount”). With the sole exception of employer-side taxes due
3 on settlement payments to Class Members, the Gross Settlement Amount is the maximum amount
4 that Defendant will pay for any reason in connection with this Settlement. The Gross Settlement
5 Amount will be used to pay: (1) Individual Settlement Payments to Participating Class Members;
6 (2) the PAGA Award, with 75% of the PAGA Award going to the LWDA and 25% being
7 distributed on a prorated basis based on pay periods worked to PAGA Employees as further
8 described below; (3) Plaintiff’s Counsel’s attorneys’ fees; (4) Plaintiff’s costs; (5) Settlement
9 Administration Costs; (6) the Service Award to Plaintiff Enriquez (as specified in the Service
10 Award paragraphs below); and (7) employee-side taxes for the wage component of Individual
11 Settlement Payments to Class Members.

12 (b) The Settlement is based on Defendant’s representation that there are
13 approximately 584 individuals who worked approximately 22,895 workweeks from March 17,
14 2017 through April 14, 2022. (Defendant paid Class Members on a weekly basis so the number
15 of pay periods are the same as the workweeks).

16 (c) Net Settlement Amount: The “Net Settlement Amount” or “Net Distribution
17 Fund” is the Gross Settlement Amount minus the amounts allotted to: (1) Class Counsel’s fees
18 (up to \$308,333.33), (2) Class Counsel’s litigation costs (up to \$15,000.00); (3) the Service Award
19 for Plaintiff (up to \$12,000.00), (4) the 75% of the PAGA Award to be paid to the LWDA
20 (\$18,750.00); (5) the 25% of the PAGA Award to be paid to PAGA Employees (\$6,250) and (6)
21 Settlement Administration Costs (up to \$12,000.00). In the event that the Court reduces the
22 attorneys’ fees and litigation costs or Service Award or either increases or decreases the amount
23 allocated to the PAGA Award or Settlement Administration Costs, the Net Settlement Amount
24 shall be increased or decreased accordingly. In the event that the Court approves amounts for
25 attorneys’ fees and costs, the Service Award, the PAGA Award or Settlement Administration
26 Costs that are different than the amounts requested, the maximum Gross Settlement Amount that
27 Defendant must pay in accordance with the terms of this Settlement will remain the same as this
28 is a non-reversionary settlement.

(d) Individual Settlement Amounts for the Settlement Class and PAGA Employees:
The Settlement Administrator will use the Class Data provided by Defendant to calculate each Participating Class Member's and PAGA Employee's Individual Settlement Amounts. As noted above, the Net Distribution Fund is the Gross Settlement Amount *minus* the amounts allotted to: (1) Plaintiff's counsel's fees (up to \$308,333.33), (2) Plaintiff's counsel's litigation costs (up to \$15,000.00); (3) the Service Award for Plaintiff (up to \$12,000.00), (4) the 75% of the PAGA Award to be paid to the LWDA (\$18,750.00); (5) the 25% of the PAGA Award to be paid to PAGA Employees (\$6,250); and (6) Settlement Administration Costs (up to \$12,000.00). Individual Settlement Payments will be distributed to Participating Class Members and/or PAGA Employees based on the following formulas:

a. Payments to Participating Class Members: The Settlement Administrator will calculate the total number of pay periods that all Class Members who do not opt out (*i.e.*, "Participating Class Members") worked during the Class Period ("Total Class Pay Periods"). The value of each pay period shall be determined by the Settlement Administrator by dividing the Net Distribution Fund by the total number of Pay Periods Worked by Participating Class Members during the Class Period ("Class Pay Period Value"). To determine each Participating Class Member's settlement payment, the Settlement Administrator will multiply the individual's Total Class Pay Periods Worked by the Class Pay Period Value (if the Class Member is a Participating Class Member). These payments will be subject to any legally-required tax withholdings or deductions as calculated by the Settlement Administrator.

b. PAGA Employee Calculations: For PAGA Employees, the Settlement Administrator will calculate the total number of pay periods that each PAGA Employee worked during the PAGA Period ("Total PAGA Pay Periods"). The value of each PAGA Pay Period shall be determined by the Settlement Administrator by dividing the 25% of the PAGA Award allocated for PAGA

Employees (*i.e.*, \$6,250) by the Total PAGA Pay Periods for all PAGA Employees (“PAGA Pay Period Value”). To determine each PAGA Employee’s payment for their prorated portion of the PAGA Distribution Fund (*i.e.*, \$6,250), the Settlement Administrator will multiply the PAGA Employee’s Total PAGA Pay Periods by the PAGA Pay Period value. A Class Member who is also a PAGA Employee will receive a payment under this section for their prorated portion of the PAGA Award even if they opt-out of the Class settlement and will be bound by the release of the PAGA claims released through this Settlement.

(e) Allocation of Individual Settlement Amounts: The Individual Settlement Amounts to Participating Class Members will be allocated for tax purposes based on the allegations in the Action as follows: one-third (33.33%) will be allocated to allegedly unpaid wages subject to withholding of all applicable local, state, and federal taxes; and two-thirds (66.67%) will be allocated to interest and alleged civil penalties (pursuant to, e.g., California Labor Code sections 203, 226) from which no taxes will be withheld. The Settlement Administrator will issue to each Participating Class Member an Internal Revenue Service Form W-2 and comparable state forms with respect to the wage allocation and a Form 1099 with respect to the civil penalties and interest allocations.

(f) Service Payment to Class Representative: The amount awarded to Class Representative as a Service Payment will be set by the Court in its discretion, not to exceed \$12,000. Defendant agrees not to oppose this request. The Service Payment to Class Representative will be paid out of the Gross Settlement Amount. Class Representative will be issued IRS Form 1099 in connection with this payment. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on this payment. The Parties agree that any amount awarded by the Court as the Service Payment to Plaintiff less than the requested amount shall not be a basis for Plaintiff or Class Counsel to void this Stipulation. Should the Court approve a lesser amount for the Service Payment, the difference shall be added to the Net Settlement Amount to be distributed to the Participating Class Members. In the event of any appeal of the amount of the service award (if any) approved by the Court, if, after the exhaustion of any such appellate review,

1 additional amounts not awarded to Class Representative shall be added to the Net Settlement
2 Amount to be distributed to the Participating Class Members.

3 (g) Attorneys' Fees and Costs: Defendant agrees not to oppose a request by Class
4 Counsel to the Court for an award of attorneys' fees of one-third (33.33%) of the Gross Settlement
5 Amount (*i.e.*, up to \$308,333.33), plus reasonable litigation costs not to exceed \$15,000
6 ("Attorneys' Fees and Cost Award"). The Attorneys' Fees and Cost Award shall be paid from
7 the Gross Settlement Amount, and except for this award, Defendant shall have no further
8 obligation to pay any attorneys' fees, costs, expenses, or other amounts to Class Counsel or any
9 other attorneys with respect to this Settlement. Should the Court approve a lesser amount than
10 what is sought by Class Counsel, the difference shall be added to the Net Settlement Amount to
11 be distributed to the Participating Class Members. Any Court order awarding less than the amount
12 sought by Class Counsel shall not be grounds to rescind the Settlement Agreement or otherwise
13 void the Settlement. In the event of any appeal of the amount of the awards of attorneys' fees and
14 costs (if any) approved by the Court, final funding and administration of the portion of the
15 attorneys' fees and/or costs award in dispute will be segregated and stayed pending the exhaustion
16 of appellate review. If, after the exhaustion of any such appellate review, additional amounts not
17 awarded as attorneys' fees and costs shall be added to the Net Settlement Amount to be distributed
18 to the Participating Class Members and/or PAGA Employees. The Settlement Administrator shall
19 issue to Class Counsel an IRS Form 1099 reflecting the amount of attorneys' fees and costs
20 awarded by the Court. Class Counsel agrees that any allocation of fees between or among Class
21 Counsel and any other attorney representing or claiming to represent the Class Members shall be
22 the sole responsibility of Class Counsel.

23 (h) Settlement Administration Costs: The fees and other charges of the Settlement
24 Administrator will be paid from the Gross Settlement Amount, not to exceed \$12,000 subject to
25 Court approval, unless approved by all Parties and the Court. The Settlement Administration
26 Costs shall be paid entirely from the Gross Settlement Amount. Any Settlement Administration
27 Costs not incurred by the Settlement Administrator or awarded by the Court will be added to the
28 Net Distribution Fund and will be distributed to Participating Class Members.

1 (i) PAGA Penalties: The Parties agree that \$25,000 is allocated to alleged PAGA
2 Penalties and is to be paid from the Gross Settlement Amount, subject to Court approval. Of this
3 amount, \$18,750 (75%) shall be paid to the LWDA in satisfaction of Plaintiff's claims for civil
4 penalties under the PAGA and \$6,250 (25%) will be included in the Individual Settlement
5 Amounts, payable to the PAGA Employees as set forth in Paragraph 54(d)(b).

6 (j) Tax Liability: Class Counsel, Defendant, and Defendant's Counsel make no
7 representations as to the tax treatment or legal effect of Individual Settlement Amounts called for
8 hereunder, and Plaintiff and the Class Members and PAGA Employees are not relying on any
9 statement or representation by Class Counsel, Defendant, or Defendant's Counsel in this regard.
10 Plaintiff and Participating Class Members will be solely responsible for the payment of any taxes
11 and penalties assessed on their respective Individual Settlement Amounts described herein.
12 Income tax withholding will also be made pursuant to applicable federal, state, and/or local
13 withholding codes or regulations as determined by the Settlement Administrator. Forms W-2
14 and/or Forms 1099 will be distributed at times and in the manner required by the Internal Revenue
15 Code of 1986 (the "Code") and consistent with this Agreement. If the Code, the regulations
16 promulgated thereunder, or other applicable tax law, are changed after the date of this Agreement,
17 the processes set forth in this Section may be modified in a manner to bring Defendant into
18 compliance with any such changes.

19 (k) CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS AGREEMENT (FOR
20 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY
21 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER
22 PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
23 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR
24 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS
25 INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE
26 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN
27 THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31
28 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED

1 EXCLUSIVELY UPON HIS, HER, THEIR, OR ITS OWN, INDEPENDENT LEGAL AND
2 TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH
3 THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON
4 THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR
5 TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
6 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY
7 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
8 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
9 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
10 OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF
11 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
12 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
13 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
14 AGREEMENT.

15 55. "Non-Reversionary" Settlement. This is a "non-reversionary" settlement. No
16 portion of the Gross Settlement Amount will revert to Defendant once the Settlement is funded
17 provided that Final Approval is granted and the Settlement becomes final and Effective in
18 accordance with the terms of this Settlement. Participating Class Members will not have to make
19 a claim to receive an Individual Settlement Amount. Distributions, in the form of Individual
20 Settlement Amounts, will be made directly to each Participating Class Member. The Settlement
21 Administrator shall be responsible for accurately and timely reporting any remittance obligations
22 with respect to unclaimed funds as a result of a Plaintiff, Participating Class Members, or PAGA
23 Employees not cashing an Individual Settlement Amount by the check cashing deadline, as set
24 forth herein.

25 56. Class Counsel and Plaintiff believe that the Settlement is fair and reasonable, and
26 adequate, and will so represent same to the Court.

