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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. Amy D. Hogue, Department S7]

**JOINT STIPULATION OF CLASS
ACTION SETTLEMENT**

Complaint filed: April 9, 2021

1 **JOINT STIPULATION OF CLASS ACTION SETTLEMENT**

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

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

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

16 **II. DEFINITIONS**

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

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

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

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

27 D. "Defendant's Counsel" means Ben Mehdian of Mehdian Law, APC, and Dayton B.
28 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 Period" means the period from April 7, 2020, through March 7, 2022.

18 Y. "PAGA Settlement" means the settlement and resolution of the Released Claims
19 arising under the Private Attorneys General Act, California Labor Code Section 2698, *et seq.*

20 Z. "PAGA Settlement Amount" means the portion of the Gross Settlement Amount
21 allocated to the resolution of Class Members' claims arising under PAGA. The Parties have agreed
22 that the PAGA Settlement Amount is ten-thousand dollars (\$10,000), subject to Court approval. Of
23 the PAGA Settlement Amount, 75% (i.e., \$7,500) will be paid to the LWDA, and the remaining 25%
24 (i.e., \$2,500) will be distributed to PAGA Group Members.

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

26 BB. "Preliminary Approval" means the order by the Court preliminarily approving this
27 Joint Stipulation.

28 CC. "Preliminary Approval Hearing" means the hearing held on the motion for

1 preliminary approval of the Joint Stipulation.

2 DD. "Released Claims" means any and all claims for wages, damages, unpaid costs,
3 benefits, statutory penalties and civil penalties, liquidated damages, interest, attorneys' fees,
4 litigation costs, restitution, or equitable relief, and any demands, claims or causes of action, which
5 Plaintiff and Settlement Class Member had, or may claim to have, against any of the Released Parties,
6 arising during the Class Period, that were pled or that could have been pled based on the factual
7 allegations set forth in the Complaint and/or Plaintiff's April 7, 2021, notice letter to the LWDA,
8 including but not limited to, all claims for (a) failure to pay wages, including failure to pay wages,
9 including minimum and overtime compensation, in violation of California Labor Code sections 510
10 and 1194, and the applicable Industrial Welfare Commission ("IWC") Wage Order; (b) failure to
11 provide meal periods or compensation in lieu thereof in violation of California Labor Code sections
12 226.7 and 512 and the applicable IWC Wage Order; (c) failure to provide rest breaks or compensation
13 in lieu thereof in violation of California Labor Code section 226. 7 and the applicable IWC Wage
14 Order; (d) failure to timely provide accurate, itemized wage statements in violation of California
15 Labor Code sections 226, 226.3, 1174, and 1174.5, both as a derivative and a direct claim; (e) failure
16 to timely pay wages at termination in violation of California Labor Code sections 201, 202, and 203,
17 both as a derivative and a direct claim; (f) unfair business practices in violation of California Business
18 & Professions Code sections 17200 et seq.; (g) civil penalties pursuant to the PAGA for the
19 California Labor Code violations alleged or could have been alleged in the Complaint based on the
20 specific factual allegations contained in the Complaint and/or Plaintiff's April 7, 2021 notice letter to
21 the LWDA, including but not limited to violations of California Labor Code sections 201, 202, 203,
22 226, 226.3, 226.7, 510, 512, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1, and 2802; (i) that Class
23 Members are entitled to declaratory relief to determine whether the practices alleged in the Action
24 are unlawful; (j) that Class Members are entitled to injunctive relief to halt any practices alleged in
25 the Action to be unlawful; (k) that Defendant is liable for the attorneys' fees incurred to prosecute
26 the Action on behalf of Class Members, including but not limited to fees incurred for the services of
27 Class Counsel or any other counsel; and (I) that Defendant is liable for any other remedies, penalties,
28 and interest under California law, including but not limited to California Labor Code sections 203,

206, 218.5, 226, 226.7, 512, 558, 1194, 1194.2, and 2802 and the applicable IWC Wage Order based on the facts alleged in the Action. This release also includes all claims that Plaintiff and/or Class Members may have relating to (a) the payment, taxation, and allocation of attorneys' fees and costs to Plaintiff's counsel pursuant to this settlement; and (b) the payment, taxation, and allocation of Plaintiff's Service Awards pursuant to this Settlement.

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

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

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

HH. "Settlement Administrator" means Phoenix Settlement Administrators.

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

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

KK. "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

1 days by seven (7), rounded to the nearest whole number. Defendant's Workweek data will be
2 presumed to be correct, unless a particular Class Member proves otherwise to the Settlement
3 Administrator by credible, written evidence. All Workweek Disputes will be resolved and decided
4 by the Settlement Administrator and the Settlement Administrator's decision on all Workweeks
5 Disputes will be final and non-appealable.

