

Brian J. Mankin, Esq. [CSB No. 216228]
brian@lmlfirm.com
Misty M. Lauby, Esq. [CSB No. 243009]
misty@lmlfirm.com
LAUBY, MANKIN & LAUBY LLP
5198 Arlington Avenue, PMB 513
Riverside, CA 92504
Tel: (951) 320-1444 | Fax: (951) 320-1445

Attorneys for Plaintiff, on a representative basis and on behalf of all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO

KARINA MORALES, individually, on a
representative basis, and on behalf of all
others similarly situated;

Plaintiff,

vs.

VPET USA, LLC, a Delaware Limited
Liability Company; WORKFORCE
PERSONNEL, INC., a California
Corporation; and DOES 1 through 20,
inclusive.

Defendants.

Case No.: CIVSB2108161
*[Assigned to Hon. Judge David Cohn, Dept
S26, for all purposes]*

**DECLARATION OF BRIAN J. MANKIN,
ESQ., IN SUPPORT OF MOTION FOR
FINAL APPROVAL OF CLASS ACTION
SETTLEMENT**

Hearing

Date: November 10, 2022

Time: 10:00 a.m.

Dept: S26

Complaint filed: March 10, 2021

I, Brian J. Mankin, state and declare:

1. I am an attorney licensed to practice before all of the courts of the State of California. I manage the employment law department and am a partner with the law firm of Lauby Mankin Lauby LLP, which has offices in Orange County and Riverside County. I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein. I submit this declaration in support of Plaintiffs' Motion for Final Approval of this Class Action Settlement. If called as a witness, I could and would competently testify thereto.

1 **COUNSEL’S EXPERIENCE**

2 2. I have been a member, in good standing, of the State Bar of California since 2001.
3 I am admitted to practice in the United States District Courts for the Central and Southern
4 District of California and the Ninth Circuit Court of Appeal and have tried cases in various
5 courts in California.

6 3. I have handled over 500 employee vs. employer litigation matters during my 21
7 years in practice. Over the last 15 years, my practice has almost entirely consisted of
8 representing employees, the majority of which has included class action and representative
9 action wage and hour matters. In total, I have handled over 250 class action and representative
10 action wage/hour cases, and have been appointed by the court as class counsel and have received
11 final court approval and judgment in over half of those actions to date, and anticipate receiving
12 final approval in many more of those in the future.

13 4. As part of these settlements and judgments, I have recovered in excess of \$250
14 million in damages for my clients and the class members (who often work as nurses, ambulance
15 drivers, technicians, warehouse workers, truck drivers, sales, professional occupations and
16 countless other trades). My team and I once held the record for the largest known PAGA-only
17 case in California’s history, which followed extensive litigation, summary adjudication and writs
18 to the CA Supreme Court against a Fortune 50 company (Garcia v. Macy’s, San Bernardino
19 Superior Court).

20 5. I have tried two major class and PAGA cases against Fortune 100 companies. In
21 2018, I was lead counsel in a PAGA case that my firm tried in the Orange County Superior Court
22 and received a \$425,000 judgment. In 2019, I was co-counsel in a class action case against
23 Walmart in District Court, wherein the jury awarded Plaintiffs and the class over \$6 million.
24 Both cases were appealed.

25 6. Over the last four or five consecutive years, I have been selected by my peers as a
26 “Super Lawyer” in Employment Litigation, a distinction that only 5% of lawyers receive.

27 ///

28 ///

ADEQUACY OF THE SETTLEMENT

7. The Class consists of 234 non-exempt employees who were employed directly by Defendant VPET USA, LLC, and who worked at the VPET Facility (located at 12925 Marlay Avenue, Fontana, CA 92337) at any time between September 19, 2019 and July 29, 2022 (the “Class Period”).

8. Prior to preliminary approval and for the purposes of preparing for mediation, Defendant represented that there were approximately 150 Class Members. After preliminary approval was granted, Defendant uploaded the Class Data to the Settlement Administrator only, which contained a total of 234 Class Members. The Settlement Administrator proceeded to mail the Class Notice to all 234 Class Members and, ultimately, there were no opt-outs or objections.

9. As final approval approached and the Settlement Administrator circulated a draft declaration, my office discovered that the class size increased to 234 employees. We met and conferred with defense counsel, and it was agreed upon that – since there were no objections and opt-outs – Defendant would increase the Settlement Amount by \$50,000 to account for the increase in class size. To that end, the Parties entered into an Addendum to Class Action Settlement Agreement and Release of Claims (the “Addendum”). The Class Action Settlement Agreement is attached hereto as **Exhibit A** and the Addendum is attached as **Exhibit B**.

10. According to the Administrator’s declaration (which is filed concurrently), in terms of average payments, the Class Notice that was mailed advised that the Net Settlement Amount totaled approximately \$112,116.67, resulting in an average payment of \$479, whereby each Class Member was estimated to receive \$10.65 per each week worked during the Class Period. However, the \$50,000 increase in the Maximum Settlement Amount causes the Net Settlement Amount to increase to \$146,283.14, whereby each Class Member will receive more on average than contained in the Class Notice. To be specific, the average payment is now increases to \$625.14 and the value per Workweek increases to \$13.73. As a result, Class Members will actually receive approximately 30% more than the estimated payment that was displayed on their Class Notice.

///

1 11. As set forth in the Declaration of the Settlement Administrator, the Net Settlement
2 Amount is approximately \$146,283.14, after the deductions set forth in the chart below:

	Total Amount
<i>Gross Settlement Amount</i>	\$ 300,000
Attorneys' Fees (1/3)	\$ 100,000
Litigation Costs	\$ 14,216.86
Administrator Costs	\$ 7,000
PAGA Penalties	\$ 25,000
Class Representative's Service Award	\$ 7,500
<i>Net Settlement Amount</i>	\$ 146,283.14

9
10 12. The process of mailing the Class Notice was very successful, as 97.2% of the
11 Notices were deemed deliverable by the Settlement Administrator.

12 13. The response from the Class Members was overwhelmingly positive, as no Class
13 Members opted-out or objected.

14 14. As discussed in the Motion for Final Approval, this Settlement is very favorable
15 to the Class with an average payment of \$625.14 per Class Member and the release is narrowly
16 limited to the claims alleged.

17 15. Sufficient information existed to allow Class Counsel to intelligently value this
18 case. Given the parties' arms' length bargaining facilitated by a reputable and experienced wage
19 and hour mediator, the exchange of informal discovery, the experience of Class Counsel, the fact
20 that 100% of the Class elected to participate and no objections were submitted, the presumption
21 of fairness is justified.

22 16. I believe that the Settlement is fair, reasonable and adequate, and in the best
23 interests of the Class, given the litigation risks and delay inherent in further litigation and
24 possible appeals. As set forth in Plaintiff's motion for preliminary approval and the declarations
25 submitted in support thereof, Defendant contested Plaintiff's claims, and Plaintiff faced real
26 challenges moving forward and obtaining a recovery in this matter. Nonetheless, the Parties
27 concluded that further litigation would be protracted and expensive, and that it is desirable that
28 the action be fully and finally settled in the manner and upon the terms and conditions set forth in

1 the Settlement Agreement in order to limit further expense, inconvenience and distraction, to
2 dispose of burdensome and protracted litigation, and to permit the operation of Defendant's
3 business without further expensive litigation and the distraction and diversion of its personnel
4 with respect to matters at issue. All parties took into account the uncertainty of risks inherent in
5 any litigation, especially in complex cases such as this case. The Parties determined that it is
6 desirable and beneficial to both the Class and Defendant that this case be settled. Risks on both
7 sides were considered in reaching the Settlement Agreement. The recoveries contemplated by the
8 Settlement represent a good result for the Class, fairly proportioned to the likely risk-adjusted
9 recovery in litigation.

10 **ADEQUACY OF COUNSEL AND**
11 **REASONABLENESS OF REQUESTED FEE AND COST AWARDS**

12 17. As set forth above, I have handled over 250 class and representative actions, have
13 been appointed as class counsel and have successfully resolved approximately half of those
14 actions, and many others remain pending and will successfully resolve in the future while
15 recovering in excess of \$250 million dollars for my clients and Class Members. This is
16 substantially better than average accordingly to Mayer Brown LLP's study entitled, An
17 Empirical Analysis of Class Actions, cited in *Laguna v. Coverall North America, Inc.* (9th Cir.
18 2014) 753 F.3d 918, which found that only one-third of class actions are successful, compared to
19 two-thirds that are defeated and result in no payment to the class members.¹

20 18. When this case was taken on a contingency fee basis, with my firm agreeing to
21 assume responsibility for all litigation costs, the ultimate result was far from certain. In the
22 course of this litigation, Class Counsel paid all costs including filing fees, court costs, research
23 fees, and mediation costs. There was never a guarantee that we would recoup those expenditures.

24 19. It has been my experience that the benchmark for attorney fee awards in
25 California state cases is one-third of a common settlement fund, which the CA Supreme Court
26 upheld in the *Robert Half* case. Here, in accordance with the Settlement Agreement and
27 Addendum thereto, Class Counsel is seeking a fee of \$100,000, which is one-third of the

28

¹ www.mayerbrown.com/files/uploads/Documents/PDFs/2013/December/DoClassActionsBenefitClassMembers.pdf

Maximum Settlement Amount.

20. There are several additional factors why I believe that the Court should award one-third of the common fund as reasonable attorneys' fees. First, Class Counsel's efforts resulted in a common fund settlement amount of \$300,000, and the employees will receive over \$625.14 on average. This is a good result in light of the disputed nature of the claims alleged. This result was achieved by the work and success of my office, who negotiated the settlement after extensive preparation, investigation, mediation, and substantial work thereafter.

21. Second, Plaintiff faced significant risks going forward with the litigation. As discussed in the motion for preliminary approval, Defendant raised various defenses throughout this litigation, any one of which, if successful, could have decimated Plaintiff's case. And Defendant vowed to raise all these defenses at trial. Accordingly, Plaintiff faced risky issues going forward with this litigation, and it would have taken several more years to realize any recovery in this action along with the possibility of post-trial appeals.

22. Third, Class Counsel are experienced class action litigators. This experience and expertise, combined with the high quality of work performed in this case, resulted in the settlement achieved in this case.

