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

EILEEN VELASQUEZ, individually, and on
behalf of other members of the general public
similarly situated;

Plaintiffs,

v.

HI-TEMP INSULATION, INC., a California
corporation; and DOES 1 through 100, inclusive;

Defendants.

CASE NO.: 21CV-02505

Assigned for All Purposes to:
Hon. Brian McCabe
Courtroom 8

**JOINT STIPULATION OF CLASS ACTION
SETTLEMENT AND RELEASE**

Complaint Filed: August 2, 2021

1 **JOINT STIPULATION OF CLASS ACTION SETTLEMENT**

2 This Joint Stipulation of Class Action Settlement and Release (“Agreement” or “Stipulation of
3 Settlement” or “Settlement”) is made and entered into by and between Plaintiffs Eileen Velasquez and
4 Juan Salinas (“Plaintiffs,” “Plaintiff Velasquez,” “Plaintiff Salinas,” or “Class Representatives”),
5 individually and on behalf of other aggrieved employees and/or members of the general public
6 similarly situated, on the one hand, and Defendant Hi-Temp Insulation, Inc. (“Defendant”), on the
7 other hand (collectively with Plaintiffs, the “Parties”).

8 Subject to approval of the Court pursuant to the California Rules of Court, this Stipulation of
9 Settlement shall be binding on Plaintiffs, Class Counsel, the Class, aggrieved employees (including
10 the State of California as their representative), and Defendant, along with the other Released Parties,
11 subject to the terms and conditions hereof and the approval of the Court.

12 **RECITALS**

13 1. On September 2, 2020, Emily Pacheco, an individual who had previously been placed
14 at Defendant through a staffing agency, filed a Class Action Complaint against Defendant in the
15 Superior Court for the State of California, County of Ventura, entitled *Pacheco v. Hi-Temp Insulation,*
16 *Inc.*, Case No. 56-2020-00545031-CU-OE-VTA, for (1) violation of California Labor Code §§ section
17 510 and 1198 (unpaid overtime); (2) violation of California Labor §§ 226.7 and 512(a) (unpaid meal
18 period premiums); (3) violation of California Labor Code § 226.7 (unpaid rest period premiums); (4)
19 violation of California Labor Code §§ 1194 and 1197 (unpaid minimum wages); (5) violation of
20 California Labor Code §§ 201 and 202 (final wages not timely paid); (6) violation of California Labor
21 Code § 226(a) (non-compliant wage statements); (7) violation of California Labor Code §§ 2800 and
22 2802; and (8) violation of California Business & Professions Code § 17200, *et seq.*

23 2. On May 10, 2021, Plaintiff Velasquez provided written notice to the LWDA and
24 Defendant of the specific provisions of the Labor Code she contends were violated, and the theories
25 supporting her contentions. Plaintiff Velasquez believes that on or about July 14, 2021, the sixty-five
26 (65) day notice period expired and the LWDA did not take any action to investigate or prosecute this
27 matter. Therefore, Plaintiff Velasquez exhausted the statutory time period to bring this action.

1 3. On June 10, 2021, the Parties, and Emily Pacheco, participated in mediation before
2 Jeffrey Krivis (the “Mediator”), a respected mediator of wage and hour class actions. After a full day
3 of negotiations and considering the Mediator’s proposal, on June 23, 2021, the Parties agreed to settle
4 and stipulated to the material terms of this Stipulation of Settlement now before this Court. The
5 Mediator’s supervision of the mediation and negotiations was critical in managing the expectations of
6 the Parties and providing a useful and neutral analysis of the issues and risks to both sides.

7 4. During mediation, the Parties discovered that Emily Pacheco does not have standing to
8 serve as a class representative. Specifically, Emily Pacheco participated in another class action
9 settlement involving the staffing agency that placed her in Defendant’s employment that is in the
10 process of getting final court approval. Pursuant to this other class action settlement, approximately
11 one hundred fifty (150) employees of Defendant, including Emily Pacheco, released their claims
12 against Defendant.

13 5. Following the mediation and the above-mentioned discovery, for purposes of
14 settlement, the Parties agreed to dismiss Emily Pacheco’s individual case against Defendant with
15 prejudice and her class allegations against Defendant without prejudice. The Parties also agreed that
16 Plaintiffs Velasquez and Salinas would file a class and PAGA action against Defendant.

17 6. On August 2, 2021, Plaintiff Velasquez filed a Representative PAGA action in the
18 Superior Court of the State of California, County of Merced, entitled *Velasquez v. Hi-Temp Insulation,*
19 *Inc.*, Case No. 21CV-02505. The action was later amended to include Plaintiff Salinas as a Class
20 Representative and included class allegations against Defendant for (1) violation of California Labor
21 Code §§ section 510 and 1198 (unpaid overtime); (2) violation of California Labor §§ 226.7 and
22 512(a) (unpaid meal period premiums); (3) violation of California Labor Code § 226.7 (unpaid rest
23 period premiums); (4) violation of California Labor Code §§ 1194 and 1197 (unpaid minimum
24 wages); (5) violation of California Labor Code §§ 201 and 202 (final wages not timely paid); (6)
25 violation of California Labor Code § 226(a) (non-compliant wage statements); (7) violation of
26 California Labor Code §§ 2800 and 2802; (8) violation of California Labor Code §§ 2698, *et seq.*,
27 (Private Attorneys General Act of 2004); and (9) violation of California Business & Professions Code

1 § 17200, *et seq.*

2 7. Defendant denies all material allegations set forth in this action (and the actions
3 previously filed in the Ventura County Superior Court) and has asserted numerous affirmative
4 defenses. Notwithstanding, in the interest of avoiding further litigation, Defendant desires to settle all
5 actual or potential claims fully and finally by the Class and aggrieved employees.

6 8. Plaintiffs' counsel in the Action, Justice Law Corporation ("Class Counsel"), diligently
7 investigated the proposed Class's claims against Defendant, including all applicable defenses and the
8 applicable law. The investigation included, *inter alia*, the exchange of information pursuant to
9 informal discovery methods, review of numerous corporate policies and practices, and the time and
10 wage data of numerous employees in the putative class.

11 9. The settlement discussions during and after mediation were conducted at arm's-length
12 and this Stipulation of Settlement is the result of an informed and detailed analysis of Defendant's
13 total potential liability exposure in relation to the costs and risks associated with continued litigation.

14 10. Based on the data produced pursuant to informal discovery, as well as Class Counsel's
15 own independent investigation and evaluation, and the Mediator's efforts, Class Counsel believes that
16 the settlement with Defendant for the consideration and on the terms set forth in this Stipulation of
17 Settlement is fair, reasonable, and adequate and is in the best interest of the Class and aggrieved
18 employees considering all known facts and circumstances.

19 11. This Stipulation of Settlement is made and entered into by and between Plaintiffs
20 individually, and on behalf of all other members of the general public similarly situated, aggrieved
21 employees, and Defendant, and is subject to the terms and conditions hereof, and to the Court's
22 approval. The Parties expressly acknowledge that this Stipulation of Settlement is entered solely for
23 the purpose of compromising significantly disputed claims and that nothing herein is an admission of
24 liability or wrongdoing by Defendant. If for any reason this Stipulation of Settlement is not approved,
25 it will be of no force or effect, and the Parties shall be returned to their original respective positions.