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

9 **III. PRE-TRIAL PROCEEDINGS AND NEGOTIATIONS**

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

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

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

24 2. Plaintiff and Class Counsel contend the claims asserted in the Action have
25 merit. But, they acknowledge the expense and delay of continued litigation to prosecute the Action
26 through class certification, trial, and appeal. Plaintiff and Class Counsel have considered the
27 uncertain outcome and risk of litigation, and the difficulties and delays inherent in such litigation,
28 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 substantially the same form as attached "Exhibit A," in English; (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 Plaintiff with tax forms as required under this Settlement Agreement and applicable law, and providing copies of same to Defendant; (9) receiving and promptly forwarding to Class Counsel and Defendant's Counsel any Objections; and (10) such other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform.

2. The Parties and their counsel each represent they do not have a financial

1 interest in the Settlement Administrator or otherwise have a relationship with the Settlement
2 Administrator that creates or could create a conflict of interest. Settlement Administration Costs
3 are estimated not to exceed \$10,000 and are to be paid from the Gross Settlement Amount subject to
4 approval by the Court.

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

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

11 2. Within ten (21) calendar days after the Settlement Administrator’s receipt of
12 the Class List, the Settlement Administrator will format and mail the Class Notice to the Class
13 Members via first-class U.S. mail.

14 3. Prior to mailing the Class Notice to the Class, the Settlement Administrator
15 will perform a search based on the National Change of Address Database to update and correct the
16 Class Members’ addresses, contained in the Class List, for any known or identifiable address
17 changes. It will be conclusively presumed that if the Class Notice has not been returned within thirty
18 (30) calendar days of mailing, that the Class Member received the Class Notice and all of its contents.

19 4. The Settlement Administrator will perform a skip-trace search and re-mail all
20 Class Notices that are returned as undelivered on or before the Response Deadline, within seven (7)
21 calendar days of receiving the returned Class Notice. If a new address is obtained after a Class Notice
22 is returned as undeliverable, the Settlement Administrator shall promptly forward the original Class
23 Notice to the updated address via first-class U.S. mail, indicating the date of such re-mailing. A
24 returned Class Notice will be forwarded only once by the Settlement Administrator. Upon
25 completion of these steps by the Settlement Administrator, Defendant shall be deemed to have
26 satisfied its obligation to provide notice of the Settlement to Class Members. Such Class Members
27 shall be bound by all terms of the Joint Stipulation (including the release of Released Claims) and
28 the Court's order granting final approval of the Settlement and judgment based thereon, unless they

1 validly request exclusion from the Class Settlement.

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

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

10 1. Class Members who wish to exclude themselves from the Class Settlement
11 must submit a timely and valid Opt Out Request (as directed by the Class Notice) to the Settlement
12 Administrator. The Opt Out Request must: (a) contain the full name, address, telephone number,
13 last four (4) digits of the Social Security Number, and signature of the Class Member requesting
14 exclusion; (b) contain a clear statement indicating that the Class Member wishes to exclude himself
15 or herself from the Class Settlement which references the Action by name and/or case number; and
16 (c) be mailed to the Settlement Administrator, postmarked no later than the Response Deadline. The
17 date of the postmark on the Opt Out Request to the Settlement Administrator shall be the exclusive
18 means used to determine whether a Class Member has timely submitted his or her Opt Out Request
19 to the Settlement Administrator. Any Class Member who properly opts out of the Class Settlement
20 using this procedure will not be a member of the Settlement Class, will be barred from participating
21 in this Class Settlement, will lack standing to object to the Class Settlement, and will receive no
22 benefit from the Class Settlement. Class Members shall not be permitted to opt out of the PAGA
23 Settlement.

24 2. Class Members who do not submit a timely and valid Opt Out Request (*i.e.*,
25 Settlement Class Members) shall be bound by all terms of the Settlement and the order granting final
26 approval of the Settlement and judgment based thereon. Any Class Member who submits a timely
27 and valid Opt Out Request will not be a Settlement Class Member, will not be entitled to recovery
28 under the Class Settlement, and will not be bound by the Class Settlement or the order granting final

1 approval of the Settlement and judgment based thereon; however, if the Class Member worked
2 during the PAGA Period, he or she will remain a PAGA Group Member, will receive an Individual
3 PAGA Payment, and will be bound by the PAGA Settlement. A Class Member who opts out of the
4 Class Settlement does not have the right to object, appeal, or comment on the Settlement.

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

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

8 1. Any Settlement Class Member who seeks to object to the Class Settlement
9 may do so by mailing a timely and valid Objection to the Settlement Administrator. The Objection
10 must: (a) contain the objecting Settlement Class Member's full name, address, telephone number,
11 last four digits of his or her Social Security number, and signature; (b) contain the words "Notice of
12 Objection" or "Formal Objection"; (c) contain the case name and number of the Action; (d) contain
13 a clear and concise statement, including factual and legal arguments, explaining his or her
14 objection(s) to the Class Settlement; (e) contain a statement indicating whether or not the Settlement
15 Class Member is represented by counsel and identifying any such legal counsel; (f) contain a
16 statement indicating whether the Settlement Class Member intends to appear at the Final Approval
17 Hearing to present his or her objection(s); (g) list any witnesses the objecting Settlement Class
18 Member may call to testify at the Final Approval Hearing; and (h) be mailed to the Settlement
19 Administrator, postmarked no later than the Response Deadline. The date of the postmark on the
20 Objection to the Settlement Administrator shall be the exclusive means used to determine whether a
21 Settlement Class Member has timely submitted his or her Objection to the Settlement Administrator.
22 Within three (3) business days of receiving any objection to the Class Settlement, the Settlement
23 Administrator shall provide copies of such Objections to Class Counsel and Defendant's Counsel.
24 The Settlement Administrator shall also attach copies of such Objections to its declaration that is
25 filed with the Court in advance of the Final Approval Hearing. Class Members shall not be permitted
26 to object to the PAGA Settlement.