23. Fourth, Class Counsel have been representing Plaintiff in this matter strictly on a contingency fee basis. To that end, we have incurred the risk of non-recovery after investing a substantial amount of time, money, and resources, and have done so since the inception of this case without any payment or compensation. If Plaintiff had lost this case, we would have recovered nothing, and would have lost our out-of-pocket costs. This is not an easy burden for my office, which is a small firm.

24. Fifth, the request for attorney's fees in the amount of one-third of the common fund falls well within the norms accepted by state and federal courts in California in comparable wage and hour actions actually handled by my office. Moreover, the award of a one-third fee recovery under the common fund doctrine was recently approved by the California Supreme Court in *Laffitte v. Robert Half*.

///

1 25. For all of the above reasons, a common fund fee award here in the amount of one-
2 third of the common fund created by Plaintiff and Class Counsel is fair and reasonable.

3 26. At my office, this case was primarily handled by my partner, Misty Lauby, while
4 I performed the role of the supervising attorney. As set forth in her declaration, Ms. Lauby bills
5 at the rate of \$650/hour. I have been in practice for 21 years, with most of those years handling
6 complex litigation and for over the last 15 years, my practice has almost entirely consisted of
7 handling class action wage and hour matters. My billing rate is \$775/hour. I believe these rates
8 are consistent with Plaintiff and Defense attorneys who handle complex class action litigation, if
9 not somewhat lower.

10 27. The hourly rates above are comparable to those of other attorneys with equal or
11 similar experience, if not somewhat lower (i.e., the Laffey Matrix at *www.laffeymatrix.com*
12 indicates that the benchmark rate for an 8–10-year attorney to be \$676/hour and a 11-19 year
13 attorney at \$764/hour, and a 20+ year attorney at \$919/hour). Moreover, the Wolters Kluwer
14 Real Rate Report (“Real Rate Report”), provides directly applicable information in this regard.
15 The Real Rate Report is based on an enormous and statistically significant compilation of data.
16 For instance, in 2017, the report was based on 25.8 million billing entries and 23.9 million hours
17 billed by over 112,100 individual timekeepers from 4,620 law firms, totaling \$9.02 billion in fees
18 billed. The Real Rate Report then compiles and analyzes this data to provide the hourly rates for
19 partners and associates in major metropolitan areas. In 2018, for the southern California area,
20 which is based on billing entries for 999 partners and 1,361 associates, the Real Rate Report
21 states that: (a) the median rate for partners in Los Angeles is \$695 and the upper quartile is \$995
22 per hour, and (b) the median rate for associates in Los Angeles is \$550 and the upper quartile is
23 \$721 (2018 Kluwer Real Rate Report, page 21). And, perhaps most importantly, the information
24 provided in the Real Rate Report is not based on self-reported numbers, surveys, sampling, or
25 reviews or other publications – instead, the Real Rate Report is based on the actual hours and
26 fees billed by law firms.

27 28. The table below includes a summary of the hours worked, plus an estimated 25
28 hours that I will bill in finalizing and filing the motion, preparing for and attending the approval

hearing, and working with the claims administrator and defense counsel to finalize this matter. The total lodestar for my firm is approximately \$99,265 through the conclusion of this matter, as shown in the chart below:

Attorney/Timekeeper	Rate	Hours	Fee
Brian J. Mankin <i>Trial Counsel / Partner</i> (21 Years)	\$775	63²	\$48,825
Misty L. Lauby <i>Partner / Handling Atty</i> (14 Years)	\$650	77.6	\$50,440
Grand Total for All Attorneys			\$99,265

29. The fee is warranted because of the results achieved for the Class Members, both in terms of the immediate cash settlement, as well as the fact that the Class Members resoundingly supported the Settlement. Defendants do not oppose this fee request.

30. In the course of prosecuting this action, Class counsel have incurred expenses that were incidental and necessary to the effective representation of the Class. These expenses included but were not limited to: court filings, copying and management of documents, on-line Lexis research, messenger services, postage, fax transmission expenses, transportation, mediator fees including travel to mediation, and other incidental expenses directly related to this action. The Settlement Agreement provided up to \$15,000 in costs. Through final approval, my office incurred \$14,216.86 in litigation costs (see **Exhibit C** attached hereto). The saving will be placed in the Net Settlement Amount for payment to the Class Members. Defendant does not oppose this request for costs.

REASONABLENESS OF REQUESTED SERVICE AWARDS

31. I also believe that the service award of \$7,500 for Plaintiff is fair and warranted for the reasons outlined in her declarations and in the motion. She came forward and worked directly with my office in analyzing the claims and documents, and providing valuable

² Includes an estimated 25 hours of additional work preparing for and attending the hearing, as well as anticipated work to be performed after the final approval hearing with counsel, administrator, employees, and the court.

1 information. (See her declaration for supporting information.) Indeed, her participation was an
2 essential element of Defendant's desire to mediate and of the pre and post mediation analysis
3 that allowed Class Counsel to settle the case. Of course, she also took on various risks, including
4 the risk that she could have been ordered to pay Defendant's costs if she lost and the risk of
5 retaliation and being black-balled in the industry. Finally, Defendant does not oppose the
6 requested service award.

7 SUBMISSION TO THE LWDA

8 32. The Motion and declarations, including the Settlement Agreement, have
9 concurrently been submitted to the LWDA. (See **Exhibit D**).

10 EXHIBITS AND CONCLUSION

11 33. A true and correct copy of the Settlement Agreement is attached hereto as Exhibit
12 "A."

13 34. A true and correct copy of the Addendum to the Settlement Agreement is attached
14 hereto as Exhibit "B."

15 35. Attached hereto as Exhibit "C" is a true and correct copy of an itemized statement
16 of my firm's litigation costs.

17 36. The LWDA's confirmation of receipt of this Motion and Declaration is attached
18 hereto as Exhibit "D."

19 37. For the foregoing reasons, it is respectfully requested that the Court grant final
20 approval of the settlement as being fair, reasonable, and in the best interest of the class, and
21 approve the requested attorneys' fees, costs, and service award.

22 I declare under penalty of perjury under the laws of the State of California that the
23 foregoing is true and correct. Executed on October 19, 2022, at Riverside, California.

24
25 By: 
26 Brian J. Mankin, Esq.
27
28

EXHIBIT “A”

Brian J. Mankin, Esq. [CSB No. 216228]
brian@lmlfirm.com
Misty M. Lauby, Esq. [CSB No. 243009]
misty@lmlfirm.com
LAUBY MANKIN LAUBY LLP
4590 Allstate Drive
Riverside, CA 92501
Tel: (951) 320-1444 | Fax: (951) 320-1445

Attorneys for Plaintiff Karina Morales and all others similarly situated

MORGAN, LEWIS & BOCKIUS LLP
Kathryn T. McGuigan [Bar No. 232112]
kathryn.mcguigan@morganlewis.com
300 South Grand Avenue, Twenty-second Floor
Los Angeles, California 90071-3132
Tel: (213) 612-2500 | Fax: (213) 612-2501

MORGAN, LEWIS & BOCKIUS LLP
Sarah Zenewicz [Bar No. 258068]
sarah.zenewicz@morganlewis.com
One Market, Spear Street Tower
San Francisco, California 94105
Tel: (415) 442-1000 | Fax: (213) 612-2501

Attorneys for Defendant VPET USA, LLC

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

KARINA MORALES, individually, on a
representative basis, and on behalf of all
others similarly situated;

Plaintiff,

vs.

VPET USA, LLC, a Delaware Limited
Liability Company; WORKFORCE
PERSONNEL, INC., a California
Corporation; and DOES 1 through 20,
inclusive.

Defendants.

Case No.: CIVSB2108161
*[Assigned to Honorable Judge David Cohn,
Dept S26, for all purposes]*

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

1 This Class Action Settlement Agreement and Release of Claims is entered into by and
2 between Plaintiff Karina Morales, individually and on behalf of all others similarly situated, and
3 Defendant VPET USA, LLC, and is approved by their respective counsel of record, subject to the
4 terms and conditions hereof and the Court's approval.

5 **A. Definitions**

6 1. "Action" or "Lawsuit" means and refers to the case entitled *Karina Morales v.*
7 *VPET USA, LLC, et al.*, San Bernardino County Superior Court, Case No. CIVSB2108161.

8 2. "Agreement," "Settlement Agreement" or "S.A." or shall mean this Class Action
9 Settlement Agreement and Release of Claims, including any attached Exhibits.

10 3. "Aggrieved Employees" means all current and former nonexempt employees
11 employed directly by Defendant VPET USA, LLC, and who worked at the VPET Facility at any
12 time during the PAGA Period.

13 4. "Class Counsel" refers to Brian Mankin and Misty Lauby of Lauby Mankin
14 Lauby LLP.

15 5. "Class Data" means a complete list that Defendant VPET will diligently and in
16 good faith compile from its records and provide to the Settlement Administrator on one
17 spreadsheet and shall include the Settlement Class Members' full names; last known addresses;
18 telephone numbers; Social Security Numbers; the total Weeks Worked during the PAGA Period
19 for each Aggrieved Employee, and the total Weeks Worked during the Class Period for each
20 Settlement Class Member.

21 6. "Class Period" is deemed to be any time during the period of September 19, 2019
22 through the Preliminary Approval Date or July 31, 2022, whichever is earlier.

23 7. "Class Representative" or "Plaintiff" means and refers to Karina Morales.

24 8. "Complaint" refers to the operative complaint on file alleging class and
25 representative PAGA claims, filed in the San Bernardino County Superior Court on March 10,
26 2021, in the matter of *Karina Morales v. VPET USA, LLC, et al.*, San Bernardino County
27 Superior Court Case No. CIVSB2108161.

28 9. "Court" (or "Judge") means the California Superior Court, County of San

Bernardino.

10. “Defendant VPET” means and refers to VPET USA, LLC.

11. “Defendant Counsel” or “Defense Counsel” means and refers to Morgan, Lewis & Bockius LLP.