26 **DEFINITIONS**

27 The following definitions are applicable to this Stipulation of Settlement. Definitions

1 contained elsewhere in this Stipulation of Settlement will also be effective:

2 12. "Action" means the lawsuit in the matter entitled *Velasquez v. Hi-Temp Insulation, Inc.*,
3 Case No. 21CV-02505, filed on August 2, 2021 in the Merced County Superior Court, as well as the
4 First Amended Complaint.

5 13. "Attorneys' Fees and Costs" means attorneys' fees agreed upon by the Parties and
6 approved by the Court for Class Counsel's litigation and resolution of this Action, and all litigation
7 costs and expenses incurred and to be incurred by Class Counsel in the Action, including, but not
8 limited to, costs and expenses associated with mediation, documenting the Settlement, securing the
9 Court's approval of the Settlement, obtaining entry of a Judgment terminating this Action, and
10 expenses for any experts. Class Counsel will collectively request attorneys' fees not to exceed Thirty-
11 Five Percent (35%) of the Maximum Settlement Amount, or up to Six Hundred Eighty Thousand
12 Seven Hundred Fifty Dollars (\$680,750). Class Counsel will also request reimbursement of Class
13 Counsel's litigation costs and expenses, not to exceed Thirty Thousand Dollars (\$30,000). For any
14 Attorneys' Fees and Costs approved by the Court, the Claims Administrator may purchase an annuity
15 to utilize US treasuries and bonds or other attorney fee deferral vehicles for Class Counsel. Defendant
16 has agreed not to oppose Class Counsel's request for fees and reimbursement of costs and expenses as
17 set forth above. Any portion of the Attorneys' Fees and Costs not awarded to Class Counsel will be a
18 part of the Net Settlement Amount, for distribution in conformity with this Agreement.

19 14. "Claimants" means all Class Members who submit timely and valid Claim Forms for
20 participation in the Class Action Settlement.

21 15. "Claim Form" means the document, substantially in the form attached as **Exhibit B**,
22 that Class Members must complete and postmark by the Response Deadline (as defined below) to
23 receive a proportional share of the Net Settlement Amount in the form of an Individual Settlement
24 Payment.

25 16. "Claims Administrator" means any third-party class action settlement claims
26 administrator agreed to by the Parties and approved by the Court for purposes of administering this
27 Settlement. The Parties each represent that they do not have any financial interest in the Claims
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1 Administrator or otherwise have a relationship with the Claims Administrator that could create a
2 conflict of interest.

3 17. "Claims Administration Costs" means the costs payable from the Maximum Settlement
4 Amount to the Claims Administrator for administering this Settlement, including, but not limited to,
5 (a) printing, distributing, and tracking documents for this Settlement; (b) calculating estimated
6 amounts per Class Member; (b) tax reporting; (c) distributing the appropriate settlement amounts; and
7 (d) providing necessary reports and declarations, and other duties and responsibilities set forth herein
8 to process this Settlement, and as requested by the Parties. The Claims Administration Costs are
9 currently estimated not to exceed Twenty Thousand Dollars (\$20,000). Any portion of the Claims
10 Administration Costs that are not awarded to the Claims Administrator will flow through to the Net
11 Settlement Amount.

12 18. "Class Counsel" means Justice Law Corporation, which will seek to be appointed
13 counsel for the Class.

14 19. "Class Lists" mean a complete list of all Class Members within the Class that
15 Defendant will diligently and in good faith compile from its records and provide only to the Claims
16 Administrator within twenty (20) business days of the Court's Preliminary Approval of this
17 Stipulation of Settlement. Defendant will diligently and in good faith request records from third party
18 staffing agencies, to compile the Class List but cannot warrant the timeliness or accuracy of third-
19 party data. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will
20 include each Class Member's: (a) full name; (b) most recent mailing address and telephone number
21 known to Defendant; (c) Social Security number; dates of employment as hourly-paid or non-exempt
22 employee in California; and (d) any other relevant information needed to calculate settlement
23 payments.

24 20. "Class Member(s)" or "Class" collectively refer to: all current and former hourly-paid
25 or non-exempt employees of Defendant within the State of California at any time during the period
26 from August 31, 2016, to June 10, 2021.

27 21. "Class Period" means the period from August 31, 2016, to June 10, 2021.

22. "Class Representatives" mean Eileen Velasquez and Juan Salinas, who will seek to be appointed as the representatives for the Class.

23. "Class Representative Enhancement Payment" means the amounts to be paid to the Class Representatives in recognition of their efforts and work in prosecuting the Action on behalf of Class Members. The Parties agree that the Class Representatives will each be paid up to Ten Thousand Dollars (\$10,000) subject to Court approval, from the Maximum Settlement Amount for their services on behalf of the Class, including their assistance as the Plaintiffs and Class Representatives, subject to the Court granting final approval of this Stipulation of Settlement and subject to the exhaustion of any and all appeals. Any portion of the Class Representative Enhancement Payment not awarded to the Class Representatives will be a part of the Net Settlement Amount, for distribution in conformity with this Agreement.

24. "Court" means the Superior Court of the State of California for the County of Merced or any other court taking jurisdiction of the Action.

25. "Defendant" means Hi-Temp Insulation, Inc.

26. "Defendant's Counsel" means counsel for Defendant who are:

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27. "Effective Date" means the date on which the settlement embodied in this Stipulation of Settlement shall become effective after all of the following events have occurred: (i) this Stipulation of Settlement has been executed by all Parties and by counsel for the Class and Defendant; (ii) the Court has given preliminary approval to the Settlement; (iii) the notice has been given to the Class Members, providing them with an opportunity to object to the terms of the Stipulation of Settlement or to opt out of the Stipulation of Settlement by filing a Request for Exclusion (as defined below); and (iv) (a) in the event the Court has held a formal fairness hearing and, having heard no

1 objections to the Settlement, entered a final order and judgment certifying the Class, and approving
2 this Stipulation of Settlement or (b) only in the event that there are written objections filed prior to the
3 formal fairness hearing that are not later withdrawn or denied, the later of the following events: five
4 (5) business days after the period for filing any appeal, writ or other appellate proceeding opposing the
5 Court's final Order approving the Stipulation of Settlement has elapsed without any appeal, writ or
6 other appellate proceeding having been filed; or, if any appeal, writ or other appellate proceeding
7 opposing the Court's final Order approving the Stipulation of Settlement has been filed, five (5)
8 business days after any appeal, writ or other appellate proceedings opposing the Stipulation of
9 Settlement has been finally and conclusively dismissed with no right to pursue further remedies or
10 relief.

11 28. "Individual Settlement Payment" means each Claimant's share of the Net Settlement
12 Amount.

