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

MARCELA V. PEREIRA, on behalf of herself
and all others similarly situated;

Plaintiff,

vs.

MELROSE VILLAS, INC., a California
Corporation, and, DOES 1 through 50 inclusive,

Defendants.

Case No.: 21STCV13755

[Assigned for all purposes to
Hon. Lawrence P. Riff, Department S7]

**FIRST AMENDED JOINT STIPULATION
OF CLASS ACTION SETTLEMENT**

Complaint filed: April 9, 2021

1 **FIRST AMENDED JOINT STIPULATION OF CLASS ACTION SETTLEMENT**

2 This First Amended Joint Stipulation of Class Action Settlement (“Joint Stipulation,”
3 “Settlement,” or “Settlement Agreement”) is made and entered into by and between Plaintiff
4 MARCELA V. PEREIRA (“Plaintiff” or “Class Representative”) and Defendant MELROSE
5 VILLAS, INC. (“Defendant”). Subject to the approval of the Court, the above-referenced action is
6 being settled under the terms and conditions set forth herein.

7 **I. RECITALS**

8 A. On April 9, 2021, Plaintiff commenced the above-captioned putative class action
9 against Defendant. Through the Action, Plaintiff asserted, on behalf of all current and former hourly
10 or non-exempt employees who worked for Defendant in the State of California, at any time during
11 the period of April 9, 2017 through March 7, 2022, the following causes of action: (1) Failure to Pay
12 Minimum Wage and Overtime Wages, (2) failure to provide meal periods, (3) failure to provide rest
13 periods, (4) failure to provide accurate wage statements, (5) failure to pay wages upon ending
14 employment, (6) Unfair Competition, (7) Private Attorney General Act claims (“PAGA”), including,
15 but not limited to, claims for injunctive relief; punitive damages; liquidated damages, penalties of
16 any nature; interest; fees; costs; and all other claims and allegations made or which could have been
17 made in the Action, from April 9, 2017 through March 7, 2022.

18 B. Defendant denies all material allegations set forth in the Action, defined below, and
19 has asserted numerous affirmative defenses. Notwithstanding, in the interest of avoiding further
20 litigation, Defendant desires to fully and finally settle the Action and Released Claims.

21 C. Class Counsel diligently investigated the proposed Class Members’ claims against
22 Defendant in the Action, including any and all applicable defenses and the applicable law, and
23 undertook review and analysis of a volume of documents and data obtained from Defendant and
24 other sources.

25 D. On October 26, 2021, the Parties participated in mediation before third-party
26 mediator Lynn S. Bassis, Esq., a respected mediator of complex wage and hour actions. The Parties
27 engaged in further settlement discussions following the mediation and were able to reach a
28 settlement, which formed the basis for this Settlement Agreement. The settlement discussions

were conducted at arm's-length, and the Settlement is the result of an informed and detailed analysis of Defendant's potential liability of total exposure in relation to the costs and risks associated with continued litigation. Based on the documents produced, as well as Class Counsel's own independent investigation and evaluation, and the Mediator's efforts, Class Counsel believes that the Settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendant.

E. This Settlement Agreement is made and entered into by and between Plaintiff, individually, and on behalf of all others similarly situated, and Defendant, and is subject to the terms and conditions hereof, and to the Court's approval. The Parties expressly acknowledge that this Settlement Agreement is entered into solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant. If for any reason the Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

II. DEFINITIONS

To the extent terms or phrases used in this Joint Stipulation are not specifically defined below, but are defined elsewhere in this Joint Stipulation, they are incorporated herein by reference.

A. "Action" or "Lawsuit" means the action entitled *Marcela V. Pereira v. Melrose Villas, Inc.*, and DOES 1 through 50, inclusive, pending in the Superior Court of the State of California, County of Los Angeles, and designated as Case No. 21STCV13755.

B. "Class" or "Class Member(s)" means all current and former hourly-paid or non-exempt employees who worked for Defendant in the State of California during the Class Period, or each of them.

C. "Class Counsel" means Jake D. Finkel, Esq. and Joshua Park, Esq. of Law Offices of Jake D. Finkel, APC.

D. "Defendant's Counsel" means Ben Mehdian of Mehdian Law, APC, and Dayton B. Parcels III of Parcels Law Firm.

1 E. "Class Period" means the period of time from April 9, 2017, through and including
2 March 7, 2022.

3 F. "Class Settlement" means the settlement and resolution of the Released Claims,
4 except for those arising under the Private Attorneys General Act, California Labor Code section
5 2698, *et seq.*

6 G. "Complaint" means the First Amended Class Action Complaint for Damages and
7 Enforcement Under the Private Attorneys General Act, Cal. Labor Code § 2698, Et Seq. filed in the
8 Action on July 1, 2021.

9 H. "Court" means the Superior Court of the State of California for the County of Los
10 Angeles.

11 I. "Effective Date" means the date when all of the following events have occurred: (1)
12 the Settlement Agreement has been executed by all Parties, Class Counsel, and Defendant's Counsel;
13 (2) the Court has granted preliminary approval to the Settlement; (3) the Notice of Class Action
14 Settlement has been mailed to the Class, providing them with an opportunity to object to or opt out
15 of the Class Settlement; (4) the Court has held a Final Approval Hearing and entered a Final Approval
16 Order and Judgment; (5) sixty-five (65) calendar days have passed since the Court has entered the
17 Final Approval Order and Judgment; and (6) in the event there are written objections filed prior to
18 the Final Approval Hearing that are not later withdrawn or denied, the later of the following events:
19 (a) five (5) business days after the period for filing any appeal, writ, or other appellate proceeding in
20 connection with the Final Approval Order and Judgment has elapsed without any appeal, writ, or
21 other appellate proceeding having been filed; or (b) if any appeal, writ, or other appellate proceeding
22 in connection with the Final Approval Order and Judgment has been filed, five (5) business days
23 after any appeal, writ, or other appellate proceedings in connection with the Final Approval Order
24 and Judgment has been finally and conclusively dismissed with no right to pursue further remedies
25 or relief. "Final Approval" means the Court's entry of the Final Approval Order and Judgment.

26 J. "Final Approval Hearing" means the final hearing held to ascertain the fairness,
27 reasonableness, and adequacy of the Joint Stipulation, at which time the Court will enter its order
28 granting final approval of the Joint Stipulation.

1 K. "Final Approval Order and Judgment" means the order certifying the Settlement
2 Class, granting final approval of the Settlement, and entering judgment based thereon, after the Court
3 has determined that the Settlement is fair, adequate, and reasonable to the Settlement Class, following
4 notice to the Class and a hearing on the fairness of the Settlement.