12. “Effective Date” means the latest of the following dates: (i) if no Class Member objects, timely and properly intervenes, or files a motion to vacate the judgment approving the Settlement Agreement under Code of Civil Procedure § 663, then the date of the Notice of Entry of Order regarding Final Approval of the Settlement; (ii) if a Class Member objects, intervenes, or files a motion to vacate the judgment approving the Settlement Agreement, then sixty-one (61) calendar days following the date the Court enters an order granting Final Approval, assuming no appeal is filed; or (iii) if a timely appeal is filed, the date of final resolution of that appeal (including any requests for rehearing and/or petitions for *certiorari*), resulting in final judicial approval of the Settlement.

13. “Excluded Employers” refers to Workforce Personnel, Inc., VPET USA, Inc., LL Continental, Inc., and/or the individuals Henry Lee and Wenhao Wang and their officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective parent and subsidiary corporations, subsidiaries, divisions, affiliates, attorneys of VPET USA, Inc., and LL Continental, Inc., and/or the individuals Henry Lee and Wenhao Wang.

14. “Final Approval” refers to the order of the Court granting final approval of this Settlement Agreement and entering a judgment approving this Agreement on substantially the terms provided herein or as the same may be modified by subsequent agreement of the Parties.

15. “Final Settlement Class” means, collectively, all Participating Class Members.

16. “Individual Settlement Payment” shall have the meaning ascribed to it in Paragraph 49(c) below.

17. “Maximum Settlement Amount” shall have the meaning ascribed to it in Paragraph 49(a) below.

18. “Net Settlement Amount” shall have the meaning ascribed to it in Paragraph 49(b)

below.

19. “Notice” means the notice of settlement of class action that will be sent to the Settlement Class Members.

20. “Notice Response Deadline” is 30 calendar days from the date the Notice is mailed to the Settlement Class Members.

21. “Objecting Settlement Class Member” means a Settlement Class Member, other than Plaintiff, who submits a valid and timely objection to the terms of this Agreement, pursuant to Paragraph 71(c) below.

22. “PAGA Penalties” means the amount that the Parties have agreed to pay to the Labor and Workforce Development Agency (“LWDA”) in connection with the California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”), as well as the individual PAGA payment allocated to each Aggrieved Employee.

23. “PAGA Period” is deemed to be any time during the period of March 5, 2020 through the Preliminary Approval Date or July 31, 2022, whichever is earlier.

24. “PAGA Released Claims” upon Final Approval of the Settlement will include means any and all PAGA claims that Plaintiff alleged against the Released Parties, on behalf of Aggrieved Employees and State of California, based on the facts stated in Plaintiff’s Complaint and in Plaintiff’s LWDA notice letter, including all PAGA claims seeking civil penalties premised upon: (a) failure to pay minimum wages, (b) failure to pay overtime wages, (c) failure to provide meal periods, (d) failure to provide rest breaks, (e) failure to failure to timely pay wages each period and upon separation of employment, (f) failure to provide accurate itemized wage statements, and (g) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.* based on the facts or claims alleged in the operative complaint. The time period governing the PAGA Released Claims shall be any time during the PAGA Period. The PAGA Released Claims do not release any Aggrieved Employee’s claims for wages or statutory penalties.

25. “Participating Class Member” means any and all Settlement Class Members who are deemed to participate and receive an Individual Settlement Payment and do not opt-out by

submitting timely valid Requests for Exclusion.

26. “Parties” or “Settling Parties” mean Plaintiff, the Settlement Class, and Defendant VPET, collectively.

27. “Preliminary Approval Date” means the date the Court approves the Settlement Agreement and enters the Preliminary Approval Order.

28. “Preliminary Approval Order” means the judicial Order to be entered by the Court, upon the application or motion of the Plaintiff, preliminarily approving this Settlement and providing for the issuance of the Notice to the Settlement Class, an opportunity to opt out of the Settlement, an opportunity to submit timely objections to the Settlement, and setting a hearing on the fairness of the terms of Settlement, including approval of attorneys’ fees and costs. Defendant VPET will be provided with an opportunity to review and comment upon the motion for preliminary approval at least five days before it is filed. Thereafter, Defendant VPET will not object to the motion.

29. “QSF” means the Qualified Settlement Fund set up by the Settlement Administrator for the benefit of the Final Settlement Class, and from which the settlement payments shall be made, and which is intended to be a fund that qualifies under Internal Revenue Code Sec. 468.

30. “Released Class Claims” by the Participating Class Members upon Final Approval of the Settlement will include any and all claims stated in the Complaint and those based solely upon the facts in the Complaint, including: (a) failure to pay minimum wages, (b) failure to pay overtime wages, (c) failure to provide meal periods, (d) failure to provide rest breaks, (e) failure to failure to timely pay wages each period and upon separation of employment, (f) failure to provide accurate itemized wage statements, (g) unfair and unlawful competition, and (h) all other claims for statutory penalties based on the facts or claims alleged in the Complaint.

31. “Released Parties” means Defendant VPET and its past and present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective parent corporations,

1 subsidiaries, divisions, affiliates, attorneys, successors and assigns. The Released Parties
2 specifically exclude the Excluded Employers.

3 32. “Release Period” shall be the time period governing the Released Class Claims
4 which shall be the same as the Class Period.

5 33. “Release” shall mean the release and discharge of the Released Class Claims by
6 Plaintiff and all of the Participating Class Members. The *res judicata* effect of the Judgment will
7 be the same as that of the Release.

8 34. “Request for Exclusion” shall have the meaning ascribed to it in Paragraph 71(a)
9 below.

10 35. “Service Payment” or “Service Award” means the amount approved by the Court
11 to be paid to the Class Representative, Karina Morales, in addition to her Individual Settlement
12 Payment as a Participating Class Member.

13 36. “Settlement Administrator” means and refers to ILYM Group, the third-party
14 class action settlement administrator agreed to by the Parties, that will provide the Notice Packet
15 to the Class Members and distribute the settlement amounts as described in this Agreement.

16 37. “Settlement Administration Costs” means the costs payable from the Maximum
17 Settlement Amount to the Settlement Administrator for administering this Settlement, including,
18 but not limited to, printing, distributing, and tracking documents for this Settlement, tax
19 reporting, and deposit of the employee and employer share of payroll taxes, unclaimed property
20 due diligence, reporting and remittance obligations, distributing the Maximum Settlement
21 Amount, and providing necessary reports and declarations, as requested by the Parties. The
22 Settlement Administration Costs shall be paid from the Settlement Amount, including, if
23 necessary, any such costs in excess of the amount represented by the Settlement Administrator as
24 being the maximum costs necessary to administer the Settlement.

25 38. “Settlement Class” consists of all current and former nonexempt employees
26 employed directly by Defendant VPET USA, LLC, and who worked at the VPET Facility at any
27 time during the Class Period.

28 39. “Settlement Class Member” or “Class Member(s)” refers to individual members

of the Settlement Class.

40. “VPET Facility” refers to VPET facility located at 12925 Marlay Avenue, Fontana, CA 92337.

41. “Work Weeks” or “Weeks Worked” for each Settlement Class Members means any and all weeks during the Class Period in which the Settlement Class Member worked at least one shift during the week at the VPET Facility under the *direct* hire and employment of Defendant VPET. In other words, Weeks Worked excludes any and all weeks in which an individual worked at the VPET Facility as a temporary or staffed employee for an Excluded Employer or other entity.

B. General Terms

42. On March 10, 2021, Plaintiff filed a class and representative PAGA action complaint in the Court against Defendants VPet USA, LLC, Workforce Personnel, Inc., and DOES 1 through 20. The operative Complaint alleges class and representative PAGA claims, including: (1) failure to pay minimum and regular wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest breaks, (5) failure to timely pay final wages, (6) failure to provide accurate itemized wage statements, (7) unfair and unlawful competition pursuant to Business and Professions Code §17200 *et seq.*, and (9) related claims under PAGA.

43. Defendant VPET denied Plaintiff’s claims and allegations, and contends that the Action is not suitable for class certification or manageable as a class or representative action.

44. The Class Representative believes she can proceed with her representative and class claims, that the Action is meritorious, and that class certification is appropriate.

45. The Settling Parties have conducted a thorough investigation into the facts of the Action, including an extensive exchange of informal discovery, including Defendant VPET’s written policies and practices and the production of a sampling of payroll and timekeeping records for Settlement Class Members. Class Counsel is both knowledgeable about and has done extensive research with respect to the applicable law and potential defenses to the claims of the Settlement Class. Class Counsel has diligently pursued an investigation of the Class Members’

1 claims against Defendant VPET. Based on the foregoing data and on their own independent
2 investigation and evaluation, Class Counsel is of the opinion that the settlement with Defendant
3 VPET for the consideration and on the terms set forth in this Settlement Agreement is fair,
4 reasonable, and adequate and is in the best interest of the Class Members in light of all known
5 facts and circumstances, including the risk of significant delay and uncertainty associated with
6 litigation, various defenses asserted by Defendant VPET, and numerous potential appellate
7 issues.

8 46. On April 4, 2022, Plaintiff and Defendant VPET participated in mediation before
9 Jeff Krivis, a highly experienced wage and hour class action mediator. The matter resolved as to
10 Settlement Class pursuant to a mediator's proposal. Notably, Defendant Workforce Personnel,
11 Inc., also attended mediation, but in light of its failure to exchange information and data prior to
12 mediation, no meaningful settlement talks could occur with respect to temporary employees that
13 Workforce Personnel, Inc., assigned to the VPET Facility.

14 47. The Settling Parties agree that neither their Settlement, this Agreement, nor the
15 acts to be performed or judgments to be entered pursuant to the terms of the Settlement and
16 Agreement, shall be construed as an admission by Defendant VPET of any wrongdoing or
17 violation of any statute or law or liability on the claims or allegations in the Action.