27 **D. Release by Participating Class Members and PAGA Employees**

28 57. Upon the Effective Date of this Settlement, Plaintiff and each Participating Class

1 Member, for themselves and for their respective spouses, domestic partners, marital community,
2 children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors,
3 administrators, trustees, conservators, guardians, assigns, and representatives, will forever
4 completely release and discharge the Released Parties from the Released Class Claims for the
5 time period from March 17, 2017 (*i.e.*, the beginning of the Class Period) through the Response
6 Deadline (*i.e.*, the deadline for Class Members to object or opt out of the Settlement). The
7 Released Class Claims include all claims that were asserted or that could have been asserted based
8 on the facts alleged in Plaintiff's original Complaint and Amended Complaint, whether known or
9 unknown, including without limitation all known and unknown claims arising out of any alleged
10 failure to pay all minimum, regular, and overtime wages, failure to provide meal periods or
11 premium payments in lieu thereof, failure to provide rest periods or premium payments in lieu
12 thereof, failure to provide accurate itemized wage statements (based on both direct and derivative
13 theories of liability), failure to timely pay all wages due at separation, violation of California
14 Business & Professions Code, sections 17200 *et seq.*, and any and all related penalties.

15 58. Each Participating Class Member will be deemed to have made the foregoing
16 Release as if by manually signing it.

17 59. Upon the Effective Date of this Settlement, Plaintiff, the LWDA and State of
18 California (acting through Plaintiff as its deputized representative), and each PAGA Employee,
19 for themselves and for their respective spouses, domestic partners, marital community, children,
20 estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors,
21 administrators, trustees, conservators, guardians, assigns, and representatives, will forever
22 completely release and discharge the Released Parties from the Released PAGA Claims for the
23 time period from March 16, 2020 through the Response Deadline. The Released PAGA Claims
24 include any and all claims for civil penalties pursuant to PAGA that were alleged or that could
25 have been alleged based on the facts and underlying California Labor Code violations alleged in
26 Plaintiff's Complaint, Amended Complaint, or Plaintiff's March 16, 2021 LWDA notice letter,
27 including for underlying claims based on alleged failure to pay all minimum, regular, and/or
28 overtime wages, failure to provide meal periods or premium payments in lieu thereof, failure to

1 provide rest periods or premium payments in lieu thereof, failure to provide accurate itemized
2 wage statements (based on both direct and derivative theories of liability), failure to timely pay
3 all wages due at separation, and violation of California Business & Professions Code, sections
4 17200 *et seq.*

5 60. Each PAGA Employee and the LWDA will be deemed to have made the foregoing
6 Release as if by manually signing it.

7 61. Plaintiff and Defendant intend that the Settlement described in this Agreement will
8 release and preclude any further claim, whether by lawsuit, administrative claim or action,
9 arbitration, demand, or other action of any kind, by each and all of the Participating Class
10 Members to obtain a recovery based on, arising out of, and/or related to any and all of the Released
11 Class Claims. The Class Members shall be so notified in the Notice. This paragraph is a statement
12 of the Parties' intent in agreeing to this Settlement that it will be given *res judicata* effect with
13 respect to the Released Class Claims.

14 62. Plaintiff and Defendant intend that the Settlement described in this Agreement will
15 release and preclude any further claim, whether by lawsuit, administrative claim or action,
16 arbitration, demand, or other action of any kind, by each and all of the PAGA Employees and the
17 LWDA to obtain a recovery based on, arising out of, and/or related to any and all of the Released
18 PAGA Claims. The PAGA Employees and the LWDA shall be so notified in the Notice and via
19 the submission of a copy of this Settlement, which Class Counsel will provide to the LWDA
20 concurrently with the filing of Plaintiff's motion requesting preliminary approval of this
21 Settlement. This paragraph is a statement of the Parties' intent in agreeing to this Settlement that
22 it will be given *res judicata* effect with respect to the Released PAGA Claims.

23 63. Class Representative, on behalf of himself and the Participating Class Members,
24 acknowledges and agrees that the claims for unpaid wages and all other amounts sought through
25 this Action are disputed, and that the payments set forth herein constitute payment of all sums
26 allegedly due to them. Class Representative, on behalf of himself and the Participating Class
27 Members, acknowledges and agrees that California Labor Code Section 206.5 is not applicable
28 to the Parties hereto. Section 206.5 provides in pertinent part as follows: "An employer shall not

1 require the execution of any release of any claim or right on account of wages due, or to become
2 due, or made as an advance on wages to be earned, unless payment of those wages has been
3 made.”

4 **E. General Release by Plaintiff**

5 64. As a material inducement to Defendant to enter into this Settlement Agreement, in
6 addition to Plaintiff’s release of the Released Class Claims and Released PAGA Claims, as
7 discussed above, Plaintiff Sergio Enriquez does hereby, for himself and for his respective spouses,
8 domestic partners, marital community, children, estates, trusts, attorneys, heirs, successors,
9 beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians,
10 assigns, and representatives, forever completely release and discharge the Released Parties from
11 any and all charges, complaints, claims, liabilities, obligations, promises, agreements, contracts,
12 controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and
13 expenses (including for alleged back wages, statutory penalties, civil penalties, liquidated
14 damages, exemplary damages, interest, attorneys’ fees, and costs) of any nature whatsoever, from
15 the beginning of time through the execution of this Settlement, whether known or unknown,
16 suspected or unsuspected, concealed or hidden, including but not limited to all claims arising out
17 of, based upon, or relating to Plaintiff’s employment with Defendant or the remuneration for or
18 termination of such employment (collectively, the “Class Representative’s Claims”).

19 65. Without limiting the generality of the foregoing, Plaintiff expressly releases all
20 claims or rights against Released Parties for any and all charges, complaints, claims, causes of
21 action, debts, sums of money, controversies, agreements, promises, damages and liabilities of any
22 kind or nature whatsoever, both at law and equity, known or unknown, suspected or unsuspected,
23 arising from conduct including without limitation all actions, claims and grievances, whether
24 actual or potential, known or unknown, related, incidental to or arising out of any act or omission
25 committed or omitted by Defendant or the Released Parties including, but not limited to, a release
26 of all claims under (a) the California Civil Code, (b) the California Fair Employment and Housing
27 Act, (c) Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et. seq., (d) the
28 Employment Act of 1967, (e) the Civil Rights Act of 1991, (f) the Civil Rights Act of 1866 and

1 1870, (g) 42 U.S.C. § 1981, as amended, (h) Executive Order 11246, (i) the Americans with
2 Disabilities Act 42 U.S.C. § 12101, et. seq., as amended, (j) the Family and Medical Leave Act,
3 as amended, (k) the Equal Pay Act of 1963, as amended, (l) the Immigration and Reform Control
4 Act, as amended, (m) any other state, federal, and local law, regulation and ordinance dealing
5 with discrimination in employment, disability, wrongful discharge, and retaliation for exercising
6 any right or participating or engaging in any activity, (n) the Occupational Safety and Health Act,
7 as amended, (o) the Sarbanes-Oxley Act of 2002, as amended, (p) the Employment Retirement
8 Income Security Act of 1974, as amended (except vested benefits), (q) the Worker Adjustment
9 and Benefit Protection Act of 1990, as amended, (r) the Worker Adjustment and Retraining
10 Notification Act, as amended, (s) any federal, state or common law claim or cause of action for
11 breach of contract, wrongful discharge, constructive discharge, retaliation, defamation, slander,
12 libel, intentional or negligent infliction of emotional distress, misrepresentation, fraud,
13 promissory estoppel, any other tort or negligence claim, or obligations arising out of any of
14 Defendant's employment policies or practices, employee handbooks, and/or any statements by
15 any employee or agent of Defendant whether oral or written, and (t) any federal, state or common
16 law claim or cause of action for reinstatement, back pay, bonus, attorneys' fees, compensatory
17 damages, costs, front pay, any form of equitable or declaratory relief, liquidated damages,
18 emotional distress, personal injury, punitive damages, pain and suffering, medical expenses,
19 damage to reputation, damage for personal, emotional or economic injury or damage of any kind.
20 This provision is intended by the Parties to be all-encompassing and to act as a full and total
21 release of any claims, whether specifically enumerated herein or not, that Plaintiff might have or
22 have had, that exists or ever has existed, on or prior to the Response Deadline.

23 66. Plaintiff expressly waives and relinquishes all rights and benefits afforded by
24 Section 1542 of the Civil Code of the State of California and does so understanding and
25 acknowledging the significance of the waiver of Section 1542. Section 1542 of the Civil Code of
26 the State of California states:

27 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
28 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE

1 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE
2 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
3 DEBTOR OR RELEASED PARTY.

4 Notwithstanding the provisions of Section 1542, and for the purpose of implementing a
5 full and complete release and discharge of all parties, Plaintiff, and Class Counsel, expressly
6 acknowledge that this Settlement Agreement is intended to include in its effect, without
7 limitation, all claims that Plaintiff knew of, as well as all claims that he did not know or suspect
8 to exist in his favor against the Released Parties, or any of them, for the time period from the
9 beginning of time to the execution of this Settlement Agreement, and that this Settlement
10 Agreement contemplates the extinguishment of any such Plaintiff's claims to the maximum extent
11 permitted by law.

12 **F. Interim Stay of Proceedings**

13 67. Pending completion of all of the prerequisites necessary to effectuate this
14 Settlement, the Parties agree, subject to Court approval, to a stay of all proceedings in the Action
15 except such as are necessary to effectuate the Settlement.

16 **G. Notice Process**

17 68. Appointment of Settlement Administrator. The Parties have agreed to the
18 appointment of the Settlement Administrator to perform the duties of a settlement administrator,
19 including mailing the Notice, using standard methods to obtain forwarding addresses, addressing
20 questions from Class Members and PAGA Employees, independently reviewing and verifying
21 documentation associated with any objections or opt-out requests, as needed, resolving any
22 disputes regarding the calculation or application of the formula for determining the Individual
23 Settlement Amounts, drafting and mailing the settlement checks to Participating Class Members
24 and PAGA Employees, issuing Forms W-2 and 1099, handling all required tax reporting and
25 filings related to the Settlement, disbursing payments in accordance with the Settlement and the
26 Court's orders, and performing such other tasks as set forth herein or as the Parties mutually agree
27 or that the Court orders.

28 69. Disputes Regarding Settlement Administration. Any and all disputes relating to
administration of the Settlement by the Settlement Administrator (except for disputes regarding

Class Data) shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Settlement Agreement, until Plaintiff and Defendant notify the Court that all payments and obligations contemplated by this Settlement Agreement have been fully carried out. Prior to presenting any issue to the Court, counsel for the Parties will confer in good faith to resolve the dispute without the necessity of Court intervention. The Settlement Administrator shall also be responsible for issuing to Plaintiff, Participating Class Members, PAGA Employees, and Class Counsel any Forms W-2, Forms 1099, or other Tax Forms as may be required by law for all amounts paid pursuant to this Agreement. The Settlement Administrator shall also be responsible for setting up all necessary tax accounts and forwarding all payroll taxes and penalties to the appropriate government authorities.

70. Class Data. Within ten (10) days after entry of the Preliminary Approval Order, Defendant shall provide the Class Data to the Settlement Administrator. The Settlement Administrator will run a check of the Class Members' addresses against those on file with the U.S. Postal Service's National Change of Address List. The Class Data provided to the Settlement Administrator must be safeguarded and will not be provided to Class Counsel unless required to effectuate Class Counsel's duties with the express written permission of Defendant's counsel or order of the Court. The Class Data will remain confidential, it shall be used solely to administer the Settlement, and it will not be used or disclosed to anyone, except as required by applicable tax authorities, pursuant to Defendant's express written consent, or by order of the Court.