5 L. "Gross Settlement Amount" means the amount of Eighty Thousand Dollars
6 (\$80,000.00), that Defendant will pay to resolve this Action. The Gross Settlement Amount includes
7 Individual Settlement Shares to Settlement Class Members; Incentive Payment to Class
8 Representative; Attorneys' Fees and Litigation Costs to Class Counsel; PAGA Settlement Amount
9 (which includes Individual PAGA Shares to PAGA Group Members and LWDA Payment to the
10 LWDA); and Settlement Administration Costs to the Settlement Administrator. The Gross
11 Settlement Amount shall be the maximum amount that Defendant will be required to pay under this
12 Settlement. Notwithstanding the foregoing, Defendant will pay employer's share of taxes,
13 contributions, and withholdings with respect to the wages portion of Individual Settlement Shares
14 separately and in addition to the Gross Settlement Amount and the employee taxes shall be paid out
15 of the Net Settlement Amount.

16 M. "Individual PAGA Share" means the *pro-rata* share of 25% of the PAGA Settlement
17 Amount to each PAGA Group Member.

18 N. "Individual Settlement Share" means the *pro rata* share of the Net Settlement Amount
19 to each Settlement Class Member.

20 O. "Individual Settlement Payment" means the net payment of each Settlement Class
21 Member's Individual Settlement Share (after reduction for the employee's share of taxes on the wage
22 portion) and PAGA Group Member's Individual PAGA Share (if applicable).

23 P. "LWDA" means The State of California Labor and Workforce Development Agency.

24 Q. "LWDA Payment" means 75% of the \$10,000 allocated to the PAGA Settlement
25 Amount (i.e., \$7,500) which, subject to Court approval, will be paid to the LWDA.

26 R. "Net Settlement Amount" means the Gross Settlement Amount less the Settlement
27 Administration Costs to the Settlement Administrator, Attorneys' Fees and Litigation Costs to Class
28 Counsel, Incentive Payments to Class Representative, PAGA Settlement Amount, and employee

1 taxes.

2 S. “Notice of Class Action Settlement” or “Class Notice” means the proposed notice to
3 be mailed to the Class, in substantially the same form as attached “**Exhibit A**,” as set forth in Section
4 IV.C of this Joint Stipulation and as mutually agreed upon by the Parties and approved by the Court.

5 T. “Objection” means a Class Member’s written objection to the Class Settlement, per
6 the procedures set forth in Section IV.E of this Joint Stipulation. Class Members shall not be
7 permitted to object to the PAGA Settlement.

8 U. “Opt Out Request” means a written request by a Class Member to opt out of the Class
9 Settlement, and by which a Class Member excludes himself or herself from participating in, receiving
10 any payment from, and being bound by, the terms of the Class Settlement through the procedures set
11 forth in Section IV.D of this Joint Stipulation. Class Members shall not be permitted to opt out of the
12 PAGA Settlement.

13 V. “PAGA” means the California Private Attorneys General Act of 2004, which is
14 codified in California Labor Code §§ 2698, *et seq.*

15 W. “PAGA Group Members” means all Settlement Class Members who worked for
16 Defendant any time from April 7, 2020 through March 7, 2022.

17 X. “PAGA Release” means any and all claims for civil penalties pursuant to PAGA
18 based on the allegations stated in the April 7, 2021, PAGA notice and that were pled in the operative
19 Complaint based on the facts alleged therein, including claims for violation of the California Labor
20 Code sections 201, 202, 203, 226, 226.3, 226.7, 510, 512, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1,
21 and 2802.

22 Y. “PAGA Period” means the period from April 7, 2020, through March 7, 2022.

23 Z. “PAGA Settlement” means the settlement and resolution of the PAGA Release
24 arising under the Private Attorneys General Act, California Labor Code Section 2698, *et seq.*

25 AA. “PAGA Settlement Amount” means the portion of the Gross Settlement Amount
26 allocated to the resolution of Class Members’ claims arising under PAGA. The Parties have agreed
27 that the PAGA Settlement Amount is ten-thousand dollars (\$10,000), subject to Court approval. Of
28 the PAGA Settlement Amount, 75% (i.e., \$7,500) will be paid to the LWDA, and the remaining 25%

(i.e., \$2,500) will be distributed to PAGA Group Members.

BB. "Parties" means Plaintiff and Defendant, who are individually referred to as "Party."

CC. "Preliminary Approval" means the order by the Court preliminarily approving this Joint Stipulation.

DD. "Preliminary Approval Hearing" means the hearing held on the motion for preliminary approval of the Joint Stipulation.

EE. "Released Claims" means any and all claims for wages, damages, unpaid costs, benefits, statutory penalties and civil penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief, and any demands, claims or causes of action, which Plaintiff and Settlement Class Member had, or may claim to have, against any of the Released Parties, arising during the Class Period, that were pled or that could have been pled based on the factual allegations set forth in the Complaint and/or Plaintiff's April 7, 2021, notice letter to the LWDA, including but not limited to, all claims for (a) failure to pay wages, including failure to pay wages, including minimum and overtime compensation, in violation of California Labor Code sections 510 and 1194, and the applicable Industrial Welfare Commission ("IWC") Wage Order; (b) failure to provide meal periods or compensation in lieu thereof in violation of California Labor Code sections 226.7 and 512 and the applicable IWC Wage Order; (c) failure to provide rest breaks or compensation in lieu thereof in violation of California Labor Code section 226.7 and the applicable IWC Wage Order; (d) failure to timely provide accurate, itemized wage statements in violation of California Labor Code sections 226, 226.3, 1174, and 1174.5, both as a derivative and a direct claim; (e) failure to timely pay wages at termination in violation of California Labor Code sections 201, 202, and 203, both as a derivative and a direct claim; (f) unfair business practices in violation of California Business & Professions Code sections 17200 et seq.; (g) civil penalties pursuant to the PAGA for the California Labor Code violations alleged or could have been alleged in the Complaint based on the specific factual allegations contained in the Complaint and/or Plaintiff's April 7, 2021 notice letter to the LWDA, including but not limited to violations of California Labor Code sections 201, 202, 203, 226, 226.3, 226.7, 510, 512, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1, and 2802; (i) that Class Members are entitled to declaratory relief to determine whether the practices alleged in the Action

1 are unlawful; (j) that Class Members are entitled to injunctive relief to halt any practices alleged in
2 the Action to be unlawful; (k) that Defendant is liable for the attorneys' fees incurred to prosecute
3 the Action on behalf of Class Members, including but not limited to fees incurred for the services of
4 Class Counsel or any other counsel; and (l) that Defendant is liable for any other remedies, penalties,
5 and interest under California law, including but not limited to California Labor Code sections 203,
6 206, 218.5, 226, 226.7, 512, 558, 1194, 1194.2, and 2802 and the applicable IWC Wage Order based
7 on the facts alleged in the Action. This release also includes all claims that Plaintiff and/or Class
8 Members may have relating to (a) the payment, taxation, and allocation of attorneys' fees and costs
9 to Plaintiff's counsel pursuant to this settlement; and (b) the payment, taxation, and allocation of
10 Plaintiff's Service Awards pursuant to this Settlement.

11 FF. "Released Parties" means Defendant and all of its officers, directors, shareholders,
12 investors, employees, agents, insurers, parent companies, affiliates, subsidiaries, successors, and
13 assigns.

14 GG. "Response Deadline" means the date that is forty-five (45) calendar days after the
15 date the Class Notice is mailed to the Class Members, which will be the deadline for Class Members
16 to submit Opt Out Requests, Workweeks Disputes, or Objections to the Class Settlement.