13 29. "Maximum Settlement Amount" means the maximum settlement amount of up to One
14 Million Nine Hundred Forty-Five Dollars (\$1,945,000) to be paid by Defendant in full satisfaction of
15 all claims arising from the Action, which includes all Individual Settlement Payments to Claimants,
16 the Class Representative Enhancement Payment, Claims Administration Costs to the Claims
17 Administrator, Attorneys' Fees and Costs to Class Counsel, and the PAGA Payment. This Maximum
18 Settlement Amount has been agreed to by Plaintiffs and Defendant based on the aggregation of the
19 agreed-upon settlement value of individual claims. In no event will Defendant be liable for more than
20 the Maximum Settlement Amount, except that employer-side payroll taxes shall be paid separate and
21 apart from the Maximum Settlement Amount.

22 30. "Net Settlement Amount" means the portion of the Maximum Settlement Amount
23 remaining after deduction of the approved Class Representative Enhancement Payment, Claims
24 Administration Costs, the PAGA Payment (as defined in Paragraph 34), and Attorneys' Fees and
25 Costs. The Net Settlement Amount will be distributed to Claimants in accordance with Paragraphs 59
26 and 60. Plaintiffs and Defendant agree that the amount distributed to the Claimants will equal at least
27 Fifty Percent (50%) of the Net Settlement Amount. If the total Individual Settlement Payments to the
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1 Claimants would equal less than Fifty Percent (50%) of the Net Settlement Amount, the Claims
2 Administrator will proportionately increase the Individual Settlement Payment for each Claimant to
3 ensure that total Individual Settlement Payments equal Fifty Percent (50%) of the Net Settlement
4 Amount. Except as otherwise provided in Paragraph 59, any unclaimed amounts above Fifty Percent
5 (50%) of the Net Settlement Amount will be the exclusive property of Defendant.

6 31. "Notice of Objection" or "Objection" means a Class Member's valid and timely written
7 objection to this Stipulation of Settlement. For the Notice of Objection to be valid, it must include: (a)
8 the objector's full name, signature, address, and telephone number, (b) a written statement of all
9 grounds for the objection accompanied by any legal support for such objection, (c) a clear reference to
10 the title of this case and case number, and (d) copies of any papers, briefs, or other documents upon
11 which the objection is based.

12 32. "Notice Packet" means the Notice of Class Action Settlement and Claim Form,
13 substantially in the forms attached as **Exhibit A**, and **Exhibit B** respectively.

14 33. "PAGA Aggrieved Employee" means anyone employed by Defendant between May 29,
15 2020, to June 10, 2021.

16 34. "PAGA Payment" means the amount of One Hundred Thousand Dollars (\$100,000),
17 which the Parties have agreed to allocate for penalties pursuant to the Private Attorneys' General Act,
18 California Labor Code § 2698, *et seq.* The Parties have agreed that the PAGA Payment will be paid
19 out of the Maximum Settlement Amount. Pursuant to PAGA, the Labor and Workforce Development
20 Agency ("LWDA") shall be paid Seventy-Five Percent (75%) or Seventy-Five Thousand Dollars
21 (\$75,000) of the PAGA Payment ("LWDA Payment"), and Twenty-Five Percent (25%) or Twenty-
22 Five Thousand Dollars (\$25,000) of the PAGA Payment will be distributed, pro rata, based on weeks
23 worked to all PAGA Aggrieved Employees.

24 35. "Parties" means Plaintiffs and Defendant collectively.

25 36. "Plaintiffs" means Eileen Velasquez and Juan Salinas.

26 37. "Preliminary Approval" means the Court order granting preliminary approval of this
27 Stipulation of Settlement.

1 38. “Qualified Settlement Fund” or “QSF” means a fund within the meaning of Treasury
2 Regulations § 1.46B-1, 26 C.F.R. § 1.468B-1 *et seq.* that is established by the Claims Administrator
3 for the benefit of Claimants, Plaintiffs, and Class Counsel.

4 39. “Released Claims” as it pertains to Class Members include, but are not limited to,
5 statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs,
6 penalties, liquidated damages, punitive damages, interest, attorneys’ fees, litigation costs, restitution,
7 or equitable relief, for the following categories of allegations: (a) all claims for failure to pay wages
8 for hours worked, including, but not limited to, claims for failure to pay overtime at the appropriate
9 regular rate or for all overtime periods worked, claims for off-the-clock work, and improper rounding;
10 (b) all claims for failure to pay the minimum wage in accordance with applicable law, including but
11 not limited to claims for off-the-clock work and improper rounding; (c) all claims for the failure to
12 provide meal and/or rest periods in accordance with applicable law, including payments for missed,
13 short, or late meal and/or rest periods and alleged non-payment of wages or premium pay for meal
14 periods and rest periods worked and not taken; (d) claims for failure to reimburse business expenses;
15 and (e) any and all claims for recordkeeping or pay stub violations, waiting time penalties and all
16 other statutory penalties, including those recoverable under the California Unfair Competition Act,
17 and in particular, California Bus. & Prof. Code §§ 17200 *et seq.*, California Code of Civil Procedure §
18 1021.5; and any other provision of the California Labor Code, including but not limited to Labor Code
19 Section 2698 *et seq.* or any applicable California Industrial Welfare Commission Wage Orders, in all
20 of their iterations

21 40. “Released Claims Period” means the period from August 31, 2016, to June 10, 2021.

22 41. “Released Parties” means Defendant, and its former and present parents, subsidiaries,
23 and affiliates, and their current and former officers, directors, owners, employees, partners,
24 shareholders and agents, and the predecessors and successors, assigns, and legal representatives of all
25 such entities and individuals, as well as any entities with whom Defendant could share a Joint
26 Employer relationship under any legal theory, including but not limited to Accountemps, Craig H.
27 Johnson & Associates Placement Services, Expert Staffing West, Express Services, Inc., DBA
28

Express Employment Professionals, OnDemand Employment Group, Palo Verde Consulting, and Search Solutions, LLC.

42. “Request for Exclusion” means a timely letter submitted by a Class Member indicating a request to be excluded from the Settlement. The Request for Exclusion must: (a) be signed by the Class Member; (b) contain the name, address, telephone number, and the last four digits of the Social Security Number of the Class Member requesting exclusion; (c) clearly state the name of this case, the case number, and that the Class Member does not wish to be included in the Settlement; (d) be returned by mail to the Claims Administrator at the specified address and/or facsimile number; and (e) be postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. A Class Member who does not request exclusion from the Settlement (“Settlement Class Member”) will be bound by all terms of the Settlement if the Settlement is granted final approval by the Court.

43. “Response Deadline” means the deadline by which Class Members must postmark to the Claims Administrator valid Claim Forms, Requests for Exclusion, or file and serve objections to the Settlement. The Response Deadline will be forty-five (45) calendar days from the initial mailing of the Notice Packet by the Claims Administrator, unless the 45th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline for Claim Forms or Requests for Exclusion will be extended fifteen (15) calendar days for any Class Member who is re-mailed a Notice Packet by the Claims Administrator, unless the 15th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendant. Under no circumstances, however, will the Claims Administrator have the authority to extend the deadline for Class Members to submit a Claim Form, Request for Exclusion, or objection to the Settlement.