18 48. Stipulation for Class Certification. For settlement purposes only, Defendant
19 VPET will stipulate that the Settlement Class Members described herein who do not submit a
20 Request for Exclusion from the Settlement Class may be conditionally certified as a settlement
21 class. This stipulation to certification is in no way an admission that class action certification is
22 proper and shall not be admissible in this or in any other action except for the sole purposes of
23 enforcing this Agreement and resolving the administration of the Settlement. Should, for
24 whatever reason, the Court fail to issue Final Approval, the Settling Parties' stipulation to class
25 certification as part of the Settlement shall become null and void *ab initio* and shall have no
26 bearing on, and shall not be admissible in connection with, the issue of whether or not
27 certification would be appropriate in a non-settlement context. Defendant VPET expressly
28 reserves its rights and declare that it would continue to oppose class certification and the

substantive merits of the case should the Court decline to issue Final Approval. Plaintiff expressly reserves her rights and declares that she will continue to pursue class certification and a trial should the Court decline to issue Final Approval.

C. Terms of Settlement

49. The financial terms of the Settlement are as follows:

(a) Maximum Settlement Amount: The Settling Parties agree to settle this Action for Two Hundred and Fifty Thousand Dollars (\$250,000) (“the Maximum Settlement Amount”). The Maximum Settlement Amount is the maximum amount that will be paid by Defendant VPET, and includes Individual Settlement Payments, Attorneys’ Fees and Costs Award, the Service Payment to the Class Representative, all Settlement Administration Costs, and PAGA Penalties. Defendant VPET shall separately pay the employers’ share of their payroll tax obligations, which shall be reported through the Settlement Administrator.

(b) Net Settlement Amount: The “Net Settlement Amount” is defined as the Maximum Settlement Amount less the Attorneys’ Fees and Costs Award, the Service Payment to the Class Representative as awarded by the Court, the Settlement Administration Costs, and PAGA Penalties. If the Court reduces the Attorneys’ Fees and Costs Award, Service Award, or Settlement Administrator Costs, the difference shall be placed in the Net Settlement Amount and allocated to the Settlement Class.

(c) Individual Settlement Payments for the Settlement Class: Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of eligible Work Weeks a Settlement Class Member is credited with working during the Class Period (meaning the one Work Week will be credited for each week in which a Settlement Class Member worked at least one shift at the VPET Facility under the *direct* hire and employment of Defendant VPET). Specific calculations of Individual Settlement Payments will be made as follows:

- Defendant VPET will calculate the total number of eligible Work Weeks worked by each Settlement Class Member during the Class Period and the aggregate total number of eligible Work Weeks worked by all Settlement

Class Members during the Class Period.

- To determine each Settlement Class Member's estimated Individual Settlement Payment, the Settlement Administrator will use the following formula: The Net Settlement Amount will be divided by the aggregate total number of eligible Work Weeks, resulting in the "Work Week Value." Each Settlement Class Member's Individual Settlement Payment will be calculated by multiplying his or her total number of eligible Work Weeks during the Class Period by the Work Week Value.
- Individual Settlement Payments will be reduced by any required deductions for each Participating Class Member as specifically set forth herein, including employee-side tax withholdings or deductions.
- The entire Net Settlement Amount will be disbursed to all Participating Class Members. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionally increase the Individual Settlement Payment for each Participating Class Member according to the number of eligible Work Weeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Amount.

(d) Allocation of Individual Settlement Payments: The Individual Settlement Payments will be allocated based on the allegations in the Action as follows: one-third (33.34%) will be allocated as wages subject to withholding of all applicable local, state and federal taxes; and the remaining two-thirds (66.66%) will be allocated equally between interest (33.33%) and as penalties (33.33%) (pursuant to, e.g., California Labor Code sections 203, 210, 226, 2699) 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 penalties and interest allocations.

(e) Service Payment to Class Representative: The amount, if any, awarded to

1 the Class Representative as a Service Payment will be set by the Court in its discretion, not to
2 exceed \$7,500, in exchange for the services Plaintiff performed on behalf of the Class and for
3 entering into the general release against Defendant VPET, as discussed hereinafter. Defendant
4 VPET agrees not to oppose this request. The Service Payment to Plaintiff will be paid out of the
5 Maximum Settlement Amount. The Class Representative will be issued IRS Form 1099 in
6 connection with this payment. Plaintiff shall be solely and legally responsible to pay any and all
7 applicable taxes on this payment. The Parties agree that any amount awarded as the Service
8 Payment to Plaintiff less than the requested amount shall not be a basis for Class Counsel to void
9 this Settlement Agreement. Should the Court approve a lesser amount for the Service Payment,
10 the difference shall be added to the Net Settlement Amount to be distributed to the Participating
11 Class Members.

12 (f) Attorneys' Fees and Costs Award: Defendant VPET agree to not oppose a
13 request by Class Counsel to the Court for an award of attorneys' fees of one-third of the
14 Maximum Settlement Amount (\$83,333.33), plus reasonable litigation costs not to exceed
15 \$15,000 ("Attorney's Fees and Cost Award"). Defendant VPET agrees not to oppose any
16 contention by Class Counsel that attorneys' fees should be based on the common fund theory.
17 The Attorney's Fee and Cost Award shall be paid from the Maximum Settlement Amount, and
18 except for this award, Defendant VPET shall have no further obligation to pay any attorneys'
19 fees, costs or expenses to Class Counsel. Should the Court approve a lesser amount than what is
20 sought by Class Counsel, the difference shall be added to the Net Settlement Amount to be
21 distributed to the Participating Class Members. Any Court order awarding less than the amount
22 sought by Class Counsel shall not be grounds to rescind the Settlement Agreement or otherwise
23 void the Settlement. The Settlement Administrator shall issue to Class Counsel an IRS Form
24 1099 reflecting the amount of attorneys' fees and costs awarded by the Court.

25 (g) Settlement Administration Costs: The fees and other charges of the
26 Settlement Administrator will be paid from the Maximum Settlement Amount, not to exceed
27 \$7,000 unless approved by all Parties and the Court.

28 (h) PAGA Penalties: The Settling Parties agree that \$25,000 is allocated to

1 PAGA Penalties, and is to be paid from the Maximum Settlement Amount, subject to Court
2 approval. Of this amount, \$18,750 (75%) shall be paid to the LWDA in satisfaction of civil
3 penalties under the Private Attorney General Act of 2004 (“PAGA”) and \$6,250 (25%) will be
4 paid to the Aggrieved Employees based on the percentage of Weeks Worked during the PAGA
5 Period (as generally set forth in paragraph 49(c) above), which will be treated entirely as civil
6 penalties and shall be reported as required on an IRS form 1099. Class Counsel shall give proper
7 notice to the LWDA of the Settlement.

8 (i) Tax Liability: Class Counsel and Defendant VPET make no
9 representations as to the tax treatment or legal effect of Settlement Amounts called for
10 hereunder, and Plaintiff and the Settlement Class Members are not relying on any statement or
11 representation by Class Counsel or Defendant VPET in this regard. Plaintiff and Participating
12 Class Members understand and agree that they will be solely responsible for the payment of any
13 taxes and penalties assessed on their respective Settlement Amounts described herein. The
14 amount of federal income tax withholding will be based upon a flat withholding rate for
15 supplemental wage payments in accordance with Treas. Reg. § 31.3402(g)-1(a)(2) as amended or
16 supplemented. Income tax withholding will also be made pursuant to applicable state and/or
17 local withholding codes or regulations. Forms W-2 and/or Forms 1099 will be distributed at
18 times and in the manner required by the Internal Revenue Code of 1986 (the “Code”) and
19 consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other
20 applicable tax law, is changed after the date of this Agreement, the processes set forth in this
21 Section may be modified in a manner to bring Defendant into compliance with any such changes.
22 Plaintiff and Participating Class Members understand and agree that they will be solely
23 responsible for the payment of any taxes assessed on their respective payments described herein.

24 (j) CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS
25 AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY”
26 AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING
27 PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO
28 PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR

1 DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND
2 OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH
3 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
4 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
5 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
6 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, his OR ITS
7 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
8 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO
9 THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY
10 OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT
11 ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY
12 ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY
13 THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
14 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION
15 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR
16 ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS
17 LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF
18 THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING
19 ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

20 50. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
21 Participating Class Members under this Agreement, as well as any other payments made
22 pursuant to this Agreement, shall not be utilized to calculate any additional benefits under any
23 benefit plans to which any Settlement Class Members may be eligible, including, but not limited
24 to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase or other types of equity plans,
25 vacation plans, sick leave plans, PTO plans, ESOP plans, and any other benefit plan. The Parties
26 agree that the amounts paid pursuant to this Settlement are not for days or hours worked, and are
27 not included toward any regular rate of pay calculation, or any benefit vesting or accrual
28 purpose.

1 51. “Non-Reversionary” Settlement. This is a “non-reversionary” settlement. Under
2 no circumstances will any portion of the Maximum Settlement Amount revert to Defendant
3 VPET. Participating Class Members will not have to make a claim in order to receive an
4 Individual Settlement Payment, nor will Aggrieved Employees need to make a claim in order to
5 receive their share of the PAGA Penalties. Distributions, in the form of Individual Settlement
6 Payments and PAGA Penalties, will be made directly to each Participating Class Member and/or
7 Aggrieved Employee. The Settlement Administrator shall be responsible for accurately and
8 timely reporting and remittance obligations with respect to unclaimed funds as a result of a
9 Participating Class Member or Aggrieved Employee not their check by the check cashing
10 deadline, as set forth herein.

11 52. Class Counsel and Plaintiff believe that the Settlement is fair and reasonable, and
12 adequate, and will so represent same to the Court.

13 **D. Release by Plaintiff, the Aggrieved Employees and the Settlement Class**

14 53. Upon entry of the Final Approval Order and Defendant VPET’s funding of the
15 Settlement Amount, and except as to such rights or claims as may be created by this Settlement
16 Agreement, the Participating Class Members will forever completely release and discharge the
17 Released Parties from the Released Class Claims for the Release Period.

18 54. Upon entry of the Final Approval Order and Defendant VPET’s funding of the
19 Settlement Amount, the State of California and Aggrieved Employees shall completely release
20 and discharge the Released Parties from the PAGA Released Claims for the PAGA Period.

21 55. Each Settlement Class Member will be deemed to have made the foregoing
22 Release as if by manually signing it.

23 56. Plaintiff and Defendant VPET intend that the Settlement described in this
24 Agreement will release and preclude any further claim, whether by lawsuit, administrative claim
25 or action, arbitration, demand, or other action of any kind, by each and all of the Participating
26 Class Members to obtain a recovery against the Released Parties based on, arising out of, and/or
27 related to any and all of the Released Class Claims. The Class Members shall be so notified in
28 the Notice. This paragraph does not apply to any Class Member who timely and validly opts out

1 of the Settlement.