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

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

20 G. **Final Approval.**

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

27 2. The Final Approval Order and Judgment will, among other things: (a) find
28 that the dissemination of the Class Notice in the form and manner ordered by the Court was

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

15 3. After entry of the Final Approval Order and Judgment, the Court shall have
16 continuing and exclusive jurisdiction over the Action for purposes of: (i) administration and
17 consummation of the terms of this Settlement Agreement; (ii) enforcing, constructing, and
18 interpreting this Settlement Agreement; (iii) addressing such post-judgment matters as may be
19 appropriate under Court rules or applicable law; and (iv) enforcing, constructing, and interpreting
20 the Final Approval Order and Judgment, including, but not limited to, the provisions therein
21 enjoining any further litigation of Released Claims, and over Plaintiff and all Settlement Class
22 Members (and their attorneys and law firms) in connection therewith.

23 **V. SETTLEMENT TERMS**

24 A. **Gross Settlement Amount.** To settle the Action and the Released Claims under the
25 terms of this Settlement Agreement, Defendant will pay the maximum amount of \$80,000 (*i.e.*, the
26 Gross Settlement Amount) as set forth above. Defendant will not be required to contribute additional
27 sums to fund the Settlement or otherwise resolve this Action and the Released Claims. However,
28 Defendant will pay employer's share of taxes separately and in addition to the Gross Settlement

Amount. The Gross Settlement Amount is non-reversionary and distribution will be on a non-claims-made (i.e., on an auto-pay) basis. Defendant will pay the Gross Settlement Amount within thirty (30) calendar days of the Effective Date.

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

C. **Allocation of Settlement Proceeds.**

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

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

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

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

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

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

13 9. Plaintiff, PAGA Group Members, and Settlement Class Members will be solely
14 responsible for the reporting and payment of any state, local, and/or federal income tax, if any, on
15 the amounts paid to them under the Settlement. If it is determined that any taxes are due in connection
16 with any amount paid under the Settlement, Plaintiff, PAGA Group Members, and Settlement Class
17 Members will be solely responsible for all liability for taxes and any costs, fees, interest, assessments,
18 penalties, damages, or other losses due to such a determination. No payments made under this
19 Settlement Agreement will have an effect on any employee pension benefit plan or employee welfare
20 benefit plan sponsored by Defendant.

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

28 F. **Class Counsel's Litigation Costs.** Defendant will not oppose Class Counsel's

1 application for Litigation Costs of up to \$15,000. Defendant will not be obligated to pay any costs
2 of Class Counsel, Plaintiff, or Class Members above this amount. No part of the Gross Settlement
3 Amount will be used to pay any costs of Class Counsel, Plaintiff, or Class Members above this
4 amount. Class Counsel's request for Litigation Costs must be submitted with its Attorneys' Fee
5 application and with supporting documentation, and heard at the time of the Final Approval Hearing.
6 Litigation Costs to Class Counsel are subject to approval by the Court.

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

16 H. **Settlement Administration Costs.** The Parties agree the Settlement Administration
17 Costs shall be deducted from the Gross Settlement Amount, subject to approval by the Court.
18 Settlement Administration Costs are estimated not to exceed \$10,000.

19 I. **Tax Treatment.**

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

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

2 a. No provision of this Settlement Agreement and no written

3 communication or disclosure between or among the Parties or their attorneys and other advisers, is

4 or was intended to be, nor shall any such communication or disclosure constitute or be construed or

5 be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230

6 (31 CFR Part 10, as amended);

7 b. He, she, or it: (a) has relied exclusively upon his, her, or its own,

8 independent legal and tax advisers for advice (including tax advice) in connection with this

9 Settlement Agreement; (b) has not entered into this Settlement Agreement based upon the

10 recommendation of any other Party or any attorney or advisor to any other Party; and (c) is not

11 entitled to rely upon any communication or disclosure by any attorney or adviser to any other Party

12 to avoid any tax penalty that may be imposed on him or her; and

13 c. No attorney or adviser to any other Party has imposed any limitation

14 that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of

15 whether such limitation is legally binding) upon disclosure by him or her of the tax treatment or tax

16 structure of any transaction, including any transaction contemplated by this Settlement Agreement.

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

18 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO

19 THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY")

20 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND

21 NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES

22 OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR

23 WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE

24 CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED

25 STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED);

26 (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR

27 ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX

28 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS

1 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY
2 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY
3 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO
4 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
5 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
6 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF
7 ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF
8 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
9 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
10 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
11 AGREEMENT.