44. “Workweeks” means the number of weeks of employment that a Class Member worked

for Defendant (whether directly or through another entity with whom Defendant shared a Joint Employer relationship) as an hourly, non-exempt employee in California at any time during the Class Period (as defined above). The Claims Administrator will calculate the number of Workweeks by calculating the number of days each Class Member was employed during the Class Period, dividing by seven (7), and rounding up or down to the nearest whole number, as appropriate (for example, 7.50 would round to 8; 7.49 would round to 7). Each Claimant shall be entitled to payment for at least one workweek.

45. "Workweek Value" means the value of each compensable Workweek, as determined by the formula set forth herein.

CLASS CERTIFICATION

46. Solely for purposes of settling the Action, and not for purposes of class certification should the matter not be settled or for any other reason, the Parties stipulate and agree that the requisites for establishing class certification with respect to the Class have been met and are met. More specifically, the Parties stipulate and agree that:

a. The Class is ascertainable and so numerous as to make it impracticable to join all Class Members;

b. There are common questions of law and fact including, but not limited to, the following:

- i. Whether Defendant properly compensated Class Members;
- ii. Whether Defendant failed to provide meal and rest breaks;
- iii. Whether Defendant failed to pay penalties for missed meal and/or rest breaks;
- iv. Whether Defendant failed to provide Class Members compliant wage statements;
- v. Whether Defendant failed to timely pay Class Members their final wages;
- vi. Whether Defendant engaged in unfair business practices affecting the Class; and

vii. Whether the Class Representatives and the Class they purport to represent are entitled to injunctive and/or declaratory relief.

47. Should this Settlement not be approved or be terminated, these stipulations shall be null and void and shall not be admissible for any purpose whatsoever.

48. The Class Representatives' claims are typical of the claims of the members of the Class. Should this Settlement not be approved or be terminated, this stipulation shall be null and void and shall not be admissible for any purpose whatsoever.

49. The Class Representatives and Class Counsel will fairly and adequately protect the interests of the Class. Should this Settlement not be approved or be terminated, this stipulation shall be null and void and shall not be admissible for any purpose whatsoever.

50. The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications, which would establish incompatible standards of conduct. Should this Settlement not be approved or be terminated, this stipulation shall be null and void and shall not be admissible for any purpose whatsoever.

51. With respect to the Class, the Class Representatives believe that questions of law and fact common to the members of the Class predominate over any questions affecting any individual member in such Class, and a class action is superior to other available means for the fair and efficient adjudication of the controversy.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

52. Funding of the Maximum Settlement Amount. Within three (3) business days after the Final Approval of the Settlement, the Claims Administrator will provide the Parties with an accounting of the amounts to be paid by Defendant pursuant to the terms of the Settlement. Defendant will deposit all Court-approved costs, fees and payments, and claim amounts from the Maximum Settlement Amount into a Qualified Settlement Fund account to be established by the Claims Administrator within fifteen (15) business days of the Effective Date.

1 53. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application
2 or motion by Class Counsel for Attorneys' Fees and Costs of not more than Thirty-Five Percent (35%)
3 of the Maximum Settlement Amount or up to Six Hundred Eighty Thousand Seven Hundred Fifty
4 Dollars (\$680,750), plus the reimbursement of costs and expenses associated with Class Counsel's
5 litigation and settlement of the Action, not to exceed Thirty Thousand Dollars (\$30,000), both of
6 which will be paid from the Maximum Settlement Amount. Any Attorneys' Fees and Costs awarded
7 by the Court shall not constitute payment to any Class Member(s). To the extent that the Court
8 approves less than the amount of attorney's fees and/or costs that Class Counsel requests, the
9 difference between the requested and awarded amounts will be reallocated to the Net Settlement
10 Amount. Except for the Attorneys' Fees and Costs set forth in this Agreement, the Parties agree to
11 bear their own attorneys' fees and costs related to this Action. In consideration of their awarded
12 Attorneys' Fees and Costs, Class Counsel waives all claims to any further attorneys' fees and
13 expenses in connection with the Settlement.

14 54. Class Representative Enhancement Payment. In recognition of Plaintiffs' effort and
15 work in prosecuting the Action on behalf of Class Members, and in exchange for a full release of all
16 known and unknown claims, Defendant agrees not to oppose or impede any application or motion for
17 Class Representative Enhancement Payment of up to Ten Thousand Dollars (\$10,000) to each
18 Plaintiff. The Class Representative Enhancement Payment will be paid from the Maximum Settlement
19 Amount and shall not constitute payment to any Claimant(s) (other than Plaintiffs). To the extent that
20 the Court approves less than the amount of the Class Representative Enhancement Payment that Class
21 Counsel requests, the difference between the requested and awarded amounts will be reallocated to the
22 Net Settlement Amount. Because it is the intent of the Parties that the Class Representative
23 Enhancement Payment represent payment to Plaintiffs for their services to the Class Members, and not
24 wages, the Settlement Administrator will not withhold any taxes from the Class Representative
25 Enhancement Payment. The Claims Administrator will issue an IRS Form 1099 for the Class
26 Representative Enhancement Payment to Plaintiffs, and they shall be solely and legally responsible for
27 correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts
28

1 received.

2 General Release by Class Representatives. As a condition of the class action settlement,
3 Plaintiffs, as the Class Representatives, shall separately release the Released Parties from
4 the following: any and all claims, obligations, demands, actions, rights, causes of action,
5 and liabilities against the Releasees, of whatever kind and nature, character, and
6 description, whether in law or equity, whether sounding in tort, contract, federal, state
7 and/or local law, statute, ordinance, regulation, common law, or other source of law or
8 contract, whether known or unknown, and whether anticipated or unanticipated,
9 including all unknown claims covered by California Civil Code § 1542, by the Class
10 Representatives, arising at any time up to and including the date on which the Court
11 enters the Order of Final Approval, for any type of relief, including without limitation
12 claims for wages, premium and other forms of pay, unpaid/unreimbursed costs, penalties
13 (including waiting time penalties and wage statement penalties), general damages,
14 compensatory damages, liquidated damages, punitive damages, interest, attorneys' fees,
15 litigation and other costs, expenses, restitution, and equitable and declaratory relief. The
16 Class Representatives' Released Claims include, but are not limited to, the Released
17 Claims as well as any other claims under any provision of the Fair Labor Standards Act
18 ("FLSA"), the California Labor Code, any applicable California Industrial Welfare
19 Commission Wage Orders, any city or county Living Wage Ordinances, and claims under
20 state or federal discrimination statutes, including, without limitation, the California
21 Government Code, the Unruh Civil Rights Act, California Civil Code, the California
22 Constitution, the California Business and Professions Code, including but not limited to
23 §§ 17200 *et seq.*, the United States Constitution, the Age Discrimination in Employment
24 Act ("ADEA") and the Older Workers Benefit Protection Act, the Uniformed Services
25 Employment and Reemployment Rights Act, Title VII of the Civil Rights Act of 1964, 42
26 U.S.C. § 2000 *et seq.*, the Family and Medical Leave Act, to the extent not prohibited by
27 law, the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*, and the Employee
28

1 Retirement Income Security Act of 1974, 29 U.S.C. § 1001 *et seq.*, and all of their
2 implementing regulations and interpretive guidelines. As a condition to this settlement,
3 the Class Representatives will provide or have provided a full and general release of all
4 known and unknown claims, including but not limited to, all claims alleged or that could
5 have been alleged in the Action.