17 HH. "Settlement Class Members" means Class Members who do not timely and validly
18 request exclusion from (i.e., opt out of) the Class Settlement.

19 II. "Settlement Administrator" means Phoenix Settlement Administrators.

20 JJ. "Settlement Administration Costs" means all fees, costs, and expenses relating to the
21 administration of the settlement in this Action, including without limitation, printing and mailing the
22 Class Notice, calculating and determining Individual Settlement Shares, Individual PAGA Shares,
23 and Individual Class Payments, regularly updating counsel for the Parties on the status of
24 administration of the Settlement, and the accounting and maintenance of the Settlement Fund
25 Account.

26 KK. "Settlement Fund Account" means the bank account established under this Joint
27 Stipulation from which all monies payable under this Joint Stipulation will be paid, as set forth
28 herein.

LL. “Workweeks” means the number of weeks worked by a Class Member during the Class Period according to Defendant’s payroll records, with any partial weeks rounded up to the nearest full week. Workweeks will be calculated by the Settlement Administrator for each Class Member, using each Class Member’s start and end dates of employment to determine the number of days the Class Member was employed by Defendant within the Class Period, and dividing the total days by seven (7), rounded to the nearest whole number. Defendant’s Workweek data will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible, written evidence. All Workweek Disputes will be resolved and decided by the Settlement Administrator and the Settlement Administrator’s decision on all Workweeks Disputes will be final and non-appealable.

MM. “Workweeks Dispute(s)” means a written letter submitted by a Class Member to the Settlement Administrator to dispute the number of Workweeks credited to the Class Member, per the procedures set forth in Section IV.F of this Joint Stipulation.

III. PRE-TRIAL PROCEEDINGS AND NEGOTIATIONS

A. **Discovery, Investigation and Research.** The Parties engaged in extensive investigation of the facts and law during the prosecution of the Action. The investigation included the exchange of information through informal discovery. Specifically, it included, among other things, the exchange of a volume of documents including Defendant’s employment policies, practices, and procedures and a sampling of Class Members’ time and pay records. The Parties also prepared for and attended a full-day mediation with Lynn S. Bassis, Esq., a well-regarded mediator experienced in mediating complex wage-and-hour matters. Counsel for the Parties also investigated applicable law as applied to the facts in the case and potential defenses and conducted their own evaluations of the potential recoveries based on the claims in the Action.

B. **Allegations of Plaintiff and Benefits of Settlement.**

1. This Joint Stipulation was reached after arm’s-length bargaining between the Parties with the assistance of an experienced mediator, and after Class Counsel thoroughly reviewed all available information. The information exchanged between the Parties allowed them to assess the merits and to compromise the issues on a fair and equitable basis.

2. Plaintiff and Class Counsel contend the claims asserted in the Action have merit. But, they acknowledge the expense and delay of continued litigation to prosecute the Action through class certification, trial, and appeal. Plaintiff and Class Counsel have considered the uncertain outcome and risk of litigation, and the difficulties and delays inherent in such litigation, including, and not limited to, considering the risks associated with class certification, trial, and/or appeals. Plaintiff and Class Counsel determined this Joint Stipulation confers substantial benefit to the Class and is in the best interests of Plaintiff and Class Members.

C. **Defendant's Denials of Wrongdoing and Benefits of Settlement.** Defendant generally denies all claims alleged in the Action and further denies class treatment is appropriate for any purpose other than this Settlement. Defendant contends it complied with California and other applicable law. It is Defendant's position that, if litigation continued, class certification would be denied on all claims. Defendant concluded further litigation of the Action would be protracted and expensive. Defendant further determined it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions in this Joint Stipulation.

IV. **ISSUES**

A. **Preliminary Approval.** Class Counsel will submit this Joint Stipulation to the Court with a motion for preliminary approval of this Settlement. Defendant will not oppose the motion.

B. **Settlement Administrator.**

1. The third-party company known as Phoenix Settlement Administrators will act as Settlement Administrator. The Settlement Administrator will be responsible for: (1) preparing, printing and mailing simultaneously the Class Notice in the same form as attached "**Exhibit A,**" in English and Spanish; (2) receiving and reviewing Opt Out Requests; (3) calculating Workweeks and Individual Settlement Payments under the Settlement; (4) handling inquiries from Class Members concerning the Class Notice, including attempting to resolve Workweek Disputes; (5) providing weekly status reports to Defendant's Counsel and Class Counsel regarding the number of mailings and number of Opt Out Requests; (6) distributing all payments under the Settlement, as well as payments to taxing authorities as appropriate; (7) providing due diligence declarations for submission to the Court, as needed; (8) printing and providing Settlement Class Members and

1 Plaintiff with tax forms as required under this Settlement Agreement and applicable law, and
2 providing copies of same to Defendant; (9) receiving and promptly forwarding to Class Counsel
3 and Defendant's Counsel any Objections; and (10) such other tasks as the Parties mutually agree
4 or the Court orders the Settlement Administrator to perform.

5 2. The Parties and their counsel each represent they do not have a financial
6 interest in the Settlement Administrator or otherwise have a relationship with the Settlement
7 Administrator that creates or could create a conflict of interest. Settlement Administration Costs
8 are estimated not to exceed \$10,000 and are to be paid from the Gross Settlement Amount subject to
9 approval by the Court.

10 C. **Notice to Class Members.** Class Members will be provided notice of the Settlement
11 in the following manner:

12 1. Within fourteen (14) calendar days of Preliminary Approval, Defendant will
13 provide the Settlement Administrator with the following information for each Class Member: (1) full
14 name; (2) last known mailing address and telephone number; (3) full Social Security number; and
15 (4) start and end dates of employment during the Class Period ("Class List").

16 2. Within ten (10) calendar days after the Settlement Administrator's receipt of
17 the Class List, the Settlement Administrator will format and mail the Class Notice to the Class
18 Members via first-class U.S. mail.

19 3. Prior to mailing the Class Notice to the Class, the Settlement Administrator
20 will perform a search based on the National Change of Address Database to update and correct the
21 Class Members' addresses, contained in the Class List, for any known or identifiable address
22 changes.

23 4. The Settlement Administrator will perform a skip-trace search and re-mail all
24 Class Notices that are returned as undelivered throughout the Response Deadline, within seven (7)
25 calendar days of receiving the returned Class Notice. If a new address is obtained after a Class Notice
26 is returned as undeliverable, the Settlement Administrator shall promptly forward the original Class
27 Notice to the updated address via first-class U.S. mail, indicating the date of such re-mailing. A
28 returned Class Notice will be forwarded only once by the Settlement Administrator. Upon

1 completion of these steps by the Settlement Administrator, Defendant shall be deemed to have
2 satisfied its obligation to provide notice of the Settlement to Class Members. Such Class Members
3 shall be bound by all terms of the Joint Stipulation (including the release of Released Claims) and
4 the Court's order granting final approval of the Settlement and judgment based thereon, unless they
5 validly request exclusion from the Class Settlement. Notices will be re-mailed to any Class Member
6 for whom an updated address is located within seven (7) calendar days following both the Settlement
7 Administrator learning of the failed mailing and its receipt of the updated address. The Notice shall
8 be identical to the original Notice and Class Members shall have forty-five (45) days from the date
9 the Class Notice is mailed to submit an opt out, workweeks dispute, or objection to the Class
10 Settlement.