2 57. The Released Class Claims and Released Parties specifically exclude the
3 Excluded Employers. Likewise, the Released PAGA Claims and Released Parties specifically
4 exclude the Excluded Employers. Accordingly, any and all releases set forth herein shall not
5 include any release of claims against Defendant Workforce Personnel, Inc., (or any Excluded
6 Employer) involving employees who were hired by Workforce Personnel, Inc. (or any Excluded
7 Employer) and worked at the VPET Facility after March 10, 2017. Moreover, nothing herein
8 shall limit or impact Plaintiff's standing or ability to pursue the Action against the Excluded
9 Employers as to any and all workers who were hired by Workforce Personnel, Inc. (or any
10 Excluded Employer) and worked at the VPET Facility after March 10, 2017.

11 58. Class Representative, on behalf of herself and the Settlement Class, acknowledges
12 and agrees that the claims for unpaid wages are disputed, and that the payments set forth herein
13 constitute payment of all sums allegedly due to them. Class Representative, on behalf of herself
14 and the Settlement Class, acknowledges and agrees that California Labor Code Section 206.5 are
15 not applicable to the Parties hereto. Section 206.5 provides in pertinent part as follows:

16 An employer shall not require the execution of any release of any claim or
17 right on account of wages due, or to become due, or made as an advance
18 on wages to be earned, unless payment of those wages has been made.

19 **E. Release by Class Representative**

20 59. Class Representative does hereby, for herself and for her respective spouse, heirs,
21 successors, beneficiaries, and assigns forever and completely release and discharge the Released
22 Parties from any and all charges, complaints, claims, liabilities, obligations, promises,
23 agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs,
24 losses, debts, and expenses (including back wages, statutory penalties, civil penalties, liquidated
25 damages, exemplary damages, interest, attorneys' fees, and costs) of any nature whatsoever,
26 from the beginning of time through the execution of this Stipulation, whether known or
27 unknown, suspected or unsuspected, including but not limited to all claims arising out of, based
28 upon, or relating to Class Representative's employment with Defendant or the remuneration for

1 or termination of such employment (collectively, the “Class Representative’s Claims”).

2 60. Without limiting the generality of the foregoing, this general release by Class
3 Representative includes all federal, state and local statutory claims, federal and state common
4 law claims (including but not limited to those for contract, tort and equity), including without
5 limitation the Americans with Disabilities Act, Age Discrimination in Employment Act, Title
6 VII of the Civil Rights Act of 1964 (as amended), 42 USC sec. 1981, 42 USC sec. 1983, the Fair
7 Labor Standards Act, the Employment Retirement Security Income Act of 1974, the California
8 Constitution, the California Fair Employment and Housing Act, the California Unfair
9 Competition Act (California Business and Professions Code section 17200 et seq.), and the
10 California Labor Code, except for the Individual Claims.

11 61. Class Representative agrees that there is a risk that any injury that she may have
12 suffered by reason of the Released Parties’ relationship with her might not now be known, and
13 there is a further risk that said injuries, whether known or unknown at the date of this Settlement
14 Agreement, might possibly become progressively worse, and that as a result thereof further
15 damages may be sustained. Nevertheless, Class Representative agrees to forever and fully
16 release and discharge the Released Parties, and understands that by the execution of this
17 Settlement Agreement no further claims for any such injuries that existed at the time of the
18 execution of this Settlement Agreement may ever be asserted by Class Representative with
19 respect to claims arising in the time period from the beginning of time to the execution of this
20 Settlement Agreement.

21 62. As to the Released Parties, Class Representative expressly waives and
22 relinquishes all rights and benefits afforded by Section 1542 of the Civil Code of the State of
23 California and does so understanding and acknowledging the significance of the waiver of
24 Section 1542. Section 1542 of the Civil Code of the State of California states:

25 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
26 THAT THE CREDITOR OR RELEASING PARTY DOES NOT
27 KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT
28 THE TIME OF EXECUTING THE RELEASE AND THAT, IF
 KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY
 AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR
 OR RELEASED PARTY.

1
2 Notwithstanding the provisions of Section 1542, and for the purpose of implementing a
3 full and complete release and discharge of all parties, Class Representative and Class Counsel
4 expressly acknowledge that this Settlement Agreement is intended to include in its effect,
5 without limitation, all claims that Class Representative knew of, as well as all claims that she
6 does not know or suspect to exist in his favor against the Released Parties, or any of them, for the
7 time period from the beginning of time to the execution of this Settlement Agreement, and that
8 this Settlement Agreement contemplates the extinguishment of any such Class Representative's
9 claims. Notwithstanding the above, the general release by Class Representative shall not extend
10 to claims for workers' compensation benefits, claims for unemployment benefits, or other claims
11 that may not be released by law.

12 **F. Interim Stay of Proceedings**

13 63. Pending completion of all of the prerequisites necessary to effectuate this
14 Settlement, the Settling Parties agree, subject to Court approval, to a stay of all proceedings in
15 the Action between the Settling Parties, except as necessary to effectuate the Settlement.
16 However, this shall not limit Plaintiff's ability to continue with litigation against the Excluded
17 Employers.

18 **G. Notice Process**

19 64. Appointment of Settlement Administrator. The Parties have agreed to the
20 appointment of the Settlement Administrator to perform the duties of a settlement administrator,
21 including mailing the Notice, using standard devices to obtain forwarding addresses,
22 independently reviewing and verifying documentation associated with any claims or opt-out
23 requests, resolving any disputes regarding the calculation or application of the formula for
24 determining the Individual Settlement Payments and individual portions of the PAGA Penalties
25 for Aggrieved Employees, drafting and mailing the settlement checks to Participating Class
26 Members and Aggrieved Employees, issuing W-2 and 1099 Tax Forms, unclaimed funds due
27 diligence, reporting and remittance obligations, and performing such other tasks as set forth
28 herein or as the Parties mutually agree or that the Court orders.

65. Disputes Regarding Settlement Administration. Any and all disputes relating to

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

12 66. Class Data. Within ten (10) days after entry of the Preliminary Approval Order,
13 Defendant VPET shall provide the Class Data to the Settlement Administrator. The Settlement
14 Administrator will run a check of the Class Members' addresses against those on file with the
15 U.S. Postal Service's National Change of Address List. The Class Data provided to the
16 Settlement Administrator will remain confidential, shall be used solely to administer the
17 Settlement, and will not be used or disclosed to anyone, except as required by applicable tax
18 authorities, pursuant to Defendant VPET's express written consent, or by order of the Court.
19 Although Class Counsel will not be provided with the list of Class Data, nothing herein shall
20 prevent Class Counsel from communicating with Class Members regarding the Action and
21 Settlement.

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

27 68. Returned Notices. The Settlement Administrator will take steps to ensure that the
28 Notice is received by all Settlement 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 updated address is located within ten (10) calendar days following both the Settlement Administrator learning of the failed mailing and its receipt of the updated address. The Notice shall be identical to the original Notice, except that it shall notify the Class Member that the exclusion (opt-out) request or objection must be returned by the later of the Notice Response Deadline or fifteen (15) days after the remailing of the Notice.

69. Disputes Regarding Information on Notices. Class Members are deemed to participate in the Settlement, unless they opt-out, except that no Aggrieved Employee may opt out of the settlement of the PAGA Release Claims. The Notice will inform Class Members and Aggrieved Employees of his/her estimated Individual Settlement Payment and the number of eligible Weeks Worked he/she is credited with working during the Class Period and PAGA Period. They may dispute their Weeks Worked if they feel they should be credited with more Work Weeks than Defendant VPET's records show by timely submitting evidence to the Settlement Administrator. The Notice will also inform each Class Member who is also an Aggrieved Employee of his/her estimated portion of the PAGA Penalties and the number if eligible Weeks Worked he/she is credited with working during the PAGA Period. Class Members who are also Aggrieved Employees may dispute their Weeks Worked during the PAGA Period if they feel they should be credited with more Work Weeks than Defendant VPET's records show by timely submitting evidence to the Settlement Administrator. Defendant VPET's records will be presumed determinative absent reliable evidence to rebut Defendant's records, but the Settlement Administrator will evaluate the evidence submitted by the Class Member and provide the evidence submitted to Class Counsel and Defense Counsel who agree to meet and confer in good faith about the evidence to determine the Class Member's actual number of Work Weeks during the Class Period and/or PAGA Period and estimated Individual Settlement Payment and/or portion of the PAGA Penalties, where applicable. If Class Counsel and Defense Counsel are unable to agree, they agree to submit the dispute to the Settlement Administrator to render a final decision. Class Members will have until the Notice Response

1 Deadline to dispute Weeks Worked, object or opt out of the non-PAGA portion of the
2 Settlement, unless extended by the Court. In the event that the Settlement Administrator
3 increases the number of Weeks Worked in either the Class Period or PAGA Period for any
4 Settlement Class Member, then the Settlement Administrator will recalculate the Individual
5 Settlement Payments or individual portions of the PAGA Penalties, as applicable; accordingly, in
6 no event will Defendant VPET be required to increase the Maximum Settlement Amount.

7 70. Declaration of Due Diligence. The Settlement Administrator shall provide
8 counsel for the Parties, at least twenty-five (25) calendar days prior to the final approval hearing,
9 a declaration of due diligence and proof of mailing with regard to the mailing of the Notice.

10 71. Settlement Class Members' Rights. Each Settlement Class Member will be fully
11 advised of the Settlement, the ability to object to the settlement, and the ability to opt-out or
12 request exclusion from the non_PAGA portions of the Settlement. All Parties, signatories and
13 their counsel shall not encourage opt-outs or objections to this Agreement. The Parties
14 specifically agree not to solicit opt-outs, directly or indirectly, through any means. The Notice
15 will inform the Settlement Class Members of the Court-established deadlines for filing
16 objections or requesting exclusion from the non-PAGA portions of the Settlement in accordance
17 with the following guidelines:

18 (a) Requests for Exclusion from non-PAGA Portion of Settlement. Any
19 Settlement Class Member, other than Plaintiff, may request to be excluded from the non-PAGA
20 portion of the Settlement by submitting a "Request for Exclusion" to the Settlement
21 Administrator, postmarked on or before the Notice Response Deadline. The Request for
22 Exclusion should state:

23 "I WISH TO BE EXCLUDED FROM THE SETTLEMENT
24 CLASS IN THE VPET LAWSUIT. I UNDERSTAND THAT IF I
25 ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I
26 MAY NOT RECEIVE ANY MONEY FROM THE
27 SETTLEMENT OF THIS LAWSUIT."