6 55. Claims Administration Costs. The Claims Administrator will be paid for the reasonable
7 costs of administration of the Settlement and distribution of payments from the Maximum Settlement
8 Amount, which is currently estimated not to exceed Twenty Thousand Dollars (\$20,000). These costs,
9 which will be paid from the Maximum Settlement Amount, will include, *inter alia*, the required tax
10 reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing
11 the Notice Packet, sending reminder notices, calculating shares and payment, distributing the
12 Maximum Settlement Amount in accordance with the Settlement and the Court's order, and providing
13 necessary reports and declarations. Any portion of the Claims Administration Costs that are not
14 awarded to the Claims Administrator will be reallocated to the Net Settlement Amount.

15 56. Acknowledgement of Potential Administration Cost Increases. The Parties
16 acknowledge that Claims Administration Costs may increase above the current estimate of \$20,000
17 and that any such additional Claims Administration Costs will be taken out of the Maximum
18 Settlement Amount. Any portion of the estimated or designated Claims Administration Costs which
19 are not in fact required to fulfill the total Claims Administration Costs will flow though to the Net
20 Settlement Amount.

21 57. PAGA Payment. Subject to Court approval, the Parties agree that the amount of One
22 Hundred Thousand Dollars (\$100,000) from the Maximum Settlement Amount will be designated for
23 satisfaction of the PAGA Aggrieved Employees' PAGA claims. Pursuant to PAGA, Seventy-Five
24 Percent (75%), or \$75,000, of this sum will be paid to the LWDA and Twenty-Five Percent (25%), or
25 \$25,000, will be distributed, pro rata, based on weeks worked to all PAGA Aggrieved Employees. The
26 Claims Administrator will calculate the total number of Workweeks worked by each individual PAGA
27 Aggrieved Employee to determine the total number of Workweeks worked by all PAGA Aggrieved
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Employees (“Total PAGA Workweeks”) between May 29, 2020 and June 10, 2021. Defendant shall provide the Claims Administrator such information as is necessary to calculate the individual PAGA Aggrieved Employee’s Workweeks and Total PAGA Workweeks. To determine each PAGA Aggrieved Employee’s estimated PAGA payment, the Claims Administrator will use the following formula: Estimated individual PAGA Payment = $(\$25,000 \div \text{Total PAGA Workweeks}) \times \text{individual Workweeks}$ for each individual PAGA Aggrieved Employee.

58. Net Settlement Amount. The Net Settlement Amount will be used to satisfy Individual Settlement Payments to Claimants in accordance with the terms of this Agreement. If the total claimed Individual Settlement Payments would equal less than Fifty Percent (50%) of the Net Settlement Amount, the Claims Administrator will proportionately increase the Individual Settlement Payment for each Claimant so that the amount actually distributed to Claimants will equal at least Fifty Percent (50%) of the Net Settlement Amount. Any unclaimed amounts above Fifty Percent (50%) of the Net Settlement Amount will be the exclusive property of Defendant.

59. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of Workweeks a Class Member worked during the Class Period. Specific calculations of Individual Settlement Payments will be made as follows:

59(a) The Claims Administrator will calculate the total number of Workweeks worked by each individual Class Member (“Individual Workweeks”) to determine the total number of Workweeks worked by all Class Members (“Class Workweeks”) during the Class Period. Defendant shall provide the Claims Administrator such information as is necessary to calculate the Individual Workweeks and Class Workweeks.

59(b) To determine each Class Member’s estimated Individual Settlement Payment, the Claims Administrator will use the following formula: Estimated Individual Settlement Payment = $(\text{Net Settlement Amount} \div \text{Class Workweeks}) \times \text{Individual Workweeks}$ for each individual Class Member.

1 59(c) If the total Individual Settlement Payments actually claimed by Claimants
2 equals less than Fifty Percent (50%) of the Net Settlement Amount, the
3 Individual Settlement Payments will proportionately increase for each Claimant
4 submitting a Claim Form such that the total Individual Settlement Payments
5 equal not less than Fifty Percent (50%) of the Net Settlement Amount.

6 59(d) The Individual Settlement Payment will be reduced by any required deductions
7 for each Claimant as set forth herein, including employee-side tax and
8 withholdings with respect to the wage portion of each Individual Settlement
9 Payment.

10 60. Individual Settlement Payments Do Not Trigger Additional Benefits. All Individual
11 Settlement Payments to Class Members shall be deemed to be paid to such Class Members solely in
12 the year in which such payments actually are received by the Class Members. It is expressly
13 understood and agreed that the receipt of such Individual Settlement Payments will not entitle any
14 Class Member to additional compensation or benefits under any company bonus, contest or other
15 compensation or benefit plan or agreement in place during the period covered by the Settlement, nor
16 will it entitle any Class Member to any increased retirement, 401K benefits or matching benefits, or
17 deferred compensation benefits. It is the intent of this Settlement that the Individual Settlement
18 Payments provided for in this Settlement are the sole payments to be made by Defendant to the Class
19 Members, and that the Class Members are not entitled to any new or additional compensation or
20 benefits as a result of having received the Individual Settlement Payments (notwithstanding any
21 contrary language or agreement in any benefit or compensation plan document that might have been in
22 effect during the period covered by this Settlement).

23 61. Claims Administration Process. The Parties agree to cooperate in the administration of
24 the Settlement and to make all reasonable efforts to control and minimize the costs and expenses
25 incurred in administration of the Settlement.

26 62. Delivery of the Class List. Within twenty (20) business days of Preliminary Approval,
27 Defendant will provide the Class List(s) to the Claims Administrator.

1 63. Notice by First-Class U.S. Mail. Within fifteen (15) calendar days of receipt of the
2 Class List(s), the Claims Administrator will perform a search based on the National Change of
3 Address Database (“NCOA”), or any other similar services available, and mail a Notice Packet to all
4 Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses
5 available.

6 64. Confirmation of Contact Information in the Class List. Prior to mailing, the Claims
7 Administrator will perform a NCOA check, such as provided by Experian or any other similar services
8 available, for information to update and correct for any known or identifiable address changes. Any
9 Notice Packets returned to the Claims Administrator as non-deliverable on or before the Response
10 Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed
11 thereto and the Claims Administrator will indicate the date of such re-mailing on the Notice Packet. If
12 no forwarding address is provided, the Claims Administrator will promptly attempt to determine the
13 correct address using a skip-trace and will then perform a single re-mailing within five (5) days after
14 return of the Notice Packet. Those Class Members who receive a re-mailed Notice Packet, whether by
15 skip-trace or by request, will have between the later of (a) an additional fifteen (15) days or (b) the
16 Response Deadline to postmark a Claim Form, Request for Exclusion, or file and serve an objection to
17 the Settlement.