11 5. Class Members shall have forty-five (45) calendar days from the date the
12 Class Notice is first mailed (*i.e.*, the Response Deadline) to submitting an Opt Out Request,
13 Workweeks Dispute, or Objection to the Class Settlement. Unless a Class Member validly opts out
14 of the Class Settlement, the Class Member will be deemed a Settlement Class Member and will be
15 bound by all terms of the Settlement Agreement (including the release of Released Claims) and the
16 Court's order granting final approval of the Settlement and judgment based thereon. Class Members
17 shall not be permitted to opt out of the PAGA Settlement.

18 D. **Procedure to Opt Out of Class Settlement.**

19 1. Class Members who wish to exclude themselves from the Class Settlement
20 must submit a timely and valid Opt Out Request (as directed by the Class Notice) to the Settlement
21 Administrator. The Opt Out Request must: (a) contain the full name, address, telephone number,
22 last four (4) digits of the Social Security Number, and signature of the Class Member requesting
23 exclusion; (b) contain a clear statement indicating that the Class Member wishes to exclude himself
24 or herself from the Class Settlement which references the Action by name and/or case number; and
25 (c) be mailed to the Settlement Administrator, postmarked no later than the Response Deadline. The
26 date of the postmark on the Opt Out Request to the Settlement Administrator shall be the exclusive
27 means used to determine whether a Class Member has timely submitted his or her Opt Out Request
28 to the Settlement Administrator. Any Class Member who properly opts out of the Class Settlement

1 using this procedure will not be a member of the Settlement Class, will be barred from participating
2 in this Class Settlement, will lack standing to object to the Class Settlement, and will receive no
3 benefit from the Class Settlement. Class Members shall not be permitted to opt out of the PAGA
4 Settlement.

5 2. Class Members who do not submit a timely and valid Opt Out Request (i.e.,
6 Settlement Class Members) shall be bound by all terms of the Settlement and the order granting final
7 approval of the Settlement and judgment based thereon. Any Class Member who submits a timely
8 and valid Opt Out Request will not be a Settlement Class Member, will not be entitled to recovery
9 under the Class Settlement, and will not be bound by the Class Settlement or the order granting final
10 approval of the Settlement and judgment based thereon; however, if the Class Member worked
11 during the PAGA Period, he or she will remain a PAGA Group Member, will receive an Individual
12 PAGA Payment, and will be bound by the PAGA Settlement. A Class Member who opts out of the
13 Class Settlement does not have the right to object, appeal, or comment on the Settlement.

14 3. The Settlement Administrator shall provide Defendant's Counsel and Class
15 Counsel with weekly updates about Class Members who submit Opt Out Requests.

16 E. **Procedure to Object to Class Settlement.**

17 1. Any Settlement Class Member who seeks to object to the Class Settlement
18 may do so by mailing a timely and valid Objection to the Settlement Administrator. The Objection
19 must: (a) contain the objecting Settlement Class Member's full name, address, telephone number,
20 last four digits of his or her Social Security number, and signature; (b) contain the words "Notice of
21 Objection" or "Formal Objection"; (c) contain the case name and number of the Action; (d) contain
22 a clear and concise statement, including factual and legal arguments, explaining his or her
23 objection(s) to the Class Settlement; (e) contain a statement indicating whether or not the Settlement
24 Class Member is represented by counsel and identifying any such legal counsel; (f) contain a
25 statement indicating whether the Settlement Class Member intends to appear at the Final Approval
26 Hearing to present his or her objection(s); (g) list any witnesses the objecting Settlement Class
27 Member may call to testify at the Final Approval Hearing; and (h) be mailed to the Settlement
28 Administrator, postmarked no later than the Response Deadline. The date of the postmark on the

Objection to the Settlement Administrator shall be the exclusive means used to determine whether a Settlement Class Member has timely submitted his or her Objection to the Settlement Administrator. Within three (3) business days of receiving any objection to the Class Settlement, the Settlement Administrator shall provide copies of such Objections to Class Counsel and Defendant's Counsel. The Settlement Administrator shall also attach copies of such Objections to its declaration that is filed with the Court in advance of the Final Approval Hearing. Class Members shall not be permitted to object to the PAGA Settlement. The Court will also hear from any Class Members who attend the final approval hearing and asks to speak regarding his or her objection, regardless of whether they submitted a written objection.

2. Plaintiff and/or Defendant may file a response to any Objection(s) no later than five (5) court days before the Final Approval Hearing.

F. **Workweeks Disputes.** A Class Member may dispute the accuracy of the Workweeks credited to him or her by submitting a timely and valid Workweeks Dispute to the Settlement Administrator in conformity with the instructions in the Class Notice and as set forth herein. Any such Workweeks Dispute must: (a) contain the Class Member's full name, address, telephone number, last four digits of his or her Social Security number, and signature; (b) contain the case name and number of the Action; (c) contain a clear statement explaining that he or she disputes the number of Workweeks credited to him or her and what he or she contends is the correct number of Workweeks that should be credited to him or her; (d) include any documentation that he or she has to support the dispute; and (e) be mailed to the Settlement Administrator, postmarked on or before the Response Deadline. The Settlement Administrator shall provide copies of all Workweek Disputes to Class Counsel and Defendant's Counsel within three (3) business days of receipt and shall immediately attempt to resolve all such disputes with the assistance of Defendant's Counsel and Class Counsel. In the event of a dispute, Defendant's records regarding the number of Workweeks of the Class Member shall be presumed to be correct and the Class Member will bear the burden of proof (*i.e.* a Class Member who fails to provide written proof will have his or her challenge denied). The Settlement Administrator shall investigate the challenge, requesting information from Defendant as necessary and make the final determination of whether any additional amount is owed. All

Workweek Disputes will be resolved and decided by the Settlement Administrator and the Settlement Administrator's decision on all Workweeks Disputes will be final and non-appealable.

G. **Final Approval.**

1. At the Final Approval Hearing, Class Counsel will move the Court for an order granting final approval of the Settlement and entry of judgment in accordance with the California Rule of Court 3.769(h). Class Counsel will seek approval of the Settlement as being fair, reasonable, and adequate to the Class Members. Class Counsel and Defendant's Counsel will submit to the Court such pleading and/or evidence as required for the Court's determination. Class Counsel will also submit a fee and cost application to be determined at the Final Approval Hearing.