71. Notice. The Notice, as approved by the Court, shall be sent by the Settlement Administrator to the Class Members, by first class mail, in English and Spanish, within ten (10) calendar days following the Settlement Administrator's receipt of the Class Data. The Settlement Administrator shall use standard methods, including a skip trace, to obtain forwarding addresses of Class Members if any envelopes with the Notice are returned.

72. Returned Notices. The Settlement Administrator will take steps to ensure that the Notice is received by all Class Members, including utilization of the National Change of Address Database maintained by the United States Postal Service to review the accuracy of and, if possible, update a mailing address. Notices will be re-mailed to any Class Member for whom an

1 updated address is located within ten (10) calendar days following both the Settlement
2 Administrator learning of the failed mailing and its receipt of the updated address. The Notice
3 shall be identical to the original Notice, except that it shall notify the Class Member that the
4 exclusion (opt-out) request or objection must be returned by the later of the Response Deadline
5 or fifteen (15) days after the remailing of the Notice.

6 73. Presumption Regarding Receipt of Notice. It will be conclusively presumed that
7 if an envelope has not been returned within thirty (30) days of the mailing that the Class Member
8 received the Notice.

9 74. Disputes Regarding Class Data. Class Members are deemed to participate in the
10 Settlement unless they opt-out. The Notice will inform Class Members of his/her/their estimated
11 Individual Settlement Amount and the number of Pay Periods Worked during the Class Period
12 and during the PAGA Period. Class Members may dispute their Pay Periods Worked if they feel
13 they were employed more pay periods in the Class Period in California than Defendant's records
14 show by timely submitting evidence to the Settlement Administrator. Defendant's records will be
15 presumed determinative absent reliable evidence to rebut Defendant's records, but the Settlement
16 Administrator will evaluate the evidence submitted by the Class Member and provide the
17 evidence submitted to Class Counsel and Defense Counsel who agree to meet and confer in good
18 faith about the evidence to determine the Class Member's actual number of Pay Periods Worked
19 and estimated Individual Settlement Amount. If Class Counsel and Defense Counsel are unable
20 to agree, they agree to submit the dispute to the Settlement Administrator to render a final
21 decision. Class Members will have until the Notice Response Deadline to dispute Pay Periods
22 Worked, object, or opt out, unless extended by the Court. The Response Deadline shall be 45
23 days after the original mailing date of the Notice by the Settlement Administrator. In the event
24 that the Settlement Administrator increases the number of Pay Periods Worked for any Class
25 Member, then the Settlement Administrator will recalculate the Participating Class Members'
26 Individual Settlement Amounts; accordingly, in no event will Defendant be required to increase
27 the Gross Settlement Amount.

28 75. Declaration of Due Diligence. The Settlement Administrator shall provide counsel

for the Parties, at least twenty-five (25) days prior to the final approval hearing, a declaration of due diligence and proof of mailing with regard to the mailing of the Notice.

76. Class Members' Rights. Each Class Member will be fully advised of the Settlement, the ability to object to the provisions in the Settlement related to the Class Claims, and the ability to opt out or request exclusion from the Class Claims provisions of the Settlement. The Notice will inform the Class Members of the Court-established deadlines for submitting objections or requesting exclusion from the Class Claims provisions of the Settlement in accordance with the following guidelines:

(a) Requests for Exclusion from Class Members. Any Class Member, other than Plaintiff, may request to be excluded from the Class by submitting a "Request for Exclusion" to the Settlement Administrator, postmarked on or before the Notice Response Deadline. The Request for Exclusion should state in words to this effect:

"I WISH TO BE EXCLUDED FROM THE CLASS IN THE *ENRIQUEZ V. SHIPBOB, INC.* SETTLEMENT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THE CLASS CLAIMS IN THIS LAWSUIT.

Any Request for Exclusion must include the full name, address, telephone number, employee number or last four digits of the social security number or date of birth, and the signature of the Class Member requesting exclusion. The Request for Exclusion must be returned by mail to the Settlement Administrator at the specified address for the Settlement Administrator in the Notice. Any such Request must be made in accordance with the terms set forth in the Notice. A Request for Exclusion will be timely only if postmarked by the Notice Response Deadline, unless the Parties otherwise agree in writing. Any Class Member who timely requests exclusion in compliance with these requirements: (i) will not have any rights under this Agreement with respect to the Class Claims, including the right to object, appeal, or comment on the Settlement; (ii) will not be entitled to receive any payments under this Agreement with respect to Class Claims; and (iii) will not be bound by this Agreement, or the Judgment, with respect to the Released Class Claims.

1 (b) Binding Effect on Participating Class Members. Except for those Class
2 Members who exclude themselves in compliance with the procedures set forth above, all Class
3 Members will: (i) be deemed to be Participating Class Members for all purposes under this
4 Agreement; (ii) will be bound by the terms and conditions of this Agreement, the Judgment, and
5 the releases set forth herein; and (iii) except as otherwise provided herein, will be deemed to have
6 waived all objections and oppositions to the fairness, reasonableness, and adequacy of the
7 Settlement.

8 (c) Objections to Settlement of Class Claims. Provided they do not opt out,
9 any Class Member, other than Plaintiff, may object to the terms of this Agreement with respect
10 to the Class Claims and may appear at the Final Approval Hearing and object whether or not they
11 have submitted a written objection as outlined herein (“Objecting Class Member”). To object, a
12 Class Member can inform the Settlement Administrator, in writing, of his/her/their objection,
13 which must be postmarked by the Notice Response Deadline at the address set forth in the Notice.
14 Such objection shall include the full name, address, telephone number, dates of employment with
15 Defendant of the Objecting Class Member, the case name and number, the basis for the objection,
16 including any legal support and each specific reason in support of the objection, as well as any
17 documentation or evidence in support thereof, and, if the Objecting Class Member is represented
18 by counsel, the name and address of his/her/their counsel. If any Objecting Class Member wishes
19 to speak at the Final Approval Hearing with respect to the Class Claims, that Objecting Class
20 Member’s written submission should include a request to be heard, and the Court will determine
21 whether Objecting Class Members will be permitted to speak. The Settlement Administrator shall
22 provide objections, if any, to Class Counsel and Defense Counsel within three (3) days of receipt,
23 and the Settlement Administrator shall attach the same to its declaration of due diligence it files
24 with the Court prior to the Final Approval Hearing. Any Participating Class Member who files an
25 objection must not opt out and will remain eligible to receive monetary compensation from the
26 Settlement if it becomes final and binding. Plaintiff and Defendant shall not be responsible for
27 any fees, costs, or expenses incurred by any Class Member and/or his/her/their counsel related to
28 any objections to the Settlement. PAGA Employee may not object to or opt out of the Settlement

1 with respect to the PAGA Claims.

2 (d) Failure to Object. Any Class Member who desires to object with respect to
3 the Class Claims but fails to timely submit a written objection waives any right to object in writing
4 and will be foreclosed from making any written objection to this Settlement.

5 (e) Responses to Objections. Counsel for the Parties may file a response to any
6 objections submitted by Objecting Class Members at least five (5) court days before the date of
7 the Final Approval Hearing.

8 77. Class Members will have until the Notice Response Deadline to object or submit
9 a Request for Exclusion to the Settlement Administrator by U.S. Mail using the address provided
10 in the Notice. The Settlement Administrator shall disclose jointly to Class Counsel and
11 Defendant's counsel the written objections that were timely submitted and provide the number of
12 Requests for Exclusion that were submitted on a weekly basis, and upon the request of Class
13 Counsel or Defense Counsel.

14 78. Funding of the Settlement Amount. Defendant shall make a one-time deposit into
15 the QSF of the Gross Settlement Amount as specified by the Settlement Administrator that is
16 necessary to make all payments required under this Settlement, within fourteen (14) days after
17 the Effective Date. Defendant shall also fund with the Settlement Administrator its share of
18 employer payroll taxes on the portion of the Individual Settlement Payments allocated to unpaid
19 wages as specified in this Agreement and as calculated and directed by the Settlement
20 Administrator for use by the Settlement Administrator to pay employer-side taxes owed as a result
21 of the Settlement. Aside from funding the Gross Settlement Amount and employer-side taxes
22 owed as a result of this Settlement, Defendant shall have no further obligation to pay any amount
23 for any reason in connection with this Settlement.

24 79. Distribution of Funds. No later than seven (7) calendar days after deposit of the
25 payment into the QSF, the Settlement Administrator will mail the Individual Settlement Payments
26 to the Participating Class Members, the payment for the attorneys' fees and costs to Class
27 Counsel, any Service Award to the Class Representative (*i.e.*, Plaintiff), the payment to the
28 LWDA for its portion of the PAGA Award, and will pay itself the Settlement Administration

Costs.

80. Deadline for Cashing Settlement Checks. Participating Class Members shall have 180 calendar days after mailing by the Settlement Administrator to cash their settlement checks. If any Participating Class Member's check is not cashed within that period, the check will be void and a stop-payment will be issued. All unclaimed funds after the 180-day deadline shall be sent to the California Unclaimed Property Fund in the name of the class member. The release will be binding upon all Participating Class Members regardless of whether or not they cash their checks within the 180-day period. In the event that any settlement check is returned to the Settlement Administrator within 180 days of mailing, the Settlement Administrator will, within five (5) business days of receipt of the returned settlement check, perform a skip trace to try to locate the individual. If a new address is located by these means or if a forwarding address is available, the Administrator will have ten (10) business days to re-issue the check. Neither Defendant, Defense Counsel, Class Counsel, Plaintiff, nor the Settlement Administrator will have any liability for lost or stolen settlement checks, forged signatures on settlement checks, or unauthorized negotiation of settlement checks. Without limiting the foregoing, in the event a Participating Class Member notifies the Settlement Administrator that he/she/they believe that a settlement check has been lost or stolen, the Settlement Administrator shall immediately stop payment on such check. If the check in question has not been negotiated prior to the stop payment order, the Settlement Administrator will issue a replacement check.

81. No person shall have any claim against Defendant, Defendant's Counsel, Plaintiff, Class Counsel, or the Settlement Administrator based on mailings, distributions, payments, or reports made in accordance with or pursuant to this Agreement. This provision does not, however, prevent a Party from seeking enforcement of this Agreement.

H. Duties of the Parties Prior to the Court's Approval

82. Upon completion of confirmatory discovery, Plaintiff will move the Court for Preliminary Approval of this Settlement and entry of the Preliminary Approval Order accomplishing the following:

- (a) Scheduling the Final Approval Hearing on the issue of whether this

Settlement should be finally approved as fair, reasonable, and adequate as to the Class Members and a hearing on fees, costs, and the Service Award;

(b) Approving as to form and content the proposed Notice;

(c) Directing the mailing of the Notice by first class mail to the Class Members;

(d) Preliminarily approving this Settlement in accordance with this Agreement and by submitting the Proposed Preliminary Approval Order attached to this Settlement as Exhibit “B,” subject to any modifications as ordered by the Court and mutually agreed upon by the Parties; and

(e) Preliminarily certifying the class for purposes of this Settlement.