28 To be valid, any Request for Exclusion must include the full name, address, telephone

1 number, last four digits of the social security number or date of birth, and signature of the
2 Settlement Class Member requesting exclusion. The Request for Exclusion must be returned by
3 mail to the Settlement Administrator at the specified address. Any such Request must be made
4 in accordance with the terms set forth in the Notice. A Request for Exclusion will be timely only
5 if postmarked by the Notice Response Deadline, unless the Parties otherwise agree in writing.
6 Any Settlement Class Member who timely requests exclusion of the non-PAGA portion of the
7 Settlement in compliance with these requirements: (i) will not have any rights under this
8 Agreement, including the right to object, appeal or comment on the non-PAGA portion of the
9 Settlement; (ii) will not be entitled to receive an Individual Settlement Payment under this
10 Agreement; and (iii) will not be bound by the non-PAGA portions this Agreement, or the
11 Judgment. Any Aggrieved Employee who requests timely exclusion will still be subject to the
12 PAGA Released Claims to the fullest extent permitted by law and receive a share of PAGA
13 Penalties.

14 (b) Binding Effect on Final Settlement Class Members. Except for those
15 Settlement Class Members who exclude themselves in compliance with the procedures set forth
16 above, all Settlement Class Members will: (i) be deemed to be Participating Class Members for
17 all purposes under this Agreement; (ii) will be bound by the terms and conditions of this
18 Agreement, the Judgment, and the releases set forth herein; and (iii) except as otherwise
19 provided herein, will be deemed to have waived all objections and oppositions to the fairness,
20 reasonableness, and adequacy of the Settlement. Any Aggrieved Employee who requests timely
21 exclusion will still be subject to the PAGA Released Claims to the fullest extent permitted by
22 law and receive a share of PAGA Penalties.

23 (c) Objections to Settlement. Any Settlement Class Member, other than
24 Plaintiff, may object to the terms of this Agreement. To object, a Settlement Class Member shall
25 inform the Settlement Administrator, in writing, of his or her objection which must be
26 postmarked by the Notice Response Deadline at the address set forth in the Notice. Such
27 objection shall include the objecting Settlement Class Member's full name, address, telephone
28 number, and dates of employment with Defendant VPET, the case name and number, the basis

1 for the objection, including any legal support and each specific reason in support of the
2 objection, as well as any documentation or evidence in support thereof, and, if the Objecting
3 Settlement Class Member is represented by counsel, the name and address of his or her counsel.
4 The Settlement Administrator shall provide objections, if any, to Class Counsel and Defense
5 Counsel within three (3) calendar days of receipt, and the Settlement Administrator shall attach
6 the same to its declaration of due diligence and file with the Court prior to the Final Approval
7 Hearing. Any Participating Class Member who files an objection remains eligible to receive
8 monetary compensation from the Settlement. Plaintiff and Defendant VPET shall not be
9 responsible for any fees, costs, or expenses incurred by any Class Member and/or his or her
10 counsel related to any objections to the Settlement. Submitting an objection does not preserve
11 the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party
12 of record by timely and properly intervening or filing a motion to vacate the judgment under
13 Code of Civil Procedure § 663.

14 (d) Failure to Object. Any Settlement Class Member who desires to object
15 but fails to timely submit a written objection or in person objection at the Final Approval
16 Hearing waives any right to object and will be foreclosed from making any objection to this
17 Settlement. Any Settlement Class Member who does not timely and properly become a party of
18 record by intervening or filing a motion to vacate the judgment waives any and all rights to
19 appeal from the Judgment, including all rights to any post-judgment proceeding and appellate
20 proceeding, such as a motion to vacate judgment, motion for new trial, a motion under California
21 Code of Civil Procedure section 473, and extraordinary writs.

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

25 (f) Settlement Class Members will have until the Notice Response Deadline
26 to object or submit a Request for Exclusion to the Settlement Administrator by U.S. Mail. The
27 Settlement Administrator shall disclose jointly to Class Counsel and Defendant's counsel what
28 objections or Requests for Exclusion were timely submitted on a weekly basis, and upon the

request of Class Counsel or Defense Counsel.

(g) Defective Submissions. If a Settlement Class Member's Request for Exclusion or objection is defective as to the requirements listed herein, that Settlement Class Member will be given an opportunity to cure the defect(s). The Settlement Administrator will mail the Settlement Class Member a cure letter within three (3) business days of receiving the defective submission to advise the Settlement Class Member that his or her submission is defective and that the defect must be cured to render the Request for Exclusion or objection valid. The Settlement Class Member will have the later of (i) the Notice Response Deadline or (ii) 15 calendar days from the date of the cure letter to postmark or fax a revised Request for Exclusion or objection. If the revised Request for Exclusion or objection is not postmarked or received by fax within that period, it will be deemed untimely.

72. Funding of the Settlement Amount. Defendant VPET shall make a one-time deposit into the QSF of the Maximum Settlement Amount (including the employers' share of the payroll taxes) within thirty (30) calendar days after the Effective Date. Once Defendant VPET has complied with its obligation set forth in this paragraph, it shall be deemed to have satisfied all of the terms and conditions of this Agreement, shall be entitled to all the protections afforded it under the Agreement, and shall have no further obligations under the Agreement, regardless of what occurs with respect to the further administration of the Settlement. The Settlement Administrator (and not Defendant) shall issue the applicable W-2s and IRS Form 1099 reflecting all payments to the Class Members.

73. Distribution of Funds. No later than ten (10) calendar days after the deposit of the payment into the QSF, the Settlement Administrator will mail the Individual Settlement Payments and individual portions of the PAGA Penalties to the Participating Class Members and Aggrieved Employees, the payment to Class Counsel for the Attorneys' Fees and Costs Award, any Service Payment to the Class Representative, the payment to the LWDA for PAGA penalties, and will pay itself the Settlement Administration Costs.

74. Deadline for Cashing Settlement Checks. Participating Class Members and Aggrieved Employees shall have 180 calendar days after mailing by the Settlement

1 Administrator to cash their settlement checks. If any Participating Class Member and/or
2 Aggrieved Employee's check is not cashed within that period, the check will be void and a stop-
3 payment will be issued, and the Settlement Administrator shall issue the unclaimed funds to the
4 California State Controller's Office in the name of the Class Member and/or Aggrieved
5 Employee. The release will be binding upon all Participating Class Members and Aggrieved
6 Employees who do not cash their checks within the 180-day period. In the event that any
7 settlement check is returned to the Settlement Administrator within 180 days of mailing, the
8 Settlement Administrator will, within five (5) business days of receipt of the returned settlement
9 check, perform a skip trace to locate the individual, and notify Defense Counsel and Class
10 Counsel of the results. If a new address is located by these means, the Administrator will have
11 ten (10) business days to re-issue the check. Neither Defendant VPET, Defense Counsel, Class
12 Counsel, Plaintiff, nor the Settlement Administrator will have any liability for lost or stolen
13 settlement checks, forged signatures on settlement checks, or unauthorized negotiation of
14 settlement checks. Without limiting the foregoing, in the event a Participating Class Member
15 and/or Aggrieved Employee notifies the Settlement Administrator that he or she believes that a
16 settlement check has been lost or stolen, the Settlement Administrator shall immediately stop
17 payment on such check. If the check in question has not been negotiated prior to the stop
18 payment order, the Settlement Administrator will issue a replacement check.

19 75. No person shall have any claim against Defendant VPET (or their designees),
20 Defendant's Counsel, Plaintiff or Class Counsel based on mailings, distributions, payments or
21 reports made in accordance with or pursuant to this Agreement. This provision does not,
22 however, prevent a Party from seeking enforcement of this Agreement.

23 76. Without prejudice to any other remedies, the Settlement Administrator shall agree
24 to be responsible for any breach of its obligations (whether committed by the Settlement
25 Administrator or its agents) and to indemnify and hold the Parties and their counsel harmless
26 from and against all liabilities, claims, causes of action, costs and expenses (including legal fees
27 and expenses) arising out of any breach committed by the Settlement Administrator or its agents.
28

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

2 77. Promptly after execution of this Settlement Agreement, Plaintiff will move the
3 Court for Preliminary Approval of this Settlement and entry of the Preliminary Approval Order
4 accomplishing the following:

5 (a) Scheduling the Final Approval Hearing on the issue of whether this
6 Settlement should be finally approved as fair, reasonable and adequate as to the Class Members
7 and a hearing on fees, costs and the Service Payment;

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

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

11 (d) Preliminarily approving this Settlement; and

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

13 **I. Duties of the Parties Following Court's Final Approval**

14 78. In connection with the Final Approval Hearing provided for in this Settlement
15 Agreement, Class Counsel shall submit a proposed Final Approval Order:

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

18 (b) Approving Class Counsel's application for an award of attorneys' fees and
19 reimbursement of litigation costs and expenses, the Service Payment to the Class Representative,
20 and the payment to the Settlement Administrator for costs of administering the settlement; and

21 (c) Entering judgment approving settlement, thereby permanently barring all
22 Settlement Class Members from prosecuting any Released Class Claims against any of the
23 Released Parties.

24 79. Final Judgment. Class Counsel shall provide the Settlement Administrator with a
25 copy of the Final Judgment once it is entered by the Court, and the Settlement Administrator
26 shall post the Final Judgment to its website within three (3) business days of receipt.

27 **J. Voiding the Agreement**

28 80. If the Settlement is voided or fails for any reason, Plaintiff and Defendant will

1 have no further obligations under the Settlement, including any obligation by Defendant to pay
2 the Maximum Settlement Amount, or any amounts that otherwise would have been owed under
3 this Settlement.