18 65. Notice Packets. All Class Members will be mailed a Notice Packet. Each Notice
19 Packet will provide: (a) information regarding the nature of the Action; (b) a summary of the
20 Settlement’s principal terms; (c) the Class definition; (d) the total number of Workweeks each
21 respective Class Member worked for Defendant during the Class Period; (e) each Class Member’s
22 estimated Individual Settlement Payment and the formula for calculating Individual Settlement
23 Payments; (f) the dates which comprise the Class Period; (g) instructions on how to submit valid
24 Claim Forms, disputes regarding Workweeks, Requests for Exclusion, or objections; (h) the
25 requirements relating to, and deadlines by which the Class Member must submit Claim Forms,
26 disputes regarding Workweeks, Requests for Exclusions, and objections to the Settlement; (i) the
27 claims to be released, as set forth herein; and (j) the date for the Final Approval Hearing.

1 66. Disputed Information on Notice Packets. Class Members may dispute the information
2 provided in their Notice Packets, but must do so in writing, via first class mail, and it must be
3 postmarked by the Response Deadline. To the extent Class Members dispute the number of
4 Workweeks to which they have been credited or the amount of their Individual Settlement Payment,
5 Class Members must produce evidence to the Claims Administrator showing that such information is
6 inaccurate. Absent evidence rebutting Defendant's records, Defendant's records will be presumed
7 determinative. However, if a Class Member produces evidence to the contrary, the Parties will
8 evaluate the evidence submitted by the Class Member and will make the final decision as to the
9 number of eligible Workweeks that should be applied and/or the Individual Settlement Payment to
10 which the Class Member may be entitled. If the Parties are unable to resolve the dispute, the Claims
11 Administrator will be the final arbiter of the Workweeks for each Class Member during the Class
12 Period, based on the information provided to it.

13 67. Claim Form Procedures. To receive Individual Settlement Payments, all Class
14 Members will be required to submit a timely and valid Claim Form by the Response Deadline. All
15 Claim Forms must be signed and returned to the Claims Administrator via first class mail or fax and
16 postmarked or faxed by the Response Deadline. The date of the postmark on the return mailing
17 envelope will be the exclusive means to determine whether a Claim Form has been timely submitted.
18 However, it is not the intention of the Parties to exclude Class Members from obtaining payment in
19 the Settlement for technical reasons that do not interfere with the orderly administration of the
20 Settlement. Therefore, the Claims Administrator will compile a list of Claim Forms rejected for (1)
21 failure to cure an unsigned Claim Form or (2) late submission of the Claim Form. As to the Class
22 Members on that rejected claims list, any Class Member who requests, in a signed letter, to receive
23 payment in the Settlement will be treated like a Claimant so long as that written request is received by
24 the Effective Date.

25 68. Defective Submissions. If a Class Member's Claim Form or Request for Exclusion is
26 defective as to the requirements listed herein, that Class Member will be given an opportunity to cure
27 the defect(s). The Claims Administrator will mail the Class Member a cure letter within three (3)
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1 business days of receiving the defective submission to advise the Class Member that his or her
2 submission is defective and that the defect must be cured to render the Claim Form or Request for
3 Exclusion valid. The Class Member will have ten (10) calendar days from the date of the cure letter to
4 postmark a revised Claim Form or Request for Exclusion. If a Class Member responds to a Cure
5 Letter by filing a defective claim, then the Claims Administrator will have no further obligation to
6 give notice of a need to cure. If the revised Claim Form is not postmarked or received within that
7 period, it will be deemed untimely.

8 69. Request for Exclusion Procedures. Any Class Member wishing to opt-out from this
9 Stipulation of Settlement must sign and postmark a written Request for Exclusion to the Claims
10 Administrator within the Response Deadline. The date of the postmark on the return mailing envelope
11 will be the exclusive means to determine whether a Request for Exclusion has been timely submitted.
12 All Requests for Exclusion will be submitted to the Claims Administrator, who will certify jointly to
13 Class Counsel and Defendant's Counsel the Requests for Exclusion that were timely submitted.
14 PAGA Aggrieved Employees will not be able to exclude themselves from the PAGA portion of the
15 settlement.

16 70. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member
17 who does not affirmatively opt-out of this Stipulation of Settlement by submitting a timely and valid
18 Request for Exclusion ("Settlement Class Member") will be bound by all of its terms, including those
19 pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if it
20 grants final approval to the Settlement.

21 71. Objection Procedures. To object to this Stipulation of Settlement, a Class Member
22 must file a valid Notice of Objection with the Court and serve copies of the Notice of Objection on the
23 Parties before the Response Deadline. The Notice of Objection must be signed by the Class Member
24 and contain all information required by this Stipulation of Settlement. The postmark date of the filing
25 and service will be deemed the exclusive means for determining that the Notice of Objection is timely.
26 Class Members who fail to object in the specific and technical manner specified above will be deemed
27 to have waived all objections to the Settlement and will be foreclosed from making any objections and
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1 seeking any adjudication or review, whether by appeal or otherwise, to this Stipulation of Settlement.
2 At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class
3 Members to submit written objections to this Stipulation of Settlement or appeal from the Order and
4 Judgment. However, Class Counsel, Defense Counsel, and Defendant may respond to inquiries from
5 Class Members with truthful information. Class Counsel will not represent any Class Members with
6 respect to any such objections to this Settlement.

7 72. Reminders. Not earlier than twenty (20) days or later than thirty (30) days after the
8 initial mailing, the Claims Administrator will send a Reminder Postcard to all Class Members who
9 have not returned a Claim Form or a Request for Exclusion. All Reminder Postcards will include the
10 Response Deadline, and the contact information for Class Counsel and the Claims Administrator.

11 73. Certification Reports Regarding Individual Settlement Payment Calculations. The
12 Claims Administrator will provide Defendant's counsel and Class Counsel a weekly report which
13 certifies: (a) the number of Class Members who have submitted Claim Forms; (b) the number of
14 Claimants; (c) the number of Class Members who have submitted valid Requests for Exclusion; (d)
15 the then current amount and percentage of the Net Settlement Amount claimed by Claimants; and (e)
16 whether any Class Member has submitted a challenge to any information contained in their Claim
17 Form or Notice Packet. Additionally, the Claims Administrator will provide to counsel for both
18 Parties any updated reports regarding the administration of this Stipulation of Settlement as needed or
19 requested.

20 74. Payment Schedule for All Court-Approved and Individual Settlement Payment
21 Amounts. Within three (3) business days of the Court granting final approval, the Claims
22 Administrator will calculate all payments due. Individual Settlement Payments shall be mailed by
23 regular First Class U.S. Mail to the respective Claimant's last known mailing address within fourteen
24 (14) calendar days after Defendant deposits all Court-approved and claim amounts from the Maximum
25 Settlement Amount into a QSF.