83. Good Faith Efforts and Cooperation to Secure Approval. In the event the Court declines to approve this Agreement on its first hearing or subsequent hearings, the Parties agree to meet and confer in good faith to address the Court’s concerns and to work together in good faith to evaluate potential revisions and/or additional submissions of information, declarations, etc., to address the Court’s concerns and renew a motion for approval.

I. Duties of the Parties Following Court’s Final Approval

84. In connection with the Final Approval Hearing provided for in this Settlement Agreement, Class Counsel shall submit the proposed Final Approval Order attached to this Settlement as Exhibit “C”, subject to any modifications as ordered by the Court and mutually agreed upon by the Parties:

(a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable, and adequate, and directing consummation of its terms and provisions;

(b) Approving Class Counsel’s application for an award of attorneys’ fees and reimbursement of litigation costs and expenses, the Service Award to the Class Representative, the PAGA Award, and the payment to the Settlement Administrator for costs of administering the settlement; and

(c) Entering judgment approving the Settlement, thereby permanently barring all Participating Class Members from prosecuting any Released Class Claims against any of the

Released Parties and permanently barring all PAGA Employee and the State of California and LWDA from prosecuting any Released PAGA Claims against any of the Released Parties.

J. Voiding the Agreement

85. If the Court fails or refuses to issue the Final Approval Order or fails to approve any material condition of this Settlement Agreement which effects a fundamental change of the Settlement, the entire Settlement Agreement shall be rendered voidable and unenforceable as to all Parties herein at the option of either Party.

86. If fifteen percent (15%) or more of the Class Members timely submit a Request for Exclusion, Defendant shall have the option of terminating or modifying this Agreement without prejudice to its pre-settlement positions and defenses in the Action. If Defendant exercise such option under this paragraph, they shall be relieved of any obligation to pay the Gross Settlement Amount or any other obligations from the Settlement by giving notice to Plaintiff's Counsel and the Settlement Administrator within ten (10) days after the Notice Response Deadline. If Defendant exercises its option under this paragraph, Defendant shall be solely responsible for all Settlement Administration Costs incurred.

87. If the Settlement is voided or fails for any reason, Plaintiff and Defendant will have no further obligations under the Settlement, including any obligation by Defendant to pay the Gross Settlement Amount, or any amounts that otherwise would have been owed under this Settlement. In addition, the Parties will be placed in the same position they were in prior to reaching this Settlement with the same rights, including without limitation the right of Defendant to contest the merits of Plaintiff's claims, class certification and Plaintiff's pursuit of a representative action under PAGA.

88. If the Settlement is voided or fails for any reason, any costs incurred by the Settlement Administrator shall be borne equally by Defendant and Plaintiff, unless otherwise specified in this Agreement.

K. Other Terms

89. Full and Complete Defense. This Agreement may be pleaded by any Released Party as a full and complete defense to and may be used as the basis for an injunction against, any

1 action, suit, or other proceeding that has been or may be instituted, prosecuted, or attempted,
2 asserting any Released Class Claim or Released PAGA Claim.

3 90. Waiver. The waiver by one Party of any breach of this Agreement by another Party
4 shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

5 91. Parties' Authority. The signatories hereto represent that they are fully authorized
6 to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions
7 hereof.

8 92. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to
9 accomplish the terms of this Settlement Agreement, including but not limited to, execution of
10 such documents and to take such other action as may reasonably be necessary to implement the
11 terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best
12 efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that
13 may become necessary by order of the Court, or otherwise, to effectuate this Settlement
14 Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement
15 Agreement, Class Counsel shall, with the assistance and cooperation of Defendant and
16 Defendant's Counsel, take all necessary steps to secure the Court's preliminary and final approval
17 of the settlement and the final entry of judgment.

18 93. No Prior Assignments. The Parties hereto represent, covenant, and warrant that
19 they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign,
20 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action,
21 cause of action, or rights released and discharged by this Settlement Agreement.

22 94. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval
23 Order, nothing contained herein, nor the consummation of this Settlement Agreement, is to be
24 construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part
25 of Defendant or any of the other Released Parties. Each of the Parties hereto has entered into this
26 Settlement Agreement with the intention of avoiding further disputes and litigation with the
27 attendant inconvenience and expenses. This Settlement Agreement is a settlement document, and
28 it, along with all related documents such as the notices, and motions for preliminary and final

1 approval, shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of
2 Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to
3 approve the settlement, and/or interpret or enforce this Settlement Agreement. The stipulation for
4 class certification as part of this Settlement Agreement is for settlement purposes only and if, for
5 any reason the settlement is not approved, the stipulation will be of no force or effect.

6 95. Notices. Unless otherwise specifically provided herein, all notices, demands, or
7 other communications given hereunder shall be in writing and shall be deemed to have been duly
8 given as of the third business day after mailing by United States registered or certified mail, return
9 receipt requested, addressed:

10 To the Class Members and PAGA Employee:

11 Mehrdad Bokhour
12 *mehrdad@bokhourlaw.com*
13 1901 Avenue of the Stars, Suite 450
14 Los Angeles, California 90067
Tel: (310) 975-1493; Fax: (310) 675-0861

Joshua Falakassa
josh@falakassalaw.com
1901 Avenue of the Stars, Suite 450
Los Angeles, California 90067
Tel: (818) 456-6168; Fax: (888) 505-0868

15 To Defendant:

16 Joshua Levine
17 *jdlevine@littler.com*
18 Jocelyn Hannah
19 *JHannah@littler.com*
20 501 W. Broadway, Suite 900
21 San Diego, California 92101-3577
Tel: (619) 232-0441; Fax: (619) 232-4302

22 96. Publicity: Plaintiff Enriquez and his Class Counsel agree to discuss the terms of
23 this Settlement only in declarations submitted to a court or court hearings to establish their
24 adequacy to serve as a class representative in this case, in declarations submitted to a court in
25 support of a motion for attorney's fees in this case, and in discussions with Class Members in the
26 context of administering this Settlement. Plaintiff and Class Counsel agree not to otherwise
27 publicize this Settlement, including, but not limited to, issuing press releases, posting summaries
28 online, or otherwise speaking to the press regarding the terms of this Settlement. If Plaintiff or

1 Class Counsel are contacted by members of the press, they will respond only that the lawsuit
2 exists and has been resolved.

3 97. Construction. The Parties hereto agree that the terms and conditions of this
4 Settlement Agreement are the result of lengthy, intensive arms' length negotiations between the
5 Parties and that this Settlement Agreement shall not be construed in favor of or against any Party
6 by reason of the extent to which any Party or their counsel participated in the drafting of this
7 Settlement Agreement. Plaintiff and Defendant expressly waive the common-law and statutory
8 rule of construction that ambiguities should be construed against the drafter of an agreement and
9 further agree, covenant, and represent that the language in all parts of this Agreement shall be in
10 all cases construed as a whole, according to its fair meaning.

11 98. Captions and Interpretations. Paragraph titles or captions contained herein are
12 inserted as a matter of convenience and for reference, and in no way define, limit, extend, or
13 describe the scope of this Settlement Agreement or any provision hereof. Each term of this
14 Settlement Agreement is contractual and not merely a recital.

15 99. Modification. This Settlement Agreement may not be changed, altered, or
16 modified, except in writing and signed by the Parties hereto, and approved by the Court. This
17 Settlement Agreement may not be discharged except by performance in accordance with its terms
18 or by a writing signed by all of the Parties hereto.

19 100. Dispute Resolution. Prior to instituting legal action to enforce the provisions of
20 this Agreement or to declare rights and/or obligations under this Agreement, a Party shall provide
21 written notice to the other Party and allow an opportunity to cure the alleged deficiencies, and
22 Plaintiff and Defendant agree to seek the help of the mediator identified in this Agreement to
23 resolve any dispute they are unable to resolve informally. During this period, the Parties shall
24 bear their own attorneys' fees and costs. This provision shall not apply to any legal action or other
25 proceeding instituted by any person or entity other than Plaintiff or Defendant.

26 101. Court Retains Jurisdiction. The Parties agree that upon the entry of judgment of
27 dismissal pursuant to the terms of this Agreement, that, pursuant to Code of Civil Procedure
28 section 664.6, the Court shall retain exclusive and continuing equity jurisdiction of this Action

over all Parties to interpret, enforce, and effectuate the terms, conditions, intents, and obligations of this Agreement.

102. Enforceability. Pursuant to California Evidence Code section 1123(a) and (b), this Agreement is intended by the Parties to be, and shall be, enforceable, binding and admissible in a court of law.

103. Choice of Law. This Settlement Agreement shall be governed by and construed, enforced, and administered in accordance with the laws of the State of California, without regard to its conflicts-of-law rules.

104. Integration Clause. This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

105. Binding On Assigns. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

106. Signatures of All Class Members Unnecessary to be Binding. It is agreed that, because the members of the Settlement Class are numerous, it is impossible or impractical to have each Participating Class Member execute this Settlement Agreement. The Notice will advise all Participating Class Members of the binding nature of the releases provided herein and such shall have the same force and effect as if this Settlement Agreement were executed by each Participating Class Member.

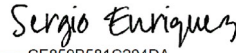
[Continued on Next Page]

107. Counterparts. This Settlement Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully signed Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic signatures and photocopies of signature pages shall have the same force and effect as an original.

APPROVAL AND EXECUTION BY PARTIES:

Dated: _____, 2022
9/26/2022

CLASS REPRESENTATIVE:

DocuSigned by:

CE859B581C204DA...
Sergio Enriquez

Dated: October 7, 2022

DEFENDANT:

SHIPBOB, INC. by:

Signature: 

Printed Name: Rahul Magan

Position: Vice President, Legal

EXHIBIT A

NOTICE OF CLASS ACTION and PAGA SETTLEMENT

This is a Notice of Settlement for the Class and PAGA Action titled:

Sergio Enriquez, Jr. v. ShipBob, Inc.

Superior Court of California, County of Riverside

Case No. CVR12101452

To: All persons who are or were previously employed by Defendant in California and classified as a non-exempt employee at any time during the period from March 17, 2017 through July 29, 2022.

Please read this notice carefully – it provides important information about your legal rights and obligations under an agreement to settle a class/representative action lawsuit.

WHY IT IS IMPORTANT TO READ THIS NOTICE

Judge Angel Bermudez of the Riverside County Superior Court (the “Court”) has preliminarily approved a class/representative action settlement (the “Settlement”) of all claims that were or could have been asserted based on the facts alleged in the lawsuit titled *Sergio Enriquez, Jr. v. ShipBob, Inc.*, Riverside Superior Court Case No. CVR12101452 (the “Action”). The Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable. Any final determination of those issues will be made at the final hearing.

The Settlement affects all persons who are or were previously employed by ShipBob, Inc. (“ShipBob” or “Defendant”) in California and classified as a non-exempt or hourly employee at any time from March 17, 2017, through July 29, 2022 (the “Class Members”).

The Settlement also affects all persons who are or were previously employed by ShipBob in California and classified as a non-exempt or hourly employee at any time from March 16, 2020, through July 29, 2022 (the “PAGA Employees”).

You have received this Notice of Settlement because ShipBob’s records show that you are a Class Member and/or PAGA Employee.

This Notice of Class Action and PAGA Settlement provides you with a description of the lawsuit, informs you of the key terms of the proposed Settlement, and discusses your rights and options under the Settlement. ***It is important that you read this Notice of Settlement carefully as your rights will be affected by the Settlement.***

WHAT THIS ACTION AND SETTLEMENT IS ABOUT

A class/representative action is a lawsuit where one or more representative plaintiffs brings claims on behalf of many people to be decided in a single court proceeding.