4 81. Defendant VPET may withdraw from Settlement if 10% or more of Class
5 Members submit a valid Request for Exclusion of the Settlement by giving written notice to the
6 Settlement Administrator within 10 days of the Notice Response Deadline. Defendant VPET
7 may also withdraw from the Settlement if the Settlement is construed in such a fashion that
8 Defendant VPET is required to pay more than the Maximum Settlement Amount, or if the Court
9 does not certify the Settlement Class or does not certify a class releasing the claims set forth in
10 this MOU and/or the long form settlement agreement, or otherwise makes an order inconsistent
11 with any of the terms of this Agreement. In the event Defendant VPET elects to withdraw from
12 the Settlement, Defendant VPET shall bear any costs already incurred by the Settlement
13 Administrator up to the point Defendant VPET gives notice of its intent to withdraw.

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

17 **K. Other Terms**

18 83. Waiver. The waiver by one Party of any breach of this Agreement by another
19 Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

20 84. Parties' Authority. The signatories hereto represent that they are fully authorized
21 to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions
22 hereof.

23 85. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to
24 accomplish the terms of this Settlement Agreement, including but not limited to, execution of
25 such documents and to take such other action as may reasonably be necessary to implement the
26 terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their
27 best efforts, including all efforts contemplated by this Settlement Agreement and any other
28 efforts that may become necessary by order of the Court, or otherwise, to effectuate this

1 Settlement Agreement and the terms set forth herein. As soon as practicable after execution of
2 this Settlement Agreement, Class Counsel shall, with the assistance and cooperation of
3 Defendant and Defendant's Counsel, take all necessary steps to secure the Court's preliminary
4 and final approval of the settlement, and the final entry of judgment. Class Counsel shall provide
5 Defendant's Counsel with copies of the Preliminary Approval Motion and Final Approval
6 Motion for review at least three business days prior to the filing deadline.

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

11 87. No Admission. Defendant VPET denies any and all liability to Plaintiff and/or
12 any Settlement Class Member in this Action, as to any and all causes of action that were asserted
13 or that might have been asserted in this Action. Nonetheless, Defendant VPET wishes to settle
14 and compromise the matters at issue in the Complaint to avoid further substantial expense and
15 the inconvenience and distraction of protracted and burdensome litigation. Defendant VPET has
16 taken into account the uncertainty and risks inherent in litigation, and without conceding any
17 infirmity in the defenses that it has asserted or could assert against Plaintiff, and has determined
18 that it is desirable and beneficial that Plaintiff's claims be settled in the manner and upon the
19 terms and conditions set forth in this Agreement.

20 88. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval
21 Order, nothing contained herein, nor the consummation of this Settlement Agreement, is to be
22 construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part
23 of Defendant VPET or any of the other Released Parties. Each of the Parties hereto has entered
24 into this Settlement Agreement with the intention of avoiding further disputes and litigation with
25 the attendant inconvenience and expenses. This Settlement Agreement is a settlement document,
26 and it, along with all related documents such as the notices, and motions for preliminary and
27 final approval, shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of
28 Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to

1 approve the settlement, and/or interpret or enforce this Settlement Agreement. The stipulation
2 for class certification as part of this Settlement Agreement is for settlement purposes only and if,
3 for any reason the settlement is not approved, the stipulation will be of no force or effect.

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

8
9 To the Settlement Class:

10 Brian Mankin
11 *brian@LMLfirm.com*
12 Lauby Mankin Lauby LLP
13 4590 Allstate Drive
14 Riverside, CA 92501
15 Tel: (951) 320-1444 | Fax: (951) 320-1445

16 To Defendant VPET:

17 Kathryn T. McGuigan
18 *kathryn.mcguigan@morganlewis.com*
19 Morgan, Lewis & Bockius LLP
20 300 South Grand Avenue, Twenty-second Floor
21 Los Angeles, California 90071-3132
22 Tel: (213) 612-2500 | Fax: (213) 612-2501

23 90. Construction. The Parties hereto agree that the terms and conditions of this
24 Settlement Agreement are the result of lengthy, intensive arms' length negotiations between the
25 Parties and that this Settlement Agreement shall not be construed in favor of or against any Party
26 by reason of the extent to which any Party or his or its counsel participated in the drafting of this
27 Settlement Agreement. Plaintiff and Defendant VPET expressly waive the common-law and
28 statutory rule of construction that ambiguities should be construed against the drafter of an
agreement and further agree, covenant, and represent that the language in all parts of this
Agreement shall be in all cases construed as a whole, according to its fair meaning.

91. Captions and Interpretations. Paragraph titles or captions contained herein are

1 inserted as a matter of convenience and for reference, and in no way define, limit, extend, or
2 describe the scope of this Settlement Agreement or any provision hereof. Each term of this
3 Settlement Agreement is contractual and not merely a recital.

4 92. Modification. This Settlement Agreement may not be changed, altered, or
5 modified, except in writing and signed by the Parties hereto, and approved by the Court. This
6 Settlement Agreement may not be discharged except by performance in accordance with its
7 terms or by a writing signed by all of the Parties hereto.

8 93. Choice of Law. This Settlement Agreement shall be governed by and construed,
9 enforced and administered in accordance with the laws of the State of California.

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

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

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

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

28 98. Confidentiality. The Parties will not publicize this settlement or disclose it to third

1 parties prior to the Preliminary Approval Date, except as required or necessary to effectuate its
2 terms and comply with law, including the payment of taxes. Plaintiff and her Counsel agree not
3 to disclose the terms of this settlement except in court papers or if required by legal process.
4 Plaintiff and her Counsel shall not issue a press release, hold a press conference, publish
5 information about the settlement on any website, or otherwise publicize the settlement. Plaintiff
6 and her Counsel agree not to respond to any press inquiries except to refer reporters to the papers
7 filed with the Court.

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

13
14 Dated: 07/07, 2022

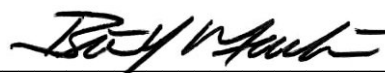
PLAINTIFF AND CLASS REPRESENTATIVE:

15 
16 Karina Morales (Jul 7, 2022 11:26 PDT)

Karina Morales

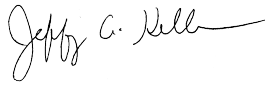
17 Dated: July 7, 2022

CLASS COUNSEL:
LAUBY MANKIN LAUBY LLP

19 
20 Brian Mankin
21 Attorneys for Plaintiff

1 Dated: July 7, 2022

DEFENDANT:
VPET USA, LLC



By: Jeffrey A Kellar

Title: CEO VPET USA LLC

6 Dated: _____, 2022

DEFENDANT'S COUNSEL:
MORGAN, LEWIS & BOCKIUS LLP

Kathryn T. McGuigan
Attorneys for Defendant VPET USA, LLC

END OF DOCUMENT

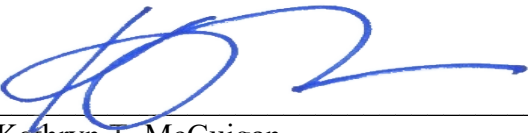
1 Dated: _____, 2022

DEFENDANT:
VPET USA, LLC

2
3
4 By: _____
5 Title: _____

6 Dated: **July 7** _____, 2022

DEFENDANT'S COUNSEL:
MORGAN, LEWIS & BOCKIUS LLP

8
9
10 

11 Kathryn T. McGuigan
Attorneys for Defendant VPET USA, LLC

12 END OF DOCUMENT
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT “B”

Brian J. Mankin [CSB No. 216228]
brian@lmlfirm.com
Misty M. Lauby, Esq. [CSB No. 243009]
misty@lmlfirm.com
LAUBY, MANKIN & LAUBY LLP
5198 Arlington Avenue. PMB 513
Riverside, CA 92504
Tel: (951) 320-1444 | Fax: (951) 320-1445

Attorneys for Plaintiff Karina Morales and all others similarly situated

MORGAN, LEWIS & BOCKIUS LLP
Kathryn T. McGuigan [Bar No. 232112]
kathryn.mcguigan@morganlewis.com
300 South Grand Avenue, Twenty-second Floor
Los Angeles, California 90071-3132
Tel: (213) 612-2500 | Fax: (213) 612-2501

Attorneys for Defendant VPET USA, LLC

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

KARINA MORALES, individually, on a
representative basis, and on behalf of all
others similarly situated;

Plaintiff,

vs.

VPET USA, LLC, a Delaware Limited
Liability Company; WORKFORCE
PERSONNEL, INC., a California
Corporation; and DOES 1 through 20,
inclusive.

Defendants.

Case No.: CIVSB2108161
*[Assigned to Hon. Judge David Cohn, Dept
S26, for all purposes]*

**ADDENDUM TO CLASS ACTION
SETTLEMENT AGREEMENT AND
RELEASE OF CLAIMS**

1 This Addendum to Class Action Settlement Agreement and Release of Claims
2 (“Addendum”) is entered into by and between Plaintiff Karina Morales, individually and on
3 behalf of all others similarly situated, and Defendant VPET USA, LLC, and is approved by their
4 respective counsel of record, subject to the terms and conditions hereof and the Court’s approval.
5 The provisions of this Addendum shall be deemed a part of and shall supersede any conflicting
6 or inconsistent provisions contained in the Agreement. Except as expressly modified by this
7 Addendum, all provisions of the Agreement shall remain unmodified in full force and effect.
8 Subject to and in accordance with the foregoing, the Parties hereby agree that:

9 **I. AMENDMENT TO SECTION C. 49(a) OF THE SETTLEMENT AGREEMENT**

10 To account for the increased class size from 143 class members reported at the time of
11 mediation to 234 class members reported at the time of preliminary approval, Defendants agree
12 to pay an additional Fifty Thousand Dollars (\$50,000) to increase the Maximum Settlement
13 Amount to Three Hundred Thousand Dollars (\$300,000). Therefore, section C. 49(a) will be
14 stricken and replaced by the following:

15 (a) Maximum Settlement Amount: The Settling Parties agree to settle this Action for
16 Three Hundred Thousand Dollars (\$300,000) (“the Maximum Settlement Amount”). The
17 Maximum Settlement Amount is the maximum amount that will be paid by Defendant VPET,
18 and includes Individual Settlement Payments, Attorneys’ Fees and Costs Award, the Service
19 Payment to the Class Representative, all Settlement Administration Costs, and PAGA Penalties.
20 Defendant VPET shall separately pay the employers’ share of their payroll tax obligations, which
21 shall be reported through the Settlement Administrator.