26 75. Unclaimed Funds from the Net Settlement Amount. After all Individual Settlement
27 Payments have been made, any remaining or unclaimed funds from the Net Settlement Amount above
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1 Fifty Percent (50%) shall remain the property of the Defendant.

2 76. Payroll Taxes. Any and all applicable employer-side payroll taxes relating to the
3 portion of the Individual Settlement Payments paid as wages shall be paid separate and apart from the
4 Maximum Settlement Amount.

5 77. Uncashed Settlement Checks. Any checks issued by the Claims Administrator to
6 Claimants will be negotiable for at least One Hundred Twenty (120) calendar days. Those funds
7 represented by settlement checks returned as undeliverable and those settlement checks remaining un-
8 cashed for more than One Hundred Twenty (120) calendar days after issuance will be sent to RAIN
9 Communities, Inc., 1732 S. Lewis Rd., Camarillo, CA 93012

10 78. Certification of Completion. Five (5) calendar days after the Response Deadline, , the
11 Claims Administrator will provide a written declaration under oath to certify such completion to the
12 Court and counsel for all Parties. The declaration will include any attempts to obtain valid mailing
13 addresses for and re-sending of any returned Notice Packets, as well as the number of valid and timely
14 exclusions and objections that the Claims Administrator received.

15 79. Administration Costs if Settlement Fails or is Delayed. If the Settlement is voided or
16 rescinded, for any reason other than set forth in Paragraph 90, any costs incurred by the Claims
17 Administrator will be paid equally by the Parties (half by Defendant and half by Class Counsel),
18 unless otherwise specified in this Agreement.

19 80. Treatment of Individual Settlement Payments. For purposes of this Stipulation of
20 Settlement, all Individual Settlement Payments will be allocated as follows: One-Third (1/3) of each
21 Individual Settlement Payment will be allocated as wages, One-Third (1/3) will be allocated as
22 interest, and One-Third (1/3) will be allocated as penalties. The amounts paid as wages shall be
23 subject to all tax withholdings customarily made from an employee's wages and all other authorized
24 and required withholdings and shall be reported by W-2 forms. The amounts paid as penalties and
25 interest shall be subject to all authorized and required withholdings other than the tax withholdings
26 customarily made from employees' wages and shall be reported by IRS 1099 forms.

27 81. Administration of Taxes by the Claims Administrator. The Claims Administrator will
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1 be responsible for issuing to Plaintiffs, Claimants, and Class Counsel any W-2, 1099, or other tax
2 forms as may be required by law for all amounts paid pursuant to this Agreement. The Claims
3 Administrator will also be responsible for forwarding all payroll taxes and penalties to the appropriate
4 government authorities.

5 82. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect
6 of the payments called for hereunder; and Plaintiffs and Claimants are not relying on any statement,
7 representation, or calculation by Defendant or by the Claims Administrator in this regard. Plaintiffs
8 and Claimants understand and agree that except for Defendant's payment of the employer's portion of
9 any payroll taxes, they will be solely responsible for the payment of any taxes and penalties assessed
10 on the payments described herein and will defend, indemnify, and hold Defendant free and harmless
11 from and against any claims resulting from treatment of such payments as non-taxable damages.

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

8 84. No Assignments. The Parties and their counsel represent, covenant, and warrant that
9 they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer,
10 or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action
11 or right herein released and discharged. Further, none of the rights, commitments, or obligations
12 recognized under this Agreement may be assigned by any Party, Class Member, Class Counsel, or
13 Defense Counsel without the express written consent of each other Party and their respective counsel.
14 The representations, warranties, covenants, and agreements contained in this Agreement are for the
15 sole benefit of the Parties under this Agreement and shall not be construed to confer any right or to
16 avail any remedy to any other person.

17 85. Release of Claims by Class Members. Upon the Effective Date, Plaintiffs and all Class
18 Members who have not submitted valid and timely Requests for Exclusion, will be deemed to have
19 fully, finally, and forever released, settled, compromised, relinquished, and discharged with respect to
20 all of the Released Parties any and all Released Claims for any period during the Released Claims
21 Period.

22 86. Waiver of California Civil Code § 1542. Furthermore, pursuant to the terms of the
23 Settlement, and solely with respect to the Released Claims, Plaintiffs expressly waive and relinquish
24 any rights or benefits available to them under the provisions of § 1542 of the California Civil Code,
25 which provides as follows:

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

4 87. Duties of the Parties Prior to Court Approval. The Parties shall promptly submit this
5 Stipulation of Settlement to the Court in support of Plaintiffs’ Motion for Preliminary Approval and
6 determination by the Court as to its fairness, adequacy, and reasonableness. Promptly upon execution
7 of this Stipulation of Settlement, the Parties shall apply to the Court for the entry of an order
8 scheduling a fairness hearing on the question of whether the proposed settlement, including payment
9 of Attorneys’ Fees and Costs, and Plaintiffs’ Class Representative Enhancement Payment and Class
10 Representative Settlement Payment, should be finally approved as a fair, reasonable, and adequate
11 settlement. As part of Plaintiffs’ Motion for Preliminary Approval, Plaintiffs shall also apply to the
12 Court for the entry of an order as follows:

- 13 a. Certifying the Class for the purpose of settlement;
- 14 b. Approving, as to form and content, the proposed Notice of Class Action
15 Settlement;
- 16 c. Approving as to form and content the proposed Claim Form;
- 17 d. Approving the manner and method for Class Members to request exclusion from
18 the Settlement as contained herein and within the Notice of Class Action
19 Settlement;
- 20 e. Directing the mailing of the Notice of Class Action Settlement, Claim Form, and
21 Reminder Postcards to the Class Members, in accordance with the Settlement
22 Agreement;
- 23 f. Preliminarily approving the Settlement subject only to the objections of Class
24 Members and final review by the Court; and
- 25 g. Enjoining Plaintiffs and any Class Member from filing or prosecuting any claims,
26 suits, or administrative proceedings (including filing claims with the California
27 Division of Labor Standards Enforcement and the LWDA) regarding the Released
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1 Claims unless and until such Class Members have filed valid Requests for
2 Exclusion with the Claims Administrator.

3 88. Duties of the Parties Following Final Court Approval. Following final approval by the
4 Court of the Settlement provided for in this Stipulation of Settlement, Class Counsel will submit a
5 proposed final order of approval and judgment as follows:

- 6 a. Approving the Settlement, adjudging the terms thereof to be fair, reasonable and
7 adequate, and directing consummation of its terms and provisions;
- 8 b. Approving Class Counsel's application for an award of Attorneys' Fees and
9 Costs;
- 10 c. Approving the Class Representative Enhancement Payment to Plaintiffs;
- 11 d. Setting a date when the Parties shall report to the Court the total amount that was
12 actually paid to the Class Members; and
- 13 e. Entering judgment in this Action consistent with this Agreement.