Plaintiff Sergio Enriquez, Jr. (“Enriquez” or “Plaintiff”) is a former ShipBob non-exempt, hourly employee. Plaintiff Enriquez filed this Action on March 17, 2021, alleging claims for: (1) unpaid wages and failure to pay minimum wages, (2) failure to pay overtime wages, (3) meal period violations, (4) rest period violations, (5) waiting time penalties, (6) wage statement violations, and (7) unfair competition. On or about June 10, 2021, Plaintiff filed a First Amended Complaint to add a cause of action for penalties under the Private Attorney General Act (“PAGA”), California Labor Code § 2698 *et seq.*, based on the foregoing alleged California Labor Code violations. Prior to filing his lawsuit, Plaintiff submitted a notice letter to the Labor Workforce Development Agency (“LWDA”) on March 16, 2021 to exhaust administrative remedies for bringing his PAGA claim.

ShipBob believes Plaintiff’s claims are without merit and denies all of the allegations of wrongdoing and liability. ShipBob contends it has complied with the California Labor Code and all other applicable laws. ShipBob believes, however, that further litigation would be protracted, burdensome, expensive, and contrary to the best interests of the company and its employees. ShipBob has already devoted substantial time, energy, and resources to defending this litigation, and unless there is a settlement, that situation will continue. In light of this, ShipBob believes the Settlement is the best way to resolve the litigation while minimizing further burden and expenditures.

This Settlement is not an admission of any wrongdoing by ShipBob or an indication that ShipBob violated any law. The Court did not decide in favor of Plaintiff or ShipBob. There was no trial. Instead, both sides agreed to a no-fault resolution of the Action. The Settlement is intended to allow the Parties to avoid the costs of further litigation and a trial, while allowing Class Members and PAGA Employees to receive payments from the Settlement as specified below.

Plaintiff and his attorneys, who were preliminarily appointed as representatives for the Class, believe the Settlement is in the best interests of all Class Members.

THE TERMS OF THE SETTLEMENT

I. Individual Settlement Payments

Participating Class Members – i.e., all Class Members who are deemed to participate and receive an Individual Settlement Amount for the Class Claims and who do not opt-out of the settlement by submitting timely and valid Requests for Exclusion as explained in the “Option 2: Request Exclusion from the Settlement” section below – will receive an Individual Settlement Payment.

Individual Settlement Payment Calculation for Participating Class Members: Participating Class Members will receive Individual Settlement Payments after the Court issues a Final Approval

Order and the Settlement becomes final and binding with no possibility of an appeal or further appeal (i.e., the “Effective Date” of the Settlement is reached). The Settlement Administrator will calculate the total number of pay periods that all Class Members who do not opt out (i.e., “Participating Class Members”) worked during the Class Period (“Total Class Pay Periods”). The “Class Period” is from March 17, 2017 through July 29, 2022. The value of each pay period shall be determined by the Settlement Administrator by dividing the Net Distribution Fund (described in Section III below) by the total number of Pay Periods Worked by Participating Class Members during the Class Period (“Class Pay Period Value”). To determine each Participating Class Member’s settlement payment, the Settlement Administrator will multiply the individual’s Total Class Pay Periods Worked during the Class Period by the Class Pay Period Value (if the Class Member is a Participating Class Member). These payments will be subject to any legally-required tax withholdings or deductions as calculated by the Settlement Administrator.

Payment Calculation for PAGA Employees: All PAGA Employees will receive payments after the Effective Date (defined above). The Settlement Administrator will calculate the total number of pay periods that each PAGA Employee worked during the PAGA Period (“Total PAGA Pay Periods”). The PAGA Period is from March 16, 2020 through July 29, 2022. The value of each PAGA Pay Period shall be determined by the Settlement Administrator by dividing the 25% of the PAGA Award (described in Section III below) allocated for PAGA Employees (i.e., \$6,250) by the Total PAGA Pay Periods for all PAGA Employees (“PAGA Pay Period Value”). To determine each PAGA Employee’s payment for their prorated portion of the PAGA Distribution Fund (i.e., \$6,250), the Settlement Administrator will multiply the PAGA Employee’s Total PAGA Pay Periods by the PAGA Pay Period value. A Class Member who is also a PAGA Employee will receive a payment under this section for their prorated portion of the PAGA Award even if they opt-out of the Class Settlement and will be bound by the release of the PAGA claims released through this Settlement.

Based on data known at the time of settlement, the total number of pay periods/workweeks worked by Class Members during the Class Period is approximately 22,895. The average pay periods worked by Class Members was approximately 39.27. The minimum pay periods worked was one (1), and the maximum pay periods worked was 194. Thus, if the Net Distribution fund is \$558,916.67 (assuming the the Court awards the maximum amounts requested for Fees, Costs, the Service Award, and Settlement Administration), then the Class Pay Period Value would be approximately \$24.41 per pay period (i.e., $\$558,916.67 \div 22,895$) subject to any adjustment necessary to account for updated figures through the end of the Class Period. A Participating Class Member who worked the average number of pay periods (39.27) would then receive approximately \$958.58 (minus applicable withholdings for the wage portion of the payment). Based on the data currently available, the approximate range of Participating Class Member Individual Settlement Payments would be \$24.41 to \$4,735.54.

Based on ShipBob’s records, your Pay Periods Worked during the Class Period are [REDACTED] and your Pay Periods Worked during the PAGA Period are [REDACTED]. Your estimated Individual Settlement Payment if you do not opt out and the Settlement receives final approval is estimated to be approximately \$[REDACTED] minus any legally required withholdings. You may dispute your Pay Periods Worked during the Class Period and/or PAGA Pay Periods Worked during the PAGA

Period if you feel they are incorrect by timely submitting evidence to the Settlement Administrator (contact information below) prior to **[Response Deadline Date]**.

II. The Gross Settlement Amount

The total maximum value of the Settlement (i.e., the “Gross Settlement Amount”) Nine Hundred Twenty-Five Thousand Dollars (\$925,000), which is the maximum value ShipBob will provide in order to settle the Action. Aside from employer-side taxes due on the wage component of the Individual Settlement Payments, the Gross Settlement Amount shall constitute the entire consideration provided by ShipBob pursuant to the Settlement and ShipBob will not be required to pay any amount above the Gross Settlement Amount in connection with this Settlement.

III. Distribution of the Monetary Portion of the Gross Settlement Amount

The Gross Settlement Amount (i.e., \$925,000) will be used to pay: (1) Individual Settlement Payments to Participating Class Members as calculated and described above; (2) the PAGA Award, with 75% of the PAGA Award going to the LWDA and 25% being distributed on a prorated basis based on pay periods worked to PAGA Employees as described above; (3) Plaintiff’s Counsel’s attorneys’ fees; (4) Plaintiff’s costs; (5) Settlement Administration Costs; (6) the Service Award to Plaintiff Enriquez (as specified in the Service Award paragraph below); and (7) employee-side taxes for the wage component of Individual Settlement Payments to Class Members.

The Gross Settlement Amount will be distributed as follows:

Class Counsel’s Fees and Costs Award: Plaintiff’s counsel (“Class Counsel”) will request attorneys’ fees of up to 33.33% of the Gross Settlement Amount, or up to \$308,333.33 (the “Class Counsel Fees Award”), and litigation costs of up to \$15,000 (the “Class Counsel Costs Award”). All attorneys’ fees or litigation costs will be paid from the Gross Settlement Amount. The Class Counsel Fees and Costs Awards are subject to approval from the Court. Any attorneys’ fees or litigation costs not awarded by the Court will be added to the Net Distribution Fund (defined below) and distributed to Participating Class Members.

Plaintiff’s Service Award: Plaintiff Enriquez will request a Service Award (i.e., payment for service as a named Plaintiff and in consideration of his agreeing to a general release of claims) in an amount not to exceed \$12,000. The requested Service Award is subject to approval from the Court and will be paid from the Gross Settlement Amount. Any Service Award not awarded by the Court will be added to the Net Distribution Fund (defined below) and distributed to Participating Class Members.

PAGA Award: The Parties have allocated \$25,000 from the Gross Settlement Amount to PAGA penalties (i.e., the “PAGA Award”) in consideration of the release of the PAGA claim alleged in the Action. Seventy-five percent (75%) of the PAGA Award (\$18,750) will be paid to the California Labor and Workforce Development Agency (“LWDA”) and twenty-five percent (25%) of the PAGA Award (\$6,250) will remain in the Gross Settlement Amount and will be considered part of the amount allocated to penalties in the Individual Settlement Payments (described below).

Costs of Administration: The Court has approved Phoenix Settlement Administrators (the “Settlement Administrator”) to administer this Settlement. The Court has preliminarily approved Settlement Administration Costs not to exceed \$12,000. The cost of administration will be paid entirely from the Gross Settlement Amount. Any Settlement Administration Costs not incurred by the Settlement Administrator or awarded by the Court will be added to the Net Distribution Fund (defined below) and will be distributed to Participating Class Members.

Net Distribution Fund: The Net Distribution Fund is the Gross Settlement Amount (i.e., \$925,000), less the amounts allotted to: (1) the Class Counsel Fees Award (up to \$308,333.33), (2) the Class Counsel Costs Award (up to \$15,000), (3) the Service Award for Plaintiff (up to \$12,000), (4) the 75% of the PAGA Award to be paid to the LWDA (\$18,750); (5) Settlement Administration Costs (up to \$12,000); and (5) the 25% of the PAGA Award to be paid to PAGA Employees (\$6,250).

Tax Issues: Each Individual Settlement Payment to Participating Class Members will be apportioned as follows: 33.33% as wages and 66.67% as civil penalties. The wage portion of Individual Settlement Payments will be subject to employee tax withholdings. The Settlement Administrator will issue to each Participating Class Member an Internal Revenue Service Form W-2 and comparable state forms with respect to the wage allocation and a Form 1099 with respect to the civil penalties and interest allocations.

Uncashed Checks: Participating Class Members shall have 180 calendar days after mailing by the Settlement Administrator to cash their settlement checks. If any Participating Class Member’s check is not cashed within that period, the check will be void and a stop-payment will be issued. All unclaimed funds after the 180-day deadline shall be sent to the California Unclaimed Property Fund in the name of the Participating Class Member.

IV. Release of Claims by Participating Class Members and PAGA Employees

Unless you request to be excluded from the Settlement, you will be unable to sue, continue to sue or be a part of any other lawsuit against ShipBob and other Released Parties (defined below) regarding the “Released Class Claims” in this Settlement. Further information about, and the definition of, the Released Class Claims is provided below.

A. Released Parties

As of the Effective Date (as defined in the Settlement Agreement), any Class Member who has not excluded herself/himself from the Settlement and any PAGA Employee will release Defendant ShipBob, Inc., together with its current and former officers, employees, directors, agents, successors, and assignees (“Released Parties”) from the Released Class Claims (defined below) for the time period from March 17, 2017 (*i.e.*, the beginning of the Class Period) through the Response Deadline (*i.e.*, the deadline for Class Members to object or opt out of the Settlement), and from the Released PAGA Claims (defined below) for the time period from March 16, 2020 through the Response Deadline.