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

13 1. Upon the Effective Date, Plaintiff, and all Class Members who do not submit
14 a timely and valid opt Out Request (i.e., Settlement Class Members) will be deemed to have fully,
15 finally and forever released, settled, compromised, relinquished, and discharged the Released Parties
16 of and from all of the Released Claims that do not arise under PAGA and that all PAGA Group
17 Members will be deemed to have fully released and discharged the Released Parties of and from all
18 of the Released Claims that do arise under PAGA.

19 2. **Release by Plaintiff.** Upon the Effective Date, in addition to the claims being
20 released by all Settlement Class Members, Plaintiff releases and forever discharges the Released
21 Parties, to the fullest extent permitted by law, of and from any and all claims, known and unknown,
22 asserted and not asserted, which Plaintiff has or may have against the Released Parties as of the date
23 of execution of this Settlement Agreement ("Plaintiff's Released Claims"). Plaintiff's Released
24 Claims include, but are not limited to, all of the Released Claims and any other claims arising under
25 the California Labor Code; any claim arising out of the California common law of contract; the Fair
26 Labor Standards Act, 29 U.S.C. § 201 *et seq.*, and federal common law; all claims for lost wages and
27 benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under
28 federal, state, or local laws for discrimination, harassment, and wrongful termination, including but not

1 limited to, 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans with
2 Disabilities Act, the Age Discrimination in Employment Act, the California Fair Employment and
3 Housing Act, the California Labor Code, and the law of contract and tort. This release excludes the
4 release of claims not permitted by law.

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

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

16 Thus, notwithstanding the provisions of section 1542, and to implement a full and complete
17 release and discharge of the Released Parties, Plaintiff expressly acknowledges this Settlement is
18 intended to include in its effect, without limitation, all claims Plaintiff does not know or suspect to exist
19 in Plaintiff's favor at the time of signing this Settlement, and that this Settlement contemplates the
20 extinguishment of any such claims. Plaintiff warrants that Plaintiff has read this Settlement, including
21 this waiver of California Civil Code section 1542, and that Plaintiff has consulted with or had the
22 opportunity to consult with counsel of Plaintiff's choosing about this Settlement and specifically about
23 the waiver of section 1542, and that Plaintiff understands this Settlement and the section 1542 waiver,
24 and so Plaintiff freely and knowingly enters into this Settlement. Plaintiff further acknowledges that
25 Plaintiff later may discover facts different from or in addition to those Plaintiff now know or believe
26 to be true regarding the matters released or described in this Settlement, and even so Plaintiff agrees
27 that the releases and agreements contained in this Settlement shall remain effective in all respects
28 notwithstanding any later discovery of any different or additional facts. Plaintiff expressly assumes any

1 and all risks of any mistake in connection with the true facts involved in the matters, disputes, or
2 controversies released or described in this Settlement or with regard to any facts now unknown to
3 Plaintiff relating thereto.

4 **VI. NULLIFICATION OF THE JOINT STIPULATION**

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

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

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

22 **VII. DUTIES OF THE PARTIES**

23 A. **Mutual Cooperation.** The Parties agree to cooperate to accomplish and implement
24 the terms of this Joint Stipulation. Such cooperation will include, but not be limited to, execution of
25 such other documents and taking such other actions as may reasonably be necessary to fulfill the
26 terms of this Joint Stipulation. The Parties will use their reasonable best efforts, including all efforts
27 contemplated by this Joint Stipulation and any other efforts that may become necessary by court
28 order, or otherwise, to effectuate this Joint Stipulation and the terms set forth herein. As soon as

1 practicable after execution of this Joint Stipulation, Class Counsel, with the cooperation of Defendant
2 and its counsel, will try to secure Preliminary Approval and Final Approval. Defendant understands
3 that in the course of applying for settlement approval, Plaintiff will be required to submit sufficient
4 evidence to support the fairness of the proposed settlement terms. Defendant affirmatively agrees to
5 provide reasonable assistance and support of Plaintiff in providing such evidence, including but not
6 limited to confirming the number of Plaintiff Class Members and/or PAGA Group Members (former
7 and current) average pay rates, gross wages paid, and workweeks/pay periods worked by Class
8 Members and/or PAGA Group Members during the Class Period.

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

16 **VIII. MISCELLANEOUS PROVISIONS**

17 A. **No Comments to Press or Media.** If contacted by the media or members of the press,
18 the Parties, Defendant's Counsel, and Class Counsel will merely inform them that the case has been
19 resolved, and refer them to the public filings. The terms of the Settlement shall remain confidential
20 until the Parties submit the motion for preliminary approval to the Court. Notwithstanding the
21 foregoing, nothing in this Settlement Agreement shall restrict Class Counsel from disclosing and
22 including all publicly available information regarding this case and the settlement in any documents
23 filed with any court and/or judicial submissions (e.g., CV's, declarations regarding adequacy or
24 experience, etc.). Furthermore, Plaintiff and Class Counsel will undertake any and all disclosures
25 required to be made to the LWDA in conformity with PAGA.