2. The Final Approval Order and Judgment will, among other things: (a) find that the dissemination of the Class Notice in the form and manner ordered by the Court was accomplished as directed, met the requirements of due process, was the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons entitled thereto; (b) find that the Class Representative and Class Counsel herein have fairly and adequately represented and protected the interests of the Class at all times in the Action; (c) grant Final Approval to the Settlement as fair, reasonable, adequate, in good faith, and in the best interests of the Class as a whole, and order the Parties to carry out the provisions of this Settlement Agreement; (d) certify the Settlement Class; (e) direct the Parties to implement the terms of the Settlement Agreement, including, without limitation, the provisions regarding payments under the Settlement; (f) enter judgment, adjudging that the Settlement Class Members are conclusively deemed to have released the Released Parties from the Released Claims and that Class Members are conclusively deemed to have released the Released Parties from the PAGA Release arising under PAGA and that the *res judicata* effect shall take place with respect to the release; (g) award Attorneys' Fees and Litigation Costs to Class Counsel and an Incentive Payments to Class Representative in accordance with this Joint Stipulation; and (h) reserving continuing jurisdiction as provided herein.

3. After entry of the Final Approval Order and Judgment, the Court shall have continuing and exclusive jurisdiction over the Action for purposes of: (i) administration and consummation of the terms of this Settlement Agreement; (ii) enforcing, constructing, and

1 interpreting this Settlement Agreement; (iii) addressing such post-judgment matters as may be
2 appropriate under Court rules or applicable law; and (iv) enforcing, constructing, and interpreting
3 the Final Approval Order and Judgment, including, but not limited to, the provisions therein
4 enjoining any further litigation of Released Claims, and over Plaintiff and all Settlement Class
5 Members (and their attorneys and law firms) in connection therewith.

6 **V. SETTLEMENT TERMS**

7 A. **Gross Settlement Amount.** To settle the Action and the Released Claims under the
8 terms of this Settlement Agreement, Defendant will pay the maximum amount of \$80,000 (*i.e.*, the
9 Gross Settlement Amount) as set forth above. Defendant will not be required to contribute additional
10 sums to fund the Settlement or otherwise resolve this Action and the Released Claims. However,
11 Defendant will pay employer's share of taxes separately and in addition to the Gross Settlement
12 Amount. The Gross Settlement Amount is non-reversionary and distribution will be on a non-claims-
13 made (*i.e.*, on an auto-pay) basis. Defendant will pay the Gross Settlement Amount within thirty
14 (30) calendar days of the Effective Date.

15 B. **Establishment of Settlement Fund.** Within fifteen (15) calendar days of the
16 Effective Date, the Settlement Administrator will establish a Settlement Fund Account in a non-
17 interest bearing transaction account at a FDIC-insured institution.

18 C. **Allocation of Settlement Proceeds.**

19 The Gross Settlement Amount is inclusive of and will be allocated as follows:

20 1. Class Counsel's attorneys' fees, as approved by the Court, in an amount not
21 to exceed a third of the Gross Settlement Amount, or \$26,666.66, to Law Offices of Jake D. Finkel,
22 APC ("Attorneys' Fees"). The fees shall be detailed in Class Counsel's application for Attorneys'
23 Fees and Litigation Costs in this Action, to be heard at the time of Final Approval;

24 2. Reimbursement of Class Counsel's litigation costs and expenses, as approved
25 by the Court, in an amount not to exceed \$15,000 ("Litigation Costs"). The costs shall be detailed in
26 Class Counsel's application for Attorneys' Fees and Litigation Costs in this Action, to be heard at
27 the time of Final Approval;

28 3. Payment to Class Representative, as approved by the Court, for her services

on behalf of the Class, in an amount not to exceed \$15,000 (“Incentive Payment”);

4. In consideration of claims made under PAGA, Class Counsel will request that the Court approve allocation of ten-thousand dollars (\$10,000) of the Gross Settlement Amount to these claims. Seventy-five percent (75%) of this payment, or \$7,500, will be paid to the California Labor and Workforce Development Agency (“LWDA Payment”), and twenty-five percent (25%), or \$2,500, will be paid to PAGA Group Members on *pro rata* basis. Defendant will not oppose this request. The entire PAGA Settlement Amount will be paid out of the Gross Settlement Amount. The Court’s adjustment, if any, of the amount allocated to the PAGA Settlement Amount, will not invalidate this Agreement.

5. The Settlement Administration Costs, as approved by the Court, in an amount estimated not to exceed \$10,000; and

6. The Net Settlement Amount, which is available for distribution to Settlement Class Members, after deducting the amounts stated in subparagraph 1-5 of this Section.

D. Distribution of Settlement Proceeds.

1. The Settlement Administrator shall keep Defendant’s Counsel and Class Counsel apprised of all distributions from the Settlement Fund Account. No person shall have any claim against Defendant, Defendant’s Counsel, Plaintiff, Class Counsel, or the Settlement Administrator based on distributions and payments made in accordance with this Settlement Agreement.

2. Within forty-five (45) calendar days after the Effective Date, the Settlement Administrator shall pay all Individual Settlement Payments to Settlement Class Members and PAGA Group Members, Attorneys’ Fees and Litigation Costs to Class Counsel, Incentive Payments to Class Representative, LWDA Payment to the LWDA, and Settlement Administration Costs to itself, all as awarded by the Court at the Final Approval Hearing.

3. The Settlement Administrator will be responsible for calculating each Settlement Class Member’s gross share of the Net Settlement Amount (i.e., Individual Settlement Share), as follows: the Net Settlement Amount will be divided by the total number of Workweeks worked by all of the Settlement Class Members during the Class Period to yield a “Class Weekly

Rate.” Each Settlement Class Member’s respective number of Workweeks during the Class Period will be multiplied by the Class Weekly Rate, to yield his or her respective Individual Settlement Share. Each Individual Settlement Share shall be allocated twenty percent (20%) to wages (to be reported on IRS Form W-2), and eighty percent (80%) allocated to penalties and interest (to be reported on IRS Form 1099, if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s withholdings with respect to the wages portion of each Individual Settlement Share. Employer’s share of taxes with respect to the wages portion of each Individual Settlement Share shall be remitted by Defendant to the Settlement Administrator separately and in addition to the Gross Settlement Amount.

4. The Settlement Administrator will be responsible for calculating each PAGA Group Member’s *pro rata* share of the 25% of the PAGA Settlement Amount (i.e., Individual PAGA Share), as follows: the 25% of the PAGA Settlement Amount will be divided by the total number of Workweeks worked by all of the PAGA Group Members during the PAGA Period to yield a “PAGA Weekly Rate.” Each PAGA Group Member’s respective number of Workweeks during the PAGA Period will be multiplied by the PAGA Weekly Rate, to yield his or her respective Individual PAGA Share. Individual PAGA Payments will be allocated as one hundred percent (100%) penalties (to be reported on IRS Form 1099).

5. The Settlement Administrator’s determination of eligibility for, and the amounts of, any settlement payments under this Settlement Agreement shall be conclusive, final, and binding on all parties, including all Class Members.