B. Releases

Released Class Claims:

Upon the Effective Date of this Settlement, Plaintiff and each Participating Class Member will completely release and discharge the Released Parties from the Released Class Claims. The Released Class Claims include all claims that were asserted or that could have been asserted based on the facts alleged in Plaintiff's original Complaint and Amended Complaint, whether known or unknown, including without limitation all known and unknown claims arising out of any alleged failure to pay all minimum, regular, and overtime wages, failure to provide meal periods or premium payments in lieu thereof, failure to provide rest periods or premium payments in lieu thereof, failure to provide accurate itemized wage statements (based on both direct and derivative theories of liability), failure to timely pay all wages due at separation, violation of California Business & Professions Code, sections 17200 *et seq.*, and any and all related penalties.

Class Members who do not opt out (i.e., submit a timely Request for Exclusion as explained below) will release the Released Class Claims for the time period from March 17, 2017, through **[Response Deadline Date]**, i.e., the deadline for requesting exclusion from this Settlement (the "Response Deadline").

Plaintiff and ShipBob intend that the Settlement described in this Agreement will release and preclude any further claim, whether by lawsuit, administrative claim or action, arbitration, demand, or other action of any kind, by each and all of the Participating Class Members to obtain a recovery based on any and all of the Released Class Claims.

Released PAGA Claims:

Upon the Effective Date of this Settlement, Plaintiff and the State of California (acting through Plaintiff as its deputized representative), and each PAGA Employee, will forever completely release and discharge the Released Parties from the Released PAGA Claims for the time period from March 16, 2020 through the Response Deadline. The Released PAGA Claims include any and all claims for civil penalties pursuant to PAGA that were alleged or that could have been alleged based on the facts and underlying California Labor Code violations alleged in Plaintiff's Complaint, Amended Complaint, or Plaintiff's March 16, 2021 Labor and Workforce Development ("LWDA") notice letter, including for underlying claims based on alleged failure to pay all minimum, regular, and/or overtime wages, failure to provide meal periods or premium payments in lieu thereof, failure to provide rest periods or premium payments in lieu thereof, failure to provide accurate itemized wage statements (based on both direct and derivative theories of liability), failure to timely pay all wages due at separation, and violation of California Business & Professions Code, sections 17200 *et seq.*

Plaintiff and Defendant intend that the Settlement described in this Agreement will release and preclude any further claim, whether by lawsuit, administrative claim or action, arbitration, demand, or other action of any kind, by each and all of the PAGA Employees and the LWDA to

obtain a recovery based on, arising out of, and/or related to any and all of the Released PAGA Claims.

Plaintiff Enriquez's Complete and General Release:

Plaintiff Enriquez only is agreeing to a Complete and General Release of all claims as part of this Settlement and as consideration for his Service Award specified above.

**SUMMARY OF YOUR OPTIONS REGARDING THIS
CLASS ACTION AND PAGA SETTLEMENT**

I. First Option: Do Nothing and Receive an Individual Settlement Payment if the Settlement Becomes Final and Binding

You do not need to do anything to participate in this Settlement. If the Settlement becomes binding and you do nothing, you will receive an Individual Settlement Payment. The amount of the Individual Settlement Payment will depend on whether you are a Class Member and/or PAGA Employee and will be calculated based on the applicable Individual Settlement Payment and/or PAGA Employee payment calculation described above that applies to you. If you do nothing, you will also be releasing all Released Class Claims as explained in the "Release of Claims by Participating Class Members and PAGA Employees" section above. A Class Member who is also a PAGA Employee will receive a payment under this section for their prorated portion of the PAGA Award even if they opt-out of the Class settlement and will be bound by the release of the PAGA claims released through this Settlement.

II. Second Option: Request Exclusion from the Settlement

If you do not wish to participate in the Settlement for any reason, you must submit a written letter, called a "Request for Exclusion," to the Settlement Administrator.

To be valid, the Request for Exclusion: (1) must contain your full name, address, telephone number, and *either* the last four digits of your social security number or date of birth; (2) must be hand signed by the person requesting exclusion; and (3) must state in substance:

"I WISH TO BE EXCLUDED FROM THE CLASS IN THE *ENRIQUEZ V. SHIPBOB, INC.* SETTLEMENT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THE CLASS CLAIMS IN THIS LAWSUIT."

To be timely, the Request for Exclusion must be postmarked and mailed to the Settlement Administrator at the address below on or before [Date] (the "Response Deadline"). Requests for Exclusion postmarked after this date may be disregarded.

Enriquez v. ShipBob, Inc. Class Action

c/o _____.

[INSERT ADDRESS]

[INSERT PHONE NUMBER]

Any Class Members who submit a timely and valid Request for Exclusion will NOT receive any money from the Settlement (unless they are also a PAGA Employee) and will not be bound by the terms of the Settlement or the Class Member Released Claims. Any Class Member who submits a timely and valid Request for Exclusion will also not have any right to object, appeal or comment on the Settlement.

Class Members who do **not** submit a timely and valid Request for Exclusion on or before the Response Deadline will be deemed “Participating Class Members.” As described above, each Participating Class member will receive an Individual Settlement Payment and will be bound by all terms of the Settlement and the Final Approval Order entered in this Action.

III. Third Option: Object to the Settlement

If you do not believe the Settlement is fair, you can object and ask the Court to deny approval of the Settlement. If the Court grants approval over your objection, you will remain a Class Member, will release the Released Class Claims for the time period from March 17, 2017, through **[Response Deadline Date]**, and you will still receive an Individual Settlement Payment as described above.

The Parties request that, if possible, Class Members with objections submit a written Notice of Objection (as detailed below) in advance of the Final Approval Hearing so that the Parties are prepared to address any specific concerns that are raised at or before the hearing. However, Class Members are not required to submit a written Notice of Objection in advance of the Final Approval Hearing and may appear at the hearing to object without providing any prior written notice or objection to the parties or the Court. If Class Members appear at the Final Approval Hearing to object without submitting a timely Notice of Objection in advance, the parties may, but are not required to, request additional time from the Court to inquire into any objection(s) first raised at the hearing and/or to provide further briefing/evidence to assist in the Court’s evaluation of the objection.

You can object to the Settlement by informing the Settlement Administrator, in writing, of your objection (“Notice of Objection”), which must be postmarked by the Notice Response Deadline at the address set forth in the Notice. Such objection must include: (1) the full name, (2) address, (3) telephone number, (4) dates of employment with ShipBob, (5) the case name and number, (6) the basis for the objection, including any legal support and each specific reason in support of the objection, as well as any documentation or evidence in support thereof, and, (7) if the Objecting Class Member is represented by counsel, the name and address of his/her/their counsel.

If any Objecting Class Member wishes to speak at the Final Approval Hearing with respect to the Class Claims, that Objecting Class Member’s written submission should include a request to be heard, and the Court will determine whether Objecting Class Members will be permitted to speak.

The Settlement Administrator shall provide objections, if any, to Class Counsel and Defense Counsel within three (3) days of receipt, and the Settlement Administrator shall attach the same to its declaration of due diligence it files with the Court prior to the Final Approval Hearing. Any

Participating Class Member who files an objection must not opt out and will remain eligible to receive monetary compensation from the Settlement if it becomes final and binding.

Plaintiff and ShipBob shall not be responsible for any fees, costs, or expenses incurred by any Class Member and/or his/her/their counsel related to any objections to the Settlement.

PAGA Employees may not object to or opt out of the Settlement with respect to the PAGA Claims.

NEXT STEPS

I. The Court's Final Approval Hearing

The Court will hold a Final Approval Hearing on [REDACTED] at [REDACTED] .m. in the Riverside County Superior Court, Southwest Justice Center, Department S302, 30755-D Auld Road, Murietta, CA 92563, to consider the fairness, adequacy and reasonableness of the proposed Settlement, including without limitation the: Class Counsel Fees Award, Class Counsel Costs Award, Plaintiff's Service Award, the PAGA Award, Settlement Administration Costs, and Individual Settlement Payments to Participating Class Members.

The Court may reschedule the Final Approval Hearing without further notice to Class Members. Class Members are advised to confirm the hearing date with Class Counsel if they intend to appear at the Final Approval Hearing.

II. How to Obtain Additional Information

This Notice summarizes the proposed Settlement. If you have questions about the Settlement, you can contact the Settlement Administrator at:

Enriquez v. ShipBob, Inc. Class Action
c/o [REDACTED]
[INSERT ADDRESS]
[PHONE NUMBER]

The full Settlement Agreement was filed in the Action in Riverside County Superior Court, Southwest Justice Center, Department S302, 30755-D Auld Road, Murietta, CA 92563 on [INSERT DATE] as Exhibit "[REDACTED]" to the Declaration of [INSERT NAME] in Support of [INSERT TITLE OF PLEADING]. A copy of the full Settlement Agreement can be obtained through the Riverside Superior Court's website at <https://epublic-access.riverside.courts.ca.gov/public-portal/>.

You can also request a copy of the full Settlement Agreement from the Settlement Administrator at the address and phone number above.

You may also contact Class Counsel with any questions at:

BOKHOUR LAW GROUP, P.C.

Mehrdad Bokhour

1901 Avenue of the Stars, Suite 450

Los Angeles, California 90067

Tel: (310) 975-1493

FALAKASSA LAW, P.C.

Joshua S. Falakassa

josh@falakassalaw.com

1901 Avenue of the Stars, Suite 450

Los Angeles, California 90067

Tel: (818) 456-6168

PLEASE DO NOT CONTACT THE COURT, THE CLERK'S OFFICE, SHIPBOB, INC. OR DEFENDANT'S ATTORNEYS TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.

EXHIBIT B

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE**

SERGIO ENRIQUEZ JR., on behalf of himself
and all others similarly situated;

Plaintiff,

v.

SHIPBOB, INC., a Delaware Corporation; and
DOES 1 through 50, inclusive;

Defendants.

CASE NO.: CVRI2101452

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF
CLASS AND PAGA SETTLEMENT
AND SETTING FINAL APPROVAL
HEARING DATE**

The Motion of Plaintiff Sergio Enriquez (“Plaintiff”) for Preliminary Approval of Class and PAGA Action Settlement came regularly for hearing before this court on XX, 2022 at ____ a.m. / p.m. The Court, having considered the proposed Class Action and PAGA Settlement Agreement (the “Settlement” or “Settlement Agreement”) attached as Exhibit A to the Declaration of Mehrdad Bokhour filed concurrently herewith; having considered Plaintiff’s Motion for Preliminary Approval of Class Action Settlement, Memorandum of Points and

1 Authorities in support thereof, and supporting declarations filed therewith; and good cause
2 appearing, HEREBY ORDERS THE FOLLOWING:

3 1. The Court hereby GRANTS preliminary approval of the class action settlement as
4 set forth in the Settlement Agreement and finds its terms to be within the range of reasonableness
5 of a settlement that ultimately could be granted approval by the Court at a Final Fairness Hearing
6 as fair, adequate, and reasonable.

7 2. This Order incorporates by reference the definitions in the Settlement Agreement,
8 and all terms defined therein shall have the same meaning in this Order as set forth in the
9 Settlement Agreement.