26 B. **No Admission of Liability.**

27 1. This Joint Stipulation is not an admission of liability by Defendant or any of
28 the Released Parties. Defendant and the Released Parties deny that they have engaged in any

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

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

17 3. Whether or not the Settlement set forth in this Settlement Agreement becomes
18 final, neither the Settlement, this Settlement Agreement, any document, statement, proceeding, or
19 conduct related to the Settlement or the Settlement Agreement, nor any reports or accounting of those
20 matters, will be offered as evidence for any purpose adverse to Defendant or any of the Released
21 Parties, including, but not limited to, evidence of a presumption, concession, indication, or admission
22 by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage;
23 or (ii) disclosed, referred to, or offered in evidence against any of the Released Parties, in any further
24 proceeding in the Action, or any other civil, criminal, or administrative action or proceeding except
25 for purposes of effectuating the Settlement pursuant to this Settlement Agreement.

26 4. This Section and all other provisions of this Settlement Agreement
27 notwithstanding, any and all provisions of this Settlement Agreement, may be admitted in evidence
28 and otherwise used in any and all proceedings to enforce any or all terms of this Settlement

1 Agreement or in defense of any claims released or barred by this Settlement Agreement.

2 C. **No Impact on Benefit Plans.** It is expressly understood and agreed that the receipt
3 of any payment under the Settlement will not entitle Plaintiff, PAGA Group Members, or any
4 Settlement Class Member to additional compensation or benefits under any company bonus,
5 contract, incentive plan, contest, or other compensation or benefit plan or agreement in place during
6 the Class Period, nor will it entitle any Settlement Class Member to any increased retirement, 401(k)
7 or matching benefits, or deferred compensation benefits. It is also expressly understood and agreed
8 that any payments made to Plaintiff, PAGA Group Members, and Settlement Class Members under
9 the terms of this Settlement Agreement do not represent any modification of previously credited
10 length of service or other eligibility criteria under any bonus plan, incentive plan, contract, employee
11 pension benefit plan, or employee welfare plan sponsored by any of the Released Parties or to which
12 any of the Released Parties are required to make contributions. All payments under the Settlement
13 shall be deemed to be paid to Plaintiff, PAGA Group Members, and Settlement Class Members solely
14 in the year in which such payments actually are received by them. Further, any payments made under
15 this Settlement Agreement shall not be considered compensation in any year for purposes of
16 determining eligibility for, or benefit accrual within, any employee pension benefit plan or employee
17 welfare benefit plan sponsored by any of the Released Parties or to which any of the Released Parties
18 are required to make contributions. It is the Parties' intent that the Individual Settlement Payments
19 provided for in this Settlement Agreement are the sole payments to be made by Defendant to the
20 Settlement Class Members and PAGA Group Members, and that neither the Settlement Class
21 Members nor the PAGA Group Members are entitled to any new or additional compensation or
22 benefits as a result of having received the Individual Settlement Shares (notwithstanding any contrary
23 language or agreement in any benefit or compensation plan document that might have been in effect
24 during the Class Period) and/or Individual PAGA Shares.

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

28 E. **Choice of Law.** This Joint Stipulation is intended to and will be governed by the laws

1 of California, without regard to conflicts of law principles.

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

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

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

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

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

17 K. **No Inducements.** Plaintiff and Defendant acknowledge that they are entering into
18 this Settlement Agreement as a free and voluntary act without duress or undue pressure or influence
19 of any kind or nature whatsoever, and that neither Plaintiff nor Defendant have relied on any
20 promises, representations, or warranties regarding the subject matter hereof other than as set forth in
21 this Settlement Agreement.

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

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

28 N. **Attorney Authorization.** Class Counsel and Defendant's Counsel warrant and

1 represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate
2 action required or permitted to be taken by such Parties under this Settlement Agreement to effectuate
3 its terms, and to execute any other documents required to effectuate the terms of this Settlement
4 Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to
5 affect the implementation of the Settlement. In the event the Parties are unable to reach agreement
6 on the form or content of any document needed to implement this Settlement Agreement, or on any
7 supplemental provisions that may become necessary to effectuate the terms of this Settlement
8 Agreement, the Parties will seek the assistance of the Court, and in all cases all such documents,
9 supplemental provisions and assistance of the Court will be consistent with this Settlement
10 Agreement.

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

13 P. **Execution in Counterparts.** This Joint Stipulation will become effective upon its
14 execution by all of the undersigned. The Parties may execute this Joint Stipulation in counterparts,
15 and execution of counterparts will have the same force and effect as had all Parties signed the same
16 instrument. Facsimile or pdf copies of any such signed counterparts may be used in lieu of the
17 original for any purpose. Pursuant to California Civil Code section 1633.7, the Parties agree they
18 may use DocuSign or similar electronic signature technology to expedite the execution of this
19 Settlement Agreement.