6. The net payment of each Settlement Class Member’s Individual Settlement Share (after reduction for the employee’s share of payroll taxes, contributions, and withholdings on the wage portion) and/or PAGA Group Member’s Individual PAGA Share is referred to as his or her “Individual Settlement Payment.” The Settlement Administrator shall distribute the Individual Settlement Payments by way of a single check that combines both payments (if applicable). Each Individual Settlement Payment check will remain valid and negotiable for one hundred eighty (180) calendar days from the date of their issuance after which it will become stale (“Check Stale Date”) and shall automatically be cancelled if not cashed or deposited by the Settlement Class Member or

1 PAGA Group Member within that time. Any funds remaining in the Settlement Fund Account as a
2 result of Settlement Class Members' or PAGA Group Members' failure to cash or deposit their
3 checks by the Check Stale Date, shall be transmitted in the names and respective amounts of the
4 checks that are cancelled, to the Controller of the State of California to be held pursuant to the
5 Unclaimed Property Law, California Civil Code section 1500 *et seq.*, for the benefit of those
6 Settlement Class Members or PAGA Group Members whose checks were cancelled, until such time
7 that they claim their property. Defendant will not be required to pay any interest on said amount.
8 The Parties agree that this disposition results in no "unpaid residue" under California Code of Civil
9 Procedure section 384, as the entire Net Settlement Amount will be paid out to Settlement Class
10 Members and the entire 25% share of the PAGA Settlement Amount will be paid out to PAGA Group
11 Members, whether or not they cash or deposit their Individual Settlement Payment checks.

12 7. The Settlement Administrator shall prepare any and all reports and/or declarations
13 regarding the distribution of funds under the Settlement, as ordered by the Court. The Settlement
14 Administrator shall also undertake amended and/or supplemental tax filings and reporting, required
15 under applicable local, state, and federal tax laws, that are necessitated due to the cancellation of any
16 settlement checks. To the extent that the Settlement Administrator is able to obtain or receive the
17 return or refund of the amounts that were transmitted to taxing authorities for the employer's and
18 employee's share of payroll taxes, contributions, and withholding associated with cancelled
19 Individual Settlement Payments, these amounts shall be transmitted to the Controller of the State of
20 California, along with the funds associated with cancelled settlement checks.

21 8. Notwithstanding the above, within fourteen (14) calendar days after the disbursement
22 of all funds as set forth in section V.D.2, the Settlement Administrator will serve on the Parties a
23 declaration providing a final report on the disbursements of all funds.

24 9. Plaintiff, PAGA Group Members, and Settlement Class Members will be solely
25 responsible for the reporting and payment of any state, local, and/or federal income tax, if any, on
26 the amounts paid to them under the Settlement. If it is determined that any taxes are due in connection
27 with any amount paid under the Settlement, Plaintiff, PAGA Group Members, and Settlement Class
28 Members will be solely responsible for all liability for taxes and any costs, fees, interest, assessments,

1 penalties, damages, or other losses due to such a determination. No payments made under this
2 Settlement Agreement will have an effect on any employee pension benefit plan or employee welfare
3 benefit plan sponsored by Defendant.

4 E. **Class Counsel's Attorney's Fees.** Defendant will not oppose Class Counsel's
5 application for Attorneys' Fees of up to a third (\$26,666.66) of the Gross Settlement Amount.
6 Defendant will not be obligated to pay any attorney's fees of Class Counsel, Plaintiff, or Class
7 Members above this amount. Class Counsel's fee application must be submitted with supporting
8 documentation and heard at the time of the Final Approval Hearing. No part of the Gross Settlement
9 Amount will be used to pay any attorney's fees of Class Counsel, Plaintiff, or Class Members above
10 this amount. Attorneys' Fees to Class Counsel are subject to court approval.

11 F. **Class Counsel's Litigation Costs.** Defendant will not oppose Class Counsel's
12 application for Litigation Costs of up to \$15,000. Defendant will not be obligated to pay any costs
13 of Class Counsel, Plaintiff, or Class Members above this amount. No part of the Gross Settlement
14 Amount will be used to pay any costs of Class Counsel, Plaintiff, or Class Members above this
15 amount. Class Counsel's request for Litigation Costs must be submitted with its Attorneys' Fee
16 application and with supporting documentation, and heard at the time of the Final Approval Hearing.
17 Litigation Costs to Class Counsel are subject to approval by the Court.

18 G. **Incentive Payments to Plaintiff.** In exchange for a general release of all claims, and
19 in recognition of Plaintiff's effort and work in prosecuting the Action on behalf of the Class Members
20 and negotiating the Settlement, Defendant will not oppose Plaintiff's application for an Incentive
21 Payments to Plaintiff of up to \$15,000. This Incentive Payments are subject to approval by the Court.
22 Defendant will not be obligated to pay any incentive payment above this amount. This Incentive
23 Payments shall be considered miscellaneous income, and the Settlement Administrator will be
24 responsible for issuing a Form 1099, and any other tax forms, to Plaintiff relating to Incentive
25 Payment. No part of the Gross Settlement Amount will be used to pay any Incentive Payment above
26 this amount.

27 H. **Settlement Administration Costs.** The Parties agree the Settlement Administration
28 Costs shall be deducted from the Gross Settlement Amount, subject to approval by the Court.

Settlement Administration Costs are estimated not to exceed \$10,000.

I. **Tax Treatment.**

1. Plaintiff, PAGA Group Members, and Settlement Class Members shall be exclusively liable for any and all of their respective tax liability, if any. Plaintiff, PAGA Group Members, and Settlement Class Members should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement Agreement. Each PAGA Group Member and Settlement Class Member will be responsible for paying all applicable state, local, and federal income taxes on all amounts they receive pursuant to this Settlement Agreement. Plaintiff, PAGA Group Members, and Settlement Class Members shall cooperate with Defendant and provide documentation as requested to demonstrate such payment should any taxing authority challenge the tax treatment of any such payment made under the Settlement.

2. Each Party to this Settlement Agreement acknowledges and agrees that:

a. No provision of this Settlement Agreement and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended);

b. He, she, or it: (a) has relied exclusively upon his, her, or its own, independent legal and tax advisers for advice (including tax advice) in connection with this Settlement Agreement; (b) has not entered into this Settlement Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party; and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other Party to avoid any tax penalty that may be imposed on him or her; and

c. No attorney or adviser to any other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by him or her of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Settlement Agreement.

3. **Circular 230 Disclaimer.** EACH PARTY TO THIS AGREEMENT (FOR

PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

J. **Release of Claims by Plaintiff and Settlement Class Members.**

1. Upon the date on which Defendant fully funds the Settlement, Plaintiff, and all Class Members who do not submit a timely and valid opt Out Request (i.e., Settlement Class Members) will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged the Released Parties of and from all of the Released Claims that do not arise under PAGA and that all PAGA Group Members will be deemed to have fully released and

1 discharged the Released Parties of and from all of the Released Claims that do arise under PAGA.