10 3. The Court concludes that, for settlement purposes only, the below defined Class
11 meets the requirements for certification under section 382 of the California Code of Civil
12 Procedure in that: (a) the Class is ascertainable and so numerous that joinder of all members of
13 the Class is impracticable; (b) common questions of law and fact predominate, and there is a well-
14 defined community of interest amongst the members of the Class with respect to the subject
15 matter of the litigation; (c) Plaintiff's claims are typical of the claims of the members of the Class;
16 (d) Plaintiff will fairly and adequately protect the interests of the members of the Class; (e) a class
17 action is superior to other available methods for the efficient adjudication of the controversy; and
18 (f) Class Counsel is qualified to act as counsel for Plaintiff in his individual capacity and as the
19 representative of the Class.

20 5. For purposes of the Settlement, the Court finds that the following proposed Class
21 is ascertainable and that there is a sufficiently well-defined community of interest among the
22 members of the Class in questions of law and fact. Therefore, for settlement purposes only, the
23 Court grants conditional certification of the following Class: all persons who are or were
24 previously employed by Defendant ShipBob, Inc. in California and classified as a non-exempt
25 employee during the Class Period (i.e., March 17, 2017 through July 29, 2022).

26 6. For purposes of the Settlement, the Court preliminarily designates Plaintiff Sergio
27 Enriquez as Class Representative.

28 7. For purposes of the Settlement, the Court preliminarily designates Bokhour Law

1 Group, P.C. and Falakassa Law, PC Class Counsel.

2 8. The Court designates Phoenix Settlement Administrators as the third-party
3 Settlement Administrator for mailing notices. The Settlement Administrator's duties are set forth
4 in the Settlement Agreement.

5 9. The Court finds that the notice of settlement that Plaintiffs provided to the
6 California Labor and Workforce Development Agency ("LWDA") satisfies the notice
7 requirements of the California Private Attorneys General Act of 2004 ("PAGA").

8 10. The Court approves, as to form and content, the Notice of Class Action and PAGA
9 Settlement ("Class Notice") attached hereto as Exhibit 1 (and as Exhibit A to the Settlement
10 Agreement). Counsel for all parties, subject to mutual agreement, may make non-material
11 changes to the Class Notice as necessary to administer the Settlement. The Class Notice shall be
12 provided to Class Members in the manner set forth in the Settlement Agreement. The Court finds
13 that the Class Notice appears to fully and accurately inform the Class Members of all material
14 elements of the Settlement, of the Class Members' right and opportunity to be excluded from the
15 Settlement by submitting a Request for Exclusion form, of their right and opportunity to submit
16 a dispute regarding the number of the Pay Periods Worked attributed to them by submitting a
17 dispute to the Settlement Administrator, and of their right and opportunity to object to the
18 Settlement by submitting a timely objection as specified in the Settlement Agreement and Class
19 Notice. The Court further finds that distribution of the Class Notice substantially in the manner
20 and form set forth in the Settlement and this Order, and that all other dates set forth in the
21 Settlement and this Order, meet the requirements of due process and shall constitute due and
22 sufficient notice to all persons entitled thereto. The Court finds that the form of notice to the
23 Class regarding the pendency of the action and of the Settlement, and the methods of giving notice
24 to members of the Class constitute the best notice practicable under the circumstances, and
25 constitute valid, due, and sufficient notice to all Class Members. The form and method of giving
26 notice complies fully with the requirements of California Code of Civil Procedure section 382,
27 California Civil Code section 1781, California Rules of Court 3.766 and 3.769, the California and
28 United States Constitutions, and other applicable law.

1 11. The Court further approves the procedures for Class Members to opt out of or
2 object to the Settlement, as set forth in the Settlement Agreement and the Class Notice. The
3 Settlement Administrator shall forward to counsel copies of any exclusion requests and written
4 objections received and the Settlement Administrator shall attach true and correct copies of all
5 timely exclusion requests and objections to the Settlement Administrator's declaration to be filed
6 in advance of the Final Approval Hearing.

7 12. The Settlement Administrator shall file a declaration confirming mailing of the
8 Class Notice concurrently with the filing of the Motion for Final Approval. The declaration shall
9 also authenticate a copy of every request for exclusion and objection received.

10 13. The procedures and requirements for filing objections in connection with the Final
11 Approval Hearing are intended to ensure the efficient administration of justice and the orderly
12 presentation of any Class Member's objection to the Settlement, in accordance with the due
13 process rights of all Class Members.

14 14. The Court directs the Settlement Administrator to mail the Class Notice to Class
15 Members in accordance with the terms of the Settlement.

16 15. Class Members shall have until the date that is forty-five (45) calendar days from
17 the date the Class Notice is initially mailed or, in the case of re-mailed Class Notice, up to sixty
18 (60) calendar days from the date the Class Notice is initially mailed to submit a Request for
19 Exclusion, Pay Periods Worked dispute, or Objection as specified in the Settlement.

20 16. This Settlement is not a concession or admission and shall not be used against
21 Defendant or any of the Released Parties as an admission or indication with respect to any claim
22 of any fault or omission by Defendant or any of the Released Parties. Whether the Settlement is
23 finally approved, neither the Settlement, nor any document, statement, proceeding or conduct
24 related to the Settlement, nor any reports or accounts thereof, shall in any event be: (a) construed
25 as, offered or admitted in evidence as, received as or deemed to be evidence for any purpose
26 adverse to the Released Parties, including, but not limited to, evidence of a presumption,
27 concession, indication or admission by Defendant or any of the Released Parties of any liability,
28 fault, wrongdoing, omission, concession or damage; or (b) disclosed, referred to, or offered or

received in evidence against any of the Released Parties in any further proceeding in the Action, or in any other civil, criminal or administrative action or proceeding, except for purposes of enforcing the Settlement. The Court's findings are for purposes of certifying the class of Class Members in the context of this Settlement and will not have any claim or issue or evidentiary preclusion or estoppel effect in any other action against Defendant or any of the Released Parties or in this litigation if the Settlement is not finally approved. If for any reason the Court does not execute and file a final approval order, or if the Effective Date, as defined in the Settlement Agreement, does not occur for any reason whatsoever, the Settlement Agreement and all evidence and proceedings had in connection therewith shall be without prejudice to the *status quo ante* rights of the Parties to the Action, as more specifically set forth in the Settlement Agreement, and this Preliminary Approval Order shall be rendered null and void and shall be vacated.

17. The Final Approval Hearing on the question of whether the Settlement should be finally approved as fair, reasonable, and adequate is scheduled in Department 3 of this Court, located at 4050 Main Street, Riverside, California 92501 on _____, 2022 at _____ a.m. / p.m. The Court reserves the right to continue the date of the Final Approval Hearing without further notice to the Class Members. The Settlement Administrator shall give notice to any objecting Class Member of any continuance of the Final Approval Hearing. The Court retains jurisdiction to consider all further applications arising out of or in connection with the Agreement.

18. At the Final Approval Hearing, the Court will consider: (a) whether the Settlement should be finally approved as fair, reasonable, and adequate for the Class; (b) whether a judgment granting final approval of the Settlement should be entered; and (c) whether Plaintiff's application for reasonable Attorneys' Fees and Costs to Class Counsel, Enhancement Award to Plaintiff, Administration Costs, and the allocation of the PAGA Payment should be granted.

19. Counsel for the parties shall file memoranda, declarations, or other statements and materials in support of their request for final approval of the Settlement, Attorneys' Fees and Costs, Enhancement Awards, Administration Costs, and payment to the LWDA for the LWDA

1 Payment prior to the Final Fairness Hearing according to the time limits set by the Code of Civil
2 Procedure and the California Rules of Court.

3 20. An implementation schedule is below:

4 Event	Date
5 Defendant to provide Class Data to the Settlement 6 Administrator no later than [10 calendar after preliminary approval]:	_____, 2022
7 Settlement Administrator to mail the Class Notice to Class 8 Members no later than [10 calendar days after receiving the Class Data]:	_____, 2022
9 Deadline for Class Members to submit Requests for 10 Exclusion, Workweek Disputes, or Objections to the Settlement [45 calendar days after mailing]:	_____, 2022
11 Deadline for Plaintiff to file his Motion for Final Approval 12 of Class Action Settlement:	_____, 2022
13 Final Fairness Hearing	_____, 2022

14 21. Pending the Final Fairness Hearing, all proceedings in this action, other than
15 proceedings necessary to carry out or enforce the terms and conditions of the Settlement and this
16 Order, are stayed.

17
18 **IT IS SO ORDERED.**

19 Dated: _____, 2022

HON. ANGEL M. BERMUDEZ
JUDGE OF THE SUPERIOR COURT

EXHIBIT C

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7 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

8 **FOR THE COUNTY OF RIVERSIDE**

9 SERGIO ENRIQUEZ JR., on behalf of himself
10 and all others similarly situated;

11 Plaintiff,

12 v.

13 SHIPBOB, INC., a Delaware Corporation; and
14 DOES 1 through 50, inclusive;

15 Defendants.
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CASE NO.: CVRI2101452

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

1 On [REDACTED], at [REDACTED] a.m., a hearing was held on the motion of Plaintiff Sergio
2 Enriquez (“Plaintiff” or the “Class Representative”), for final approval of the proposed class
3 action and PAGA settlement reached between Plaintiff and Defendant ShipBob, Inc.
4 (“Defendant”) (collectively, the “Parties”). This matter having come before this Court for
5 hearing on Plaintiff’s unopposed Motion for Final Approval, as set forth in the Parties’ Class
6 Action and PAGA Settlement Agreement (the “Settlement” or “Settlement Agreement”),
7 pursuant to the Order Granting Preliminary Approval of Class and PAGA Settlement and
8 Setting Final Approval Hearing Date (“Preliminary Approval Order”), adequate notice having
9 been given as required in said Order, and the Court having considered all papers filed and
10 proceedings had herein, and good cause appearing therefor, it is ORDERED, ADJUDGED
11 AND DECREED THAT the Motion for Final Approval is GRANTED. The Court further
12 ORDERS as follows:

13 1. The Court has jurisdiction over the subject matter of the Action and all Parties,
14 including the Plaintiffs and Class Members.

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

18 3. The Court finds that the instant Action presented a good faith dispute of the
19 claims alleged, and the Court finds in favor of settlement approval. Specifically, the claims on
20 behalf of the Class Members and allegedly similarly aggrieved employees under PAGA, which
21 Defendant disputed, included the Class Claims and PAGA Claims, including claims for alleged
22 failure to pay all minimum, regular, and overtime wages, failure to provide meal periods or
23 premium payments in lieu thereof, failure to provide rest periods or premium payments in lieu
24 thereof, failure to provide accurate itemized wage statements (based on both direct and derivative
25 theories of liability), failure to timely pay all wages due at separation, violation of California
26 Business & Professions Code, sections 17200 *et seq.*, and any and all related penalties. Plaintiff
27 also alleged PAGA claims based on these underlying alleged claims, as further specified in
28

1 Plaintiff's Complaint, Amended Complaint and March 16, 2021 Labor and Workforce
2 Development ("LWDA") notice letter.

3 4. The Court has determined that the Class Notice provided to the Class pursuant to
4 the Preliminary Approval Order fully and accurately informed all Class Members of the material
5 elements of the proposed Settlement, constituted the best notice practicable under the
6 circumstances, and constituted valid, due and sufficient notice to all Class Members. The Court
7 finds and determines that this notice procedure afforded adequate protections to Class Members
8 and provides the basis for the Court to make an informed decision regarding approval of the
9 Settlement based on the responses of Class Members.