20 **IT IS SO AGREED.**

21 DATED: Mar 28, 2022, 2022

22 By: 
MARCELA V. PEREIRA
Representative Plaintiff

23
24 DATED: _____, 2022

MELROSE VILLAS, INC.

25
26 By: _____

27 Name: _____

28 Title: _____

1 represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate
2 action required or permitted to be taken by such Parties under this Settlement Agreement to effectuate
3 its terms, and to execute any other documents required to effectuate the terms of this Settlement
4 Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to
5 affect the implementation of the Settlement. In the event the Parties are unable to reach agreement
6 on the form or content of any document needed to implement this Settlement Agreement, or on any
7 supplemental provisions that may become necessary to effectuate the terms of this Settlement
8 Agreement, the Parties will seek the assistance of the Court, and in all cases all such documents,
9 supplemental provisions and assistance of the Court will be consistent with this Settlement
10 Agreement.

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

13 P. **Execution in Counterparts.** This Joint Stipulation will become effective upon its
14 execution by all of the undersigned. The Parties may execute this Joint Stipulation in counterparts,
15 and execution of counterparts will have the same force and effect as had all Parties signed the same
16 instrument. Facsimile or pdf copies of any such signed counterparts may be used in lieu of the
17 original for any purpose. Pursuant to California Civil Code section 1633.7, the Parties agree they
18 may use DocuSign or similar electronic signature technology to expedite the execution of this
19 Settlement Agreement.

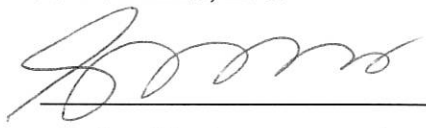
20 **IT IS SO AGREED.**

21
22 DATED: _____, 2022

By: _____
MARCELA V. PEREIRA
Representative Plaintiff

23
24 DATED: 4/6, 2022

MELROSE VILLAS, INC.

25
26 By:  _____

27 Name: KANDICE VERHARA
28 Title: EXECUTIVE DIRECTOR

1 **APPROVED AS TO FORM:**

2 DATED: March 28, 2022

THE LAW OFFICES OF JAKE D. FINKEL

3
4 By: *Joshua Park*
5 Jake D. Finkel, Esq.
6 Joshua Park, Esq.
7 Attorneys for Representative Plaintiff and
8 Plaintiff Class

9 DATED: April 6, 2022

MEHDIAN LAW, APC

10 By: 
11 Ben Mehdian, Esq.
12 Attorney for Defendant Melrose Villas, Inc.

13 DATED: April 6, 2022

PARCELLS LAW FIRM

14 By: 
15 Dayton B. Parcels, III, Esq.
16 Attorney for Defendant Melrose Villas, Inc.

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Pereira v. Melrose Villas, Inc., et al.

Superior Court of California for the County of Los Angeles Case No. 21STCV13755

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Melrose Villas, Inc.’s records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the class settlement, object to the settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Marcela V. Pereira (“Plaintiff”) and Defendant Melrose Villas, Inc. (“Defendant”) (Plaintiff and Defendant are collectively referred to as the “Parties”) in the case entitled *Pereira v. Melrose Villas, Inc., et al.*, Los Angeles County Superior Court, Case No. 21STCV13755 (“Action” or “Lawsuit”), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] (“Final Approval Hearing”) to determine whether the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

“**Class**” means all current and former hourly-paid or non-exempt employees employed by Defendant at any time during the Class Period.

“**Class Member**” means a member of the Class.

“**Class Period**” means the time period from April 9, 2017 through March 7, 2022.

“**Class Settlement**” means the settlement and release of the Released Claims that do not arise under the Private Attorneys General Act, California Labor Code section 2698, *et seq.*

“**PAGA Group Members**” means Plaintiff and all Class Members employed by Defendant at any time during the PAGA Period.

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

“**PAGA Settlement**” means the settlement and release of the Released Claims that do arise under the Private Attorneys General Act, California Labor Code section 2698, *et seq.*

II. BACKGROUND OF THE LAWSUIT

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

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into the Joint Stipulation of Class Action Settlement (“Settlement” or “Settlement Agreement”).

On [date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Phoenix Settlement Administrators as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Marcela V. Pereira as representatives of the Class (“Class Representatives”), and the following Plaintiff’s attorneys as counsel for the Class (“Class Counsel”):

Jake D. Finkel, Esq.
Joshua Park, Esq.
LAW OFFICES OF JAKE D. FINKEL
3470 Wilshire Blvd., Suite 830
Los Angeles, CA 90010