22 **II. AMENDMENT TO SECTION C. 49(f) OF THE SETTLEMENT AGREEMENT**

23 Due to the increase in the Maximum Settlement Amount, section C. 49(f) will be stricken
24 and replaced by the following:

25 (f) Attorneys’ Fees and Costs Award: Defendant VPET agrees to not oppose a
26 request by Class Counsel to the Court for an award of attorneys’ fees of one-third of the
27 Maximum Settlement Amount (\$100,000), plus reasonable litigation costs not to exceed \$15,000
28 (“Attorney’s Fees and Cost Award”). Defendant VPET agrees not to oppose any contention by

Class Counsel that attorneys' fees should be based on the common fund theory. The Attorney's Fee and Cost Award shall be paid from the Maximum Settlement Amount, and except for this award, Defendant VPET shall have no further obligation to pay any attorneys' fees, costs or expenses to Class Counsel. Should the Court approve a lesser amount than what is sought by Class Counsel, the difference shall be added to the Net Settlement Amount to be distributed to the Participating Class Members. Any Court order awarding less than the amount sought by Class Counsel shall not be grounds to rescind the Settlement Agreement or otherwise void the Settlement. The Settlement Administrator shall issue to Class Counsel an IRS Form 1099 reflecting the amount of attorneys' fees and costs awarded by the Court.

Dated: October 19, 2022

PLAINTIFF AND CLASS REPRESENTATIVE:


Karina Morales (Oct 19, 2022 09:54 PDT)

Karina Morales

Dated: October 19, 2022

CLASS COUNSEL:
LAUBY, MANKIN & LAUBY LLP



Brian Mankin
Attorneys for Plaintiff

Dated: _____, 2022

DEFENDANT:
VPET USA, LLC

By: _____
Title: _____

Dated: _____, 2022

DEFENDANT'S COUNSEL:
MORGAN, LEWIS & BOCKIUS LLP

Kathryn T. McGuigan
Attorneys for Defendant VPET USA, LLC

END OF DOCUMENT

Class Counsel that attorneys' fees should be based on the common fund theory. The Attorney's Fee and Cost Award shall be paid from the Maximum Settlement Amount, and except for this award, Defendant VPET shall have no further obligation to pay any attorneys' fees, costs or expenses to Class Counsel. Should the Court approve a lesser amount than what is sought by Class Counsel, the difference shall be added to the Net Settlement Amount to be distributed to the Participating Class Members. Any Court order awarding less than the amount sought by Class Counsel shall not be grounds to rescind the Settlement Agreement or otherwise void the Settlement. The Settlement Administrator shall issue to Class Counsel an IRS Form 1099 reflecting the amount of attorneys' fees and costs awarded by the Court.

Dated: _____, 2022

PLAINTIFF AND CLASS REPRESENTATIVE:

Karina Morales

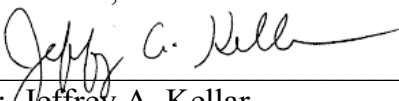
Dated: _____, 2022

CLASS COUNSEL:
LAUBY MANKIN LAUBY LLP

Brian Mankin
Attorneys for Plaintiff

Dated: October 19, 2022

DEFENDANT:
VPET USA, LLC



By: Jeffrey A. Kellar
Title: CEO VPET USA, LLC

Dated: October 19, 2022

DEFENDANT'S COUNSEL:
MORGAN, LEWIS & BOCKIUS LLP



Kathryn T. McGuigan
Attorneys for Defendant VPET USA, LLC

END OF DOCUMENT

EXHIBIT “C”

All Expenses

Lauby, Mankin & Lauby LLP

Staff Member = All (Active Only)
Group By Staff Member Group
Client - Project = 14000-00448 Morales v VPet USA
(Active Only)

Activity Code = All
Expense Code = All
View = Original
Approval Status = All
Selected Expenses = All
From Earliest To Latest

Entered	Status	Approval	BillableType	Expense	Staff Member	Price	Mark Up %	Qty	Amount
<u>Karina Morales</u> <u>14000-00448 Morales v VPet USA</u>									
03-05-2021	Approved		Non-Billable	E112 Court fees	Aguilera, Sophia J.	75.00	0.00	1.00	75.00
LWDA Order Number: ORD-000098546 to submit PAGA letter Case Number: LWDA-CM-823778-21									
03-11-2021	Approved		Non-Billable	Attorney Service	Aguilera, Sophia J.	1,618.95	0.00	1.00	1,618.95
Bosco Inv 5437718 File and conform. -Certificate of Assignment -Civil Case Cover Sheet -Summons -Complaint *Advance fees* Court: San Bernardino County Superior Court - Central District									
04-30-2021	Approved		Non-Billable	E101 Copying	Aguilera, Sophia J.	0.06	0.00	180.00	10.80
180 copies @ \$0.06 for LWDA letter and letter to employer									
04-30-2021	Approved		Non-Billable	E108 Postage	Aguilera, Sophia J.	32.68	0.00	1.00	32.68
Postage for the month of April 2021									
05-11-2021	Approved		Non-Billable	Attorney Service	Aguilera, Sophia J.	153.70	0.00	1.00	153.70
Bosco Inv 5647079 Serve: VPet USA, LLC, a Delaware Limited Liability Company Summons; Complaint; Civil Case Cover Sheet; Certificate of Assignment; Initial Case Management Conference Order; Guidelines for the Complex Litigation Program; ADR Court: San Bernardino County Superior Court - Central District									
05-14-2021	Approved		Non-Billable	Attorney Service	Aguilera, Sophia J.	205.20	0.00	1.00	205.20
Bosco Inv 5647108 Serve: Workforce Personnel, Inc., a California Corporation Summons; Complaint; Civil Case Cover Sheet; Certificate of Assignment; Initial Case Management Conference Order; Guidelines for the Complex Litigation Program; ADR Court: San Bernardino County Superior Court - Central District									
07-15-2021	Approved		Non-Billable	E112 Court fees	Aguilera, Sophia J.	94.00	0.00	1.00	94.00
CourtCall ID #11281202 for 7-14-21 CMC									
08-02-2021	Approved		Non-Billable	Attorney Service	Aguilera, Sophia J.	7.95	0.00	1.00	7.95
Budget Conferencing Inv 30678881 for 7-2-- phone conf									
08-19-2021	Approved		Non-Billable	Attorney Service	Aguilera, Monica A	22.30	0.00	1.00	22.30
Budget Conferencing Inv 30699775 for 7-26-21 phone conf									
08-24-2021	Approved		Non-Billable	E125 Mediation fees	Aguilera, Monica A	9,000.00	0.00	1.00	9,000.00
First Mediation Inv #23834 for 4-4-22 mediation with Jeff Krivis									

All Expenses

Lauby, Mankin & Lauby LLP

Staff Member = All (Active Only)
Group By Staff Member Group
Client - Project = 14000-00448 Morales v VPet USA

Activity Code = All
Expense Code = All
View = Original
Approval Status = All
Selected Expenses = All
From Earliest To Latest

Entered	Status	Approval	BillableType	Expense	Staff Member	Price	Mark Up %	Qty	Amount
<u>Karina Morales</u> <u>14000-00448 Morales v VPet USA</u>									
04-28-2022	Approved		Non-Billable	E119 Experts	Grossi, Tracie L.	350.00	0.00	1.00	350.00
Berger Consulting Group - Inv#5960									
05-09-2022	Approved		Non-Billable	Attorney Service	Grossi, Tracie L.	94.00	0.00	1.00	94.00
Courtcall ID#11508763 for 5/6/22 CMC									
07-08-2022	Approved		Non-Billable	Attorney Service	Charito, Tracie	221.40	0.00	1.00	221.40
Bosco Inv# 7330685 File and conform. -Motion for Preliminary Approval -Declaration x2 -Proposed Order *Advance fees* Court: San Bernardino County Superior Court - Central District Completed on: 07/07/2022									
07-13-2022	Approved		Non-Billable	Attorney Service	Charito, Tracie	47.90	0.00	1.00	47.90
Bosco Inv# 7345288 File and conform. -Supplemental Declaration Court: San Bernardino County Superior Court - Central District Completed on: 7/12/2022									
07-26-2022	Approved		Non-Billable	E119 Experts	Charito, Tracie	1,650.00	0.00	1.00	1,650.00
Berger Consulting Group Inv #6464									
07-29-2022	Approved		Non-Billable	E112 Court fees	Charito, Tracie	2.50	0.00	1.00	2.50
San Bernardino Superior Court fees for copy of signed order on MPA									
08-01-2022	Approved		Non-Billable	Attorney Service	Charito, Tracie	94.00	0.00	1.00	94.00
Courtcall ID #11564446 for 7/29/22 MPA									
08-01-2022	Approved		Non-Billable	E101 Copying	Charito, Tracie	0.06	0.00	8.00	0.48
8 copies @ .06 for Nitc of Change of Address									
10-18-2022	Approved		Non-Billable	Attorney Service	Charito, Tracie	350.00	0.00	1.00	350.00
Estimated cost for Bosco to file MFA and related documents									
10-18-2022	Approved		Non-Billable	Attorney Service	Charito, Tracie	188.00	0.00	1.00	188.00

All Expenses

Lauby, Mankin & Lauby LLP

Staff Member = All (Active Only)
Group By Staff Member Group
Client - Project = 14000-00448 Morales v VPet USA

Activity Code = All
Expense Code = All
View = Original
Approval Status = All
Selected Expenses = All
From Earliest To Latest

Entered	Status	Approval	BillableType	Expense	Staff Member	Price	Mark Up %	Qty	Amount
---------	--------	----------	--------------	---------	--------------	-------	-----------	-----	--------

Karina Morales

14000-00448 Morales v VPet USA

Estimates costs for Courtcall for MFA and related hearings

Project Total	14,218.86
Client Total	14,218.86
Grand Total	14,218.86

EXHIBIT “D”