2 2. Release by Plaintiff. Upon the Effective Date, in addition to the claims being
3 released by all Settlement Class Members, Plaintiff releases and forever discharges the Released
4 Parties, to the fullest extent permitted by law, of and from any and all claims, known and unknown,
5 asserted and not asserted, which Plaintiff has or may have against the Released Parties as of the date
6 of execution of this Settlement Agreement (“Plaintiff’s Released Claims”). Plaintiff’s Released
7 Claims include, but are not limited to, all of the Released Claims and any other claims arising under
8 the California Labor Code; any claim arising out of the California common law of contract; the Fair
9 Labor Standards Act, 29 U.S.C. § 201 *et seq.*, and federal common law; all claims for lost wages and
10 benefits, emotional distress, retaliation, punitive damages, and attorneys’ fees and costs arising under
11 federal, state, or local laws for discrimination, harassment, and wrongful termination, including but not
12 limited to, 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans with
13 Disabilities Act, the Age Discrimination in Employment Act, the California Fair Employment and
14 Housing Act, the California Labor Code, and the law of contract and tort. This release excludes the
15 release of claims not permitted by law.

16 Plaintiff’s Released Claims include all claims, whether known or unknown. Even if Plaintiff
17 discovers facts in addition to or different from those that they now know or believe to be true with respect to
18 the subject matter of Plaintiff’s Released Claims, those claims will remain released and forever barred. To
19 effect a full and complete general release as described above, Plaintiff expressly waives any and all rights and
20 benefits conferred upon Plaintiff by the provisions of Section 1542 of the California Civil Code or similar
21 provisions of applicable law which are as follows:

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

27 Thus, notwithstanding the provisions of section 1542, and to implement a full and complete
28 release and discharge of the Released Parties, Plaintiff expressly acknowledges this Settlement is

intended to include in its effect, without limitation, all claims Plaintiff does not know or suspect to exist in Plaintiff's favor at the time of signing this Settlement, and that this Settlement contemplates the extinguishment of any such claims. Plaintiff warrants that Plaintiff has read this Settlement, including this waiver of California Civil Code section 1542, and that Plaintiff has consulted with or had the opportunity to consult with counsel of Plaintiff's choosing about this Settlement and specifically about the waiver of section 1542, and that Plaintiff understands this Settlement and the section 1542 waiver, and so Plaintiff freely and knowingly enters into this Settlement. Plaintiff further acknowledges that Plaintiff later may discover facts different from or in addition to those Plaintiff now know or believe to be true regarding the matters released or described in this Settlement, and even so Plaintiff agrees that the releases and agreements contained in this Settlement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. Plaintiff expressly assumes any and all risks of any mistake in connection with the true facts involved in the matters, disputes, or controversies released or described in this Settlement or with regard to any facts now unknown to Plaintiff relating thereto.

VI. NULLICATION OF THE JOINT STIPULATION

A. This Joint Stipulation will be null and void, if: (a) the Court unconditionally refuses to grant approval of this Joint Stipulation; (b) the Court refuses to enter a judgment in the Action; (c) the judgment is reversed, modified, or declared or rendered void; and/or (d) if any material portion of this Joint Stipulation is invalidated, unless the Parties subsequently agree in writing that the remaining provisions of the Joint Stipulation are to remain in full force and effect.

B. If the number of Class Members who submit timely and valid Opt Out Requests reaches five percent (5%), Defendant may rescind this Joint Stipulation. If Defendant rescind, it will be responsible for the Settlement Administration Costs incurred up to the date of rescission. This option to rescind the Settlement must be exercised by way of written notice sent to Class Counsel by certified mail to Jake D. Finkel, Esq. at the Law Offices of Jake D. Finkel, APC, 3470 Wilshire Blvd., Suite 830, Los Angeles, CA 90010, within 30 (30) calendar days of receiving notice from the Settlement Administrator that it has received Opt Out Requests from five percent (5%) or more of the Class Members.

C. If this Joint Stipulation is rendered null and void in conformity with this Section, then, neither this Joint Stipulation, nor any of the related negotiations or proceedings, will be of any force or effect, and all Parties will stand in the same position, without prejudice, as if the Joint Stipulation had not been entered or filed.

VII. DUTIES OF THE PARTIES

A. **Mutual Cooperation.** The Parties agree to cooperate to accomplish and implement the terms of this Joint Stipulation. Such cooperation will include, but not be limited to, execution of such other documents and taking such other actions as may reasonably be necessary to fulfill the terms of this Joint Stipulation. The Parties will use their reasonable best efforts, including all efforts contemplated by this Joint Stipulation and any other efforts that may become necessary by court order, or otherwise, to effectuate this Joint Stipulation and the terms set forth herein. As soon as practicable after execution of this Joint Stipulation, Class Counsel, with the cooperation of Defendant and its counsel, will try to secure Preliminary Approval and Final Approval. Defendant understands that in the course of applying for settlement approval, Plaintiff will be required to submit sufficient evidence to support the fairness of the proposed settlement terms. Defendant affirmatively agrees to provide reasonable assistance and support of Plaintiff in providing such evidence, including but not limited to confirming the number of Plaintiff Class Members and/or PAGA Group Members (former and current) average pay rates, gross wages paid, and workweeks/pay periods worked by Class Members and/or PAGA Group Members during the Class Period.

B. **Duty to Support and Defend the Settlement.** The Parties agree the settlement is fair and reasonable and will so represent to the Court. In addition, the mediator (Lynn S. Bassis) may execute a declaration supporting the settlement, and the Court may contact the mediator to discuss the settlement and whether or not it is fair and reasonable. The Parties agree to abide by all terms of the Joint Stipulation in good faith and to support the Joint Stipulation fully, and to use their best efforts to defend this Settlement from any legal challenge, whether by appeal or collateral attack. Plaintiff agrees to take all steps necessary to implement and effectuate the Settlement.

VIII. MISCELLANEOUS PROVISIONS

A. **No Comments to Press or Media.** If contacted by the media or members of the press,

the Parties, Defendant's Counsel, and Class Counsel will merely inform them that the case has been resolved, and refer them to the public filings. The terms of the Settlement shall remain confidential until the Parties submit the motion for preliminary approval to the Court. Notwithstanding the foregoing, nothing in this Settlement Agreement shall restrict Class Counsel from disclosing and including all publicly available information regarding this case and the settlement in any documents filed with any court and/or judicial submissions (e.g., CV's, declarations regarding adequacy or experience, etc.). Furthermore, Plaintiff and Class Counsel will undertake any and all disclosures required to be made to the LWDA in conformity with PAGA.

B. **No Admission of Liability.**

1. This Joint Stipulation is not an admission of liability by Defendant or any of the Released Parties. Defendant and the Released Parties deny that they have engaged in any unlawful activity, have failed to comply with the law in any respect, have any liability to anyone under the claims asserted in the Action, or that, but for the Settlement, a class could be certified in the Action. This Settlement Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Settlement Agreement is intended or will be construed as an admission by Defendant or the Released Parties of liability or wrongdoing, or an admission by Plaintiff that any of her claims were non-meritorious or any defenses to her claims were meritorious. This Settlement and the fact that Plaintiff and Defendant were willing to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with the Settlement).

2. The Parties have agreed to class certification for the sole purpose of effectuating this Settlement. Should the Settlement not be approved by the Court, or should the Judgment regarding the Settlement not become final, the fact that the Parties were willing to stipulate to class certification as part of the Settlement will have no bearing on, and will not be admissible in connection with, the issue of whether a class should be certified in a non-settlement context in the Action, or any other action, and in any of those events Defendant and the Released Parties expressly reserve the right to oppose class certification.