If you are a Class Member, you do not need to take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will only receive an Individual Settlement Payment of your Individual PAGA Share), object to the Class Settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Section III below.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant have any liability to Plaintiff, Class Members, or PAGA Group Members. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of Class Members. The Court has made no ruling on the merits of the Class Members’ claims and has determined only that certification of the Class for settlement purposes is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is eighty thousand dollars (\$80,000.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) Attorneys’ Fees in an amount not to exceed a third of the Gross Settlement Amount (i.e., \$26,666.66) and Litigation Costs in an amount not to exceed fifteen thousand dollars (\$15,000.00) to Class Counsel; (2) Incentive Payments in an amount not to exceed Fifteen thousand dollars (\$15,000.00) to Plaintiff for her services in the Action; (3) PAGA Settlement Amount in the amount of ten-thousand dollars (\$10,000.00) allocated toward penalties under PAGA, of which 75% (i.e., \$7,500.00), will be paid to the LWDA (“LWDA Payment”) and the remaining 25% (i.e., \$2,500.00), will be distributed to PAGA Group Members; and (4) Settlement Administration Costs in an amount not to exceed ten thousand dollars (\$10,000.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks each Class Member worked for Defendant as an hourly-paid or non-exempt employee during the Class Period (“Workweeks”), which will be calculated by the Settlement Administrator by calculating the number of days between each Class Member’s start and end dates of employment during the Class Period, divided by seven (7).

The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Class Weekly Rate,” and multiplied each Class Member’s individual Workweeks by the Class Weekly Rate to yield his or her estimated Individual Settlement Share that he or she may be eligible to receive under the Settlement (which is listed in Section III.C below). Class Members who do not submit a valid and timely Opt Out Request (“Settlement Class Members”) will be issued payment of their final Individual Settlement Share.

PAGA Group Members eligible to receive payment under the Settlement of their *pro rata* share of the PAGA Settlement Amount (“Individual PAGA Share”) based on the number of Workweeks each PAGA Group Member worked for Defendant during the PAGA Period (“PAGA Workweeks”).

The Settlement Administrator has divided the PAGA Settlement Amount, i.e., 25% of the PAGA Settlement Amount, by the total number of PAGA Workweeks of all PAGA Group Members to yield the “PAGA Weekly Rate,” and multiplied each PAGA Group Member’s individual PAGA Workweeks by the PAGA Weekly Rate to yield his or her Individual PAGA Share (which is listed in Section III.C below).

Each Individual Settlement Share will be allocated as twenty percent (20%) wages which will be reported on an IRS Form W2; and eighty percent (80%) penalties and interest which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of Individual Settlement Shares, resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, interest, and non-wage damages.

If the Court grants final approval of the Settlement, Individual Settlement Payments and Individual PAGA Payments will be mailed to Settlement Class Members and PAGA Group Members at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks and PAGA Workweeks Based on Defendant’s Records

According to Defendant’s records:

From April 9, 2017 to March 7, 2022 you worked for Defendant as an hourly-paid or non-exempt employee for [REDACTED] Workweeks.

According to Defendant’s records, you have been credited with [REDACTED] Workweeks.

From April 7, 2020 to March 7, 2022, you worked for Defendant as an hourly-paid or non-exempt employee for [REDACTED] Workweeks.

According to Defendant’s records, you have been credited with [REDACTED] PAGA Workweeks.

If you wish to dispute the accuracy of the Workweeks credited to you, you must submit a timely and valid written letter (“Workweek Dispute”) to the Settlement Administrator. The Workweek Dispute must: (a) contain your full name, address, telephone number, last four digits of your Social Security number, and signature; (b) contain the case name and number of the Action (*Pereira v. Melrose Villas, Inc., et al.*, Los Angeles County Superior Court, Case No. 21STCV13755); (c) contain a clear statement explaining that you dispute the number of Workweeks credited to you and what you contend is the correct number of Workweeks that should be credited to you; (d) include any documentation that you have to support the dispute; and (e) be mailed to the Settlement Administrator, postmarked **no later than [the Response Deadline]**, at the following address:

**Phoenix Settlement Administrators
[contact info]**

C. Your Estimated Individual Settlement Share and Individual PAGA Share

As explained above, your estimated Individual Settlement Share and Individual PAGA Share is based on the number of Workweeks and PAGA Workweeks credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholding with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Under the terms of the Settlement, your Individual PAGA Share is estimated to be \$ [REDACTED]. The Individual PAGA Share will not undertake any payroll tax deductions or withholdings in connection with the Individual PAGA Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Share reflected in this Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Share may be higher or lower.

D. Settlement Checks

The Settlement Administrator will be responsible for undertaking appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments and Individual PAGA Payments by way of check to the Settlement Class Members and PAGA Group Members in accordance with the Settlement. When issuing payments, the Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA Payment into one check if the intended recipient for both payments is one individual. Each Individual Settlement Payment and Individual PAGA Payment check will be valid and negotiable for one hundred eighty (180) calendar days from the date the checks are issued, and thereafter, shall be cancelled. All funds associated with such cancelled checks will be transmitted to the Controller of the State of California. Settlement Class Members whose Individual Settlement Payment checks and PAGA Group Members whose Individual PAGA Payment checks are cancelled shall, nevertheless, be bound by this Settlement Agreement.

E. Release of Claims

Upon the Effective Date, Plaintiff and all Class Members who do not submit a valid and timely Opt Out Request (i.e., Settlement Class Members) will be deemed to have fully released and discharged the Released Parties of and from all Released Claims that do not arise under PAGA and that all PAGA Group Members will be deemed to have fully released and discharged the Released Parties of and from all of the Released Claims that do arise under PAGA.