10 5. _____ Class Members objected to the Settlement and ____ Class Members
11 requested exclusion from the Settlement. All Participating Class Members (*i.e.*, those who did
12 not submit a timely Request for Exclusion) are entitled to payment pursuant to the Settlement
13 and this Judgment.

14 6. The Court hereby grants full, unconditional and final approval of the Settlement
15 as fair, reasonable and adequate in all respects, determines that the Settlement was made in good
16 faith and in the best interests of the Parties, and orders the Parties to effectuate the Settlement in
17 accordance with the terms of the Settlement Agreement. The Court further finds that the
18 Settlement was the result of arm's-length negotiations conducted after Class Counsel had
19 thoroughly and adequately investigated the claims and became familiar with the strengths and
20 weaknesses of those claims. In particular, the amount of monies allocated to the Class Members,
21 and the assistance of an experienced mediator in the settlement process, among other factors,
22 support the Court's conclusion that the Settlement is fair, reasonable, and adequate. The
23 amounts agreed to be paid by Defendant, including the Settlement Payments to be paid to
24 Settlement Class Members, the LWDA, and PAGA Employees as provided for by the Settlement
25 Agreement, are fair, adequate and reasonable under the facts of this case.

26 7. The Court hereby finds that the Class Notice and all related documents have been
27 mailed to all Class Members as previously ordered by the Court, and that such Class Notice
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1 fairly and adequately described the terms of the proposed Settlement Agreement, the manner in
2 which Class Members could object to or participate in the Settlement, and the manner in which
3 Class Members could opt out of the Class; was the best notice practicable under the
4 circumstances; was valid, due and sufficient notice to all Class Members; and complied fully
5 with California Rule of Court 3.769, due process and all other applicable laws. The Court
6 further finds that a full and fair opportunity has been afforded to Class Members to participate in
7 the proceedings convened to determine whether the proposed Settlement Agreement should be
8 given final approval. Accordingly, the Court hereby determines that all Class Members who did
9 not file a timely and proper request to be excluded from the Settlement are bound by this Order.

10
11 8. The Settling Parties are to bear their own costs, except as otherwise provided in
12 the Settlement Agreement.

13 9. For purposes of effectuating this Order and Judgment, this Court has certified the
14 following class: “all persons who are or were previously employed by Defendant ShipBob, Inc.
15 in California and classified as a non-exempt employee during the Class Period (i.e., March 17,
16 2017 through July 29, 2022).” The Court deems this definition sufficient for purposes of
17 California Rules of Court, rule 3.765(a).

18 10. With respect to the Settlement Class and for purposes of approving this
19 Settlement, this Court finds and concludes as follows: (a) the Class Members are ascertainable
20 and so numerous that joinder of all members is impracticable; (b) there are questions of law or
21 fact common to the Class Members, and there is a well-defined community of interest among the
22 Class Members with respect to the subject matter of the Action; (c) the claims of the Class
23 Representative are typical of the claims of the Class Members; (d) the Class Representative has
24 fairly and adequately protected the interests of the Class Members; (e) a class action is superior
25 to other available methods for an efficient adjudication of this controversy; and (f) the counsel of
26 record for the Class Representative, i.e., Class Counsel, are qualified to serve as counsel for the
27 Plaintiff in his individual and representative capacity and for the Settlement Class.
28

1 11. By this Judgment, the Class Representative and all Participating Class Members
2 shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever
3 released, relinquished, and discharged all Class Released Claims, as defined in the Settlement
4 Agreement. By this Judgment, the Class Representative, PAGA Employees, and the State of
5 California (acting through Plaintiff as its ‘deputized’ PAGA representative) shall be deemed to
6 have, and by operation of the Judgment shall have, fully, finally, and forever released,
7 relinquished, and discharged all PAGA Released Claims, as defined in the Settlement
8 Agreement. The releases, by Plaintiff, PAGA Employees, the State of California, and
9 Participating Class Members, as set forth in the Settlement Agreement and in the Class Notice,
10 are approved and are hereby incorporated by reference and made a part of this Order as though
11 fully set forth herein. As more specifically set forth in the Settlement Agreement, by operation
12 of the entry of this Order and pursuant to the Settlement, Plaintiff and Participating Class
13 Members waive and release the Released Class Claims as set forth in the Settlement Agreement,
14 which are barred pursuant to this Order. As set forth in the Settlement Agreement, the release of
15 the Released Class Claims shall run from March 17, 2017 (*i.e.*, the beginning of the Class
16 Period) through the Response Deadline (*i.e.*, the deadline for Class Members to object or opt out
17 of the Settlement). As set forth in the Settlement Agreement, the release of the Released PAGA
18 Claims shall run from March 16, 2020 through the Response Deadline.
19

20 12. Nothing in this Order shall preclude any action to enforce the Parties’ obligations
21 under the Settlement or under this Order.

22 13. Neither this Final Approval Order, the Settlement Agreement, nor any document
23 referred to herein, nor any action taken to carry out the Settlement Agreement is, may be
24 construed as, or may be used as an admission by or against Defendant or any of the other
25 Released Parties of any fault, wrongdoing or liability whatsoever. Nor is this Final Approval
26 Order a finding of the validity of any claims in the Action or of any wrongdoing by Defendant or
27 any of the other Released Parties. The entering into or carrying out of the Settlement Agreement,
28 and any negotiations or proceedings related thereto, shall not in any event be construed as, or

1 deemed to be evidence of, an admission or concession with regard to the denials or defenses by
2 Defendant or any of the other Released Parties and shall not be offered in evidence against
3 Defendant or any of the Released Parties in any action or proceeding in any court, administrative
4 agency or other tribunal for any purpose whatsoever other than to enforce the provisions of this
5 Final Approval Order, the Settlement Agreement, or any related agreement or release.
6 Notwithstanding these restrictions, Defendant and any of the Released Parties may file in the
7 Action or in any other proceeding this Final Approval Order, the Settlement Agreement, or any
8 other papers and records on file in the Action as evidence of the Settlement and to support a
9 defense of *res judicata*, collateral estoppel, release, waiver or other theory of claim preclusion,
10 issue preclusion or similar defense.

11
12 14. The Gross Settlement Amount (the “Settlement Amount”) to be paid under the
13 Settlement Agreement is \$925,000. From this amount, Class Counsel sought an award of
14 attorney’s fees of \$308,333.33, combined litigation expenses of \$XXX, a Service Award for
15 Class Representative Sergio Enriquez of \$XX, \$XX to the Settlement Administrator, Phoenix
16 Settlement Administrators, 75% of the PAGA Award to be paid to the LWDA (\$18,750.00); and
17 25% of the PAGA Award to be paid to PAGA Employees (\$6,250), as specified in the
18 Settlement Agreement and Class Notice. In addition, and concurrently with paying the
19 Settlement Amount, Defendant shall separately pay the employers’ share of their payroll tax
20 obligations, which shall be reported through the Settlement Administrator. The Court finds that
21 the Settlement Amount is fair, reasonable and adequate, and awards the payments set forth above
22 from the Gross Settlement Amount as specified in the Settlement Agreement. After deducting the
23 foregoing payments from the Gross Settlement Amount, the remainder shall form the Net
24 Settlement Amount payable to the Participating Class Members as set forth in the Settlement
25 Agreement and as calculated by the Settlement Administrator. With the sole exception of
26 employer-side taxes due on individual settlement payments to Participating Class Members
27 (which Defendant will pay in addition to the Gross Settlement Amount), the Gross Settlement
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Amount is the maximum amount that Defendant will pay for any reason in connection with the Settlement Agreement or this Order.

15. If the Settlement does not become final and Effective in accordance with the terms of the Settlement Agreement, resulting in the return and/or retention of the Settlement funds to Defendant consistent with the terms of the Settlement, then this Final Approval Order and all orders entered in connection herewith, including without limitation any order certifying the class of Class Members, appointing class representatives or Class Counsel, shall be rendered null and void and shall be vacated.

16. The Settlement Administrator is directed to calculate the Participating Class Member's Individual Settlement Payments from the Net Settlement Amount and issue all payments in accordance with the Settlement Agreement and the timeline set forth below:

Within 14 calendar days of the Effective Date (as defined in the Settlement Agreement)	Defendant shall issue the Gross Settlement Amount to the Settlement Administrator.
Within 7 days after receipt of Payment	Settlement Administrator to issue all Individual Settlement Payments to the Participating Class Members, payment to Class Counsel for the Attorneys' Fees and Costs Award, the Service Payment to the Class Representative, and the payment to the LWDA and PAGA Employees for their portions of the PAGA Award
180 days after payment is issued	Deadline for Class Members to cash checks.
_____, 2023	Counsel to file a declaration from the Settlement Administrator setting forth the disbursements that were actually made in accordance with this Order and the Settlement Agreement, including any uncashed checks and status of process of forwarding unclaimed funds to the State Controller.
_____, 2023	Non-appearance hearing re: status of disbursement, filing of Declaration from Administrator.

1 17. Concurrently with mailing the settlement checks to the Class Members, the
2 Settlement Administrator shall include a Notice of Entry of Judgment to all Class Members
3 either on a postcard or as a detachable portion of the check for the Participating Class Members,
4 noting the following: “Please be advised that on [insert date], 2022, the Superior Court of
5 California for the County of Riverside entered a Final Approval Order and Judgment in the case
6 entitled *Enriquez v. ShipBob, Inc.*, Case No. CVRI2101452, on behalf of all participating current
7 and former non-exempt employees employed by Defendant ShipBob, Inc. in California and
8 classified as a non-exempt employee at any time from March 17, 2017 through July 29, 2022,
9 pursuant to an approved settlement of disputed claims.”

10 18. The Class Members shall have 180 days to negotiate the settlement check from
11 the date of issuance by the Settlement Administrator. All unclaimed funds (i.e., uncashed
12 checks) after the 180-day deadline shall be sent to the California Unclaimed Property Fund in the
13 name of the class member. The release will be binding upon all Participating Class Members
14 regardless of whether or not they cash their checks within the 180-day period. In the event that
15 any settlement check is returned to the Settlement Administrator within 180 days of mailing, the
16 Settlement Administrator will, within five (5) business days of receipt of the returned settlement
17 check, perform a skip trace to try to locate the individual. If a new address is located by these
18 means or if a forwarding address is available, the Administrator will have ten (10) business days
19 to re-issue the check. All unclaimed funds after the 180-day deadline shall be sent by the
20 Settlement Administrator to the California Unclaimed Property Fund in the name of the class
21 member.
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23 19. The Court hereby enters judgment, with prejudice, for the reasons set forth above,
24 and in accordance with the terms set forth in the Settlement Agreement. This document shall
25 constitute a Judgment for purposes of California Rule of Court 3.769(h). Without affecting the
26 finality of the Judgment in any way, the Court reserves exclusive and continuing jurisdiction
27 over the Action, the Class Representative, the Class Members, and Defendant for the purposes of
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1 supervising the implementation, enforcement, construction, administration, and interpretation of
2 the Settlement Agreement and this Judgment.

3 20. Notice of entry of this Order shall be given to Class Counsel on behalf of Named
4 Plaintiffs and all Class Members. It shall not be necessary to send notice of entry of this Order to
5 Class Members.

6 **IT IS SO ORDERED.**

7 Dated: _____

8 _____
9 HON. ANGEL M. BERMUDEZ
10 JUDGE OF THE SUPERIOR COURT
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