3. Whether or not the Settlement set forth in this Settlement Agreement becomes

1 final, neither the Settlement, this Settlement Agreement, any document, statement, proceeding, or
2 conduct related to the Settlement or the Settlement Agreement, nor any reports or accounting of those
3 matters, will be offered as evidence for any purpose adverse to Defendant or any of the Released
4 Parties, including, but not limited to, evidence of a presumption, concession, indication, or admission
5 by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage;
6 or (ii) disclosed, referred to, or offered in evidence against any of the Released Parties, in any further
7 proceeding in the Action, or any other civil, criminal, or administrative action or proceeding except
8 for purposes of effectuating the Settlement pursuant to this Settlement Agreement.

9 4. This Section and all other provisions of this Settlement Agreement
10 notwithstanding, any and all provisions of this Settlement Agreement, may be admitted in evidence
11 and otherwise used in any and all proceedings to enforce any or all terms of this Settlement
12 Agreement or in defense of any claims released or barred by this Settlement Agreement.

13 C. **No Impact on Benefit Plans.** It is expressly understood and agreed that the receipt
14 of any payment under the Settlement will not entitle Plaintiff, PAGA Group Members, or any
15 Settlement Class Member to additional compensation or benefits under any company bonus,
16 contract, incentive plan, contest, or other compensation or benefit plan or agreement in place during
17 the Class Period, nor will it entitle any Settlement Class Member to any increased retirement, 401(k)
18 or matching benefits, or deferred compensation benefits. It is also expressly understood and agreed
19 that any payments made to Plaintiff, PAGA Group Members, and Settlement Class Members under
20 the terms of this Settlement Agreement do not represent any modification of previously credited
21 length of service or other eligibility criteria under any bonus plan, incentive plan, contract, employee
22 pension benefit plan, or employee welfare plan sponsored by any of the Released Parties or to which
23 any of the Released Parties are required to make contributions. All payments under the Settlement
24 shall be deemed to be paid to Plaintiff, PAGA Group Members, and Settlement Class Members solely
25 in the year in which such payments actually are received by them. Further, any payments made under
26 this Settlement Agreement shall not be considered compensation in any year for purposes of
27 determining eligibility for, or benefit accrual within, any employee pension benefit plan or employee
28 welfare benefit plan sponsored by any of the Released Parties or to which any of the Released Parties

are required to make contributions. It is the Parties' intent that the Individual Settlement Payments provided for in this Settlement Agreement are the sole payments to be made by Defendant to the Settlement Class Members and PAGA Group Members, and that neither the Settlement Class Members nor the PAGA Group Members are entitled to any new or additional compensation or benefits as a result of having received the Individual Settlement Shares (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the Class Period) and/or Individual PAGA Shares.

D. **Construction.** The Parties agree this Joint Stipulation resulted from lengthy, intensive, arm's-length negotiations, and it is not to be construed for or against any Party for any reason.

E. **Choice of Law.** This Joint Stipulation is intended to and will be governed by the laws of California, without regard to conflicts of law principles.

F. **Interim Stay of Proceedings.** The Parties agree to hold in abeyance all proceedings in the Action (including with respect to California Code of Civil Procedure section 583.310), except such proceedings necessary to implement and complete the Settlement Agreement, pending the Final Approval Hearing to be conducted by the Court.

G. **Continuing Jurisdiction.** Even after entry of judgment in the Action based on the Settlement, the Court will retain continuing jurisdiction to enforce the Settlement pursuant to California Rules of Court 3.769 and California Code of Civil Procedure section 664.6.

H. **Captions and Interpretations.** Section headings, paragraph headings, titles, or captions contained herein are inserted as a matter of convenience and for reference only, and in no way define, limit, extend, or describe the scope of this Joint Stipulation or any provision thereof.

I. **Modification.** This Joint Stipulation may not be changed, altered, or modified, except in writing signed by counsel for the Parties and approved by the Court.

J. **Integration Clause.** All prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written, between the Parties are merged herein. No rights under this Joint Stipulation may be waived except in writing.

K. **No Inducements.** Plaintiff and Defendant acknowledge that they are entering into

1 this Settlement Agreement as a free and voluntary act without duress or undue pressure or influence
2 of any kind or nature whatsoever, and that neither Plaintiff nor Defendant have relied on any
3 promises, representations, or warranties regarding the subject matter hereof other than as set forth in
4 this Settlement Agreement.

5 L. **Successors and Assigns.** This Joint Stipulation will be binding upon and inure to the
6 benefit of the Parties and their respective heirs, trustees, executors, administrators, predecessors,
7 successors, affiliates, agents, and assigns.

8 M. **Class Counsel Signatories.** Because the Class Members are so numerous, the Parties
9 agree it is impossible or impractical to have each Class Member sign this Joint Stipulation. This Joint
10 Stipulation may be executed on behalf of the Class by Class Counsel and Plaintiff.

11 N. **Attorney Authorization.** Class Counsel and Defendant's Counsel warrant and
12 represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate
13 action required or permitted to be taken by such Parties under this Settlement Agreement to effectuate
14 its terms, and to execute any other documents required to effectuate the terms of this Settlement
15 Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to
16 affect the implementation of the Settlement. In the event the Parties are unable to reach agreement
17 on the form or content of any document needed to implement this Settlement Agreement, or on any
18 supplemental provisions that may become necessary to effectuate the terms of this Settlement
19 Agreement, the Parties will seek the assistance of the Court, and in all cases all such documents,
20 supplemental provisions and assistance of the Court will be consistent with this Settlement
21 Agreement.

22 O. **Dates.** If any of the dates in the Joint Stipulation fall on a weekend, bank holiday, or
23 court holiday, the time to act shall be extended to the next business day.

24 P. **Execution in Counterparts.** This Joint Stipulation will become effective upon its
25 execution by all of the undersigned. The Parties may execute this Joint Stipulation in counterparts,
26 and execution of counterparts will have the same force and effect as had all Parties signed the same
27 instrument. Facsimile or pdf copies of any such signed counterparts may be used in lieu of the
28 original for any purpose. Pursuant to California Civil Code section 1633.7, the Parties agree they

may use DocuSign or similar electronic signature technology to expedite the execution of this Settlement Agreement.

IT IS SO AGREED.

DATED: October 21, 2022

By: 
MARCELA V. PEREIRA
Representative Plaintiff

DATED: _____, 2022

MELROSE VILLAS, INC.

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

DATED: October 21, 2022

THE FINKEL FIRM

By: 
Jake D. Finkel, Esq.
Attorney for Representative Plaintiff and Plaintiff Class

DATED: _____, 2022

MEHDIAN LAW, APC

By: _____

Ben Mehdian, Esq.
Attorney for Defendant Melrose Villas, Inc.

DATED: _____, 2022

PARCELLS LAW FIRM

By: _____

Dayton B. Parcels, III, Esq.
Attorney for Defendant Melrose Villas, Inc.