“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 are unlawful; (j) that Class Members are entitled to injunctive relief to halt any practices alleged in the Action to be unlawful; (k) that Defendant is liable for the attorneys’ fees incurred to prosecute the Action on behalf of Class Members, including but not limited to fees incurred for the services of Class Counsel or any other counsel; and (l) that Defendant is liable for any other remedies, penalties, and interest under

California law, including but not limited to California Labor Code sections 203, 206, 218.5, 226, 226.7, 512, 558, 1194, 1194.2, and 2802 and the applicable IWC Wage Order based on the facts alleged in the Action. This release also includes all claims that Plaintiff and/or Class Members may have relating to (a) the payment, taxation, and allocation of attorneys' fees and costs to Plaintiff's counsel pursuant to this settlement; and (b) the payment, taxation, and allocation of Plaintiff's Service Awards pursuant to this Settlement.

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

F. Attorneys' Fees and Litigation Costs to Class Counsel

Class Counsel will seek attorneys' fees in an amount of up to a third (33 1/3 %) of the Gross Settlement Amount (i.e., an amount of up to \$26,666.66) ("Attorneys' Fees") and reimbursement of litigation costs and expenses in an amount of up to fifteen thousand dollars (\$15,000.00) ("Litigation Costs"), subject to approval by the Court. All Attorneys' Fees and Costs awarded by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff and Class Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

G. Incentive Payments to Plaintiff

Plaintiff will seek the amount of fifteen thousand dollars (\$15,000.00) ("Incentive Payment"), in exchange for a general release of all claims and in recognition of her services in connection with the Action (for a total of \$15,000.00). The Incentive Payments will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiff in addition to her Individual Settlement Payments and Individual PAGA Payments that she is entitled to under the Settlement, subject to approval by the Court.

H. Settlement Administration Costs to the Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed ten thousand dollars (\$10,000.00) ("Settlement Administration Costs") for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Opt Out Requests, Objection notices, and Workweek Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Shares, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement. PAGA Group Members may not opt out or exclude themselves from the PAGA Settlement.

Unless you elect to exclude yourself from the Class Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Claims described in Section III.E above. As a Class Member, you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Class Settlement

If you do not wish to participate in the Class Settlement, you must seek exclusion from the Class Settlement by submitting a timely and valid written request ("Opt Out Request") to the Settlement Administrator.

The Opt Out Request must: (a) contain your full name, address, telephone number, last four (4) digits of your Social Security Number, and signature; (b) contain a clear statement indicating that you wish to exclude yourself from the Class Settlement which references the Action by name and/or case number (*Pereira v. Melrose Villas, Inc., et al.*, Los Angeles County Superior Court, Case No. 21STCV13755); and (c) be mailed to the Settlement Administrator, postmarked **no later than [Response Deadline]**, at the address listed in Section III.B above.

If the Court grants final approval of the Settlement, any Class Member who submits a valid and timely Opt Out Request will not be entitled to receive any payment from the Class Settlement, will not be bound by the Class Settlement (and the release of claims described in Section III.E above), and will not have any right to object to, appeal, or comment on the Class Settlement. Any Class Members who do not submit a valid and timely Opt Out Request will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of claims described in Section III.E above, as well as any judgment that may be entered by the Court based thereon.

Notwithstanding the above, all PAGA Group Members will be bound to the PAGA Settlement and will receive their Individual PAGA Share irrespective of whether they submit a Opt Out Request.

C. Object to the Class Settlement

You can object to the terms of the Class Settlement as long as you have not submitted a Opt Out Request, by submitting a timely and valid written objection (“Objection”) to the Settlement Administrator.

The Objection must: (a) contain your full name, address, telephone number, last four digits of your Social Security number, and signature; (b) contain the words “Notice of Objection” or “Formal Objection”; (c) contain the case name and number of the Action (*Pereira v. Melrose Villas, Inc., et al.*, Los Angeles County Superior Court, Case No. 21STCV13755); (d) contain a clear and concise statement, including factual and legal arguments, explaining your objection(s) to the Class Settlement; (e) contain a statement indicating whether or not you are represented by counsel and identifying any such legal counsel; (f) contain a statement indicating whether you intend to appear at the Final Approval Hearing to present your objection(s); (g) list any witnesses you may call to testify at the Final Approval Hearing; and (h) be mailed to the Settlement Administrator, at the address listed in Section III.B above, postmarked **no later than [Response Deadline]**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department S7 of the Los Angeles County Superior Court, located at the Spring Street Courthouse, 312 North Spring Street Los Angeles, California 90012, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Attorneys’ Fees and Litigation Costs to Class Counsel, Incentive Payments to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The hearing may be continued without further notice to Class Members and PAGA Group Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear remotely if you wish to.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other court records in the Action for a fee by making an appointment in advance and visiting the civil clerk’s office, located at the Spring Street Courthouse, 312 North Spring Street Los Angeles, California 90012, during business hours, or by online by visiting the following website: <https://www.lacourt.org>.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: **[INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.**