14 89. Defendant's Option to Terminate the Settlement. If five percent (5%) or more of the
15 Class Members opt out of the Settlement by filing Requests for Exclusion, Defendant may, at its
16 election, rescind the Settlement and all actions taken in furtherance of it will thereby be null and void.
17 Defendant must exercise this right of rescission, in writing, to Class Counsel within ten (10) calendar
18 days after the Claims Administrator notifies the Parties of the total number of opt-outs received by the
19 Response Deadline. If the option to rescind is exercised, Defendant shall be solely responsible for all
20 costs of the Claims Administrator accrued to that point.

21 90. Nullification of Stipulation of Settlement. In the event that: (a) the Court does not
22 finally approve the Settlement as provided herein; or (b) the Settlement does not become final for any
23 other reason, then this Stipulation of Settlement, and any documents generated to bring it into effect,
24 will be null and void. Any order or judgment entered by the Court in furtherance of this Stipulation of
25 Settlement will likewise be treated as void from the beginning.

26 91. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the Court to
27 request the Preliminary Approval of this Stipulation of Settlement, and the entry of a Preliminary
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Approval Order for: (a) conditional certification of the Class for settlement purposes only, (b) Preliminary Approval of the proposed Stipulation of Settlement, and (c) setting a date for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the Notice Packet to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiffs will submit this Stipulation of Settlement, which sets forth the terms of this Settlement, and will include the proposed Notice Packet; i.e., the proposed Notice of Class Action Settlement documents, and the proposed Claim Form, attached as **Exhibit A** and **Exhibit B** respectively. Class Counsel will be responsible for drafting all documents necessary to obtain preliminary approval. Defendant agrees not to oppose the Motion for Preliminary Approval.

92. **Final Settlement Approval Hearing and Entry of Judgment.** Upon expiration of the deadlines to postmark Claim Forms, Requests for Exclusion, or objections to this Stipulation of Settlement, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to determine the Final Approval of this Stipulation of Settlement along with the amounts properly payable for (a) Individual Settlement Payments; (b) the Attorneys' Fees and Costs; (c) the Class Representative Enhancement Payment; and (d) all Claims Administration Costs, as well as confirming the total amount to be allocated towards the PAGA Payment. Class Counsel will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will also be responsible for drafting the Attorneys' Fees and Costs application to be heard at the final approval hearing and shall submit to the Court a Proposed Final Approval Order. Defendant agrees not to oppose the Motion for Final Approval and Attorneys' Fee and Costs.

93. **Either Party's Option to Terminate the Settlement.** Subject to the obligation(s) of mutual full cooperation, either Party may terminate this Settlement if the Court declines to enter the Preliminary Approval Order, the Final Approval Order, or final judgment in substantially the form submitted by the Parties, or this Stipulation of Settlement as agreed does not become final because of appellate court action. The terminating Party shall give to the other Party (through its counsel) written notice of its decision to terminate no later than ten (10) business days after receiving notice that one of the enumerated events has occurred. Termination shall have the following effects:

- 1 a. The Stipulation of Settlement shall be terminated and shall have no force or
2 effect, and no Party shall be bound by any of its terms;
- 3 b. In the event the Settlement is terminated, Defendant shall have no obligation to
4 make any payments to any Party, Class Member or attorney, except that the
5 Terminating Party shall pay the Claims Administrator for services rendered up to
6 the date the Claims Administrator is notified that the Settlement has been
7 terminated;
- 8 c. The Preliminary Approval Order, Final Approval Order and Judgment, including
9 any order of class certification, shall be vacated;
- 10 d. The Stipulation of Settlement and all negotiations, privileged statements and
11 proceedings relating thereto shall be without prejudice to the rights of any of the
12 Parties, all of whom shall be restored to their respective positions in the Action
13 prior to this Stipulation of Settlement; and
- 14 e. Neither this Stipulation of Settlement, nor any ancillary documents, actions,
15 statements, or filings in furtherance of this Stipulation of Settlement (including all
16 matters associated with the mediation) shall be admissible or offered into
17 evidence in the Action or any other action for any purpose whatsoever.

18 94. Exhibits Incorporated by Reference. The terms of this Agreement include the terms set
19 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
20 herein. Any Exhibits to this Agreement are an integral part of this Stipulation of Settlement.

21 95. Confidentiality. The Parties and their counsel agree that they will not issue any press
22 releases, initiate any contact with the press, respond to any press inquiry, or have any communication
23 with the press about the fact, amount, or terms of the Settlement prior to the Settlement being
24 preliminarily approved by the Court. In addition, the Parties and their counsel agree that they will not
25 engage in any advertising or distribute any marketing materials relating to the Settlement of this case
26 prior to the Settlement being preliminarily approved by the Court, including but not limited to any
27 postings on any websites maintained by Class Counsel. Any communication about the Settlement to
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1 Class Members prior to the Settlement being preliminarily approved by the Court will be limited to a
2 statement that a settlement has been reached and the details will be communicated in a forthcoming
3 Court-approved notice. Nothing set forth herein, however, shall prohibit (a) Defendant from
4 providing truthful disclosure about the Settlement, including its amount, in its periodic filings on Form
5 10-Q or Form 10-K with the United States Securities and Exchange Commission, or (b) the Parties
6 from providing this Agreement to the Court in connection with the Parties' efforts to seek the Court's
7 approval of this Settlement. Neither Plaintiffs nor Class Counsel shall hold a press conference or
8 otherwise seek to affirmatively contact the media about the Settlement. If contacted by the media
9 regarding the Settlement, Class Counsel will direct any media inquiries to the public records of the
10 Action on file with the Court. Additionally, neither Plaintiffs nor Class Counsel will disparage the
11 Settlement.

12 96. Entire Agreement. This Stipulation of Settlement and any attached Exhibits constitute
13 the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral
14 agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil
15 Code § 1625 and California Code of Civil Procedure § 1856(a), which provide that a written
16 agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic
17 evidence, and the Parties agree that no such extrinsic oral or written representations or terms will
18 modify, vary, or contradict the terms of this Agreement.

19 97. Amendment or Modification. This Stipulation of Settlement may be amended or
20 modified only by a written instrument signed by the named Parties and counsel for all Parties or their
21 successors-in-interest.

22 98. Authorization to Enter Into Stipulation of Settlement. Counsel for all Parties warrant
23 and represent they are expressly authorized by the Parties whom they represent to negotiate this
24 Stipulation of Settlement and to take all appropriate action required or permitted to be taken by such
25 Parties pursuant to this Stipulation of Settlement to effectuate its terms and to execute any other
26 documents required to effectuate the terms of this Stipulation of Settlement. The Parties and their
27 counsel will cooperate with each other and use their best efforts to effect the implementation of the
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Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

99. Signatories. It is agreed that because the members of the Class are so numerous, it is impossible or impractical to have each member of the Class execute this Stipulation of Settlement. The Notice of Class Action Settlement, attached hereto as Exhibit A, will advise all Class Members of the binding nature of the release, and the release shall have the same force and effect as if this Stipulation of Settlement were executed by each Settlement Class Member.

100. Binding on Successors and Assigns. This Stipulation of Settlement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

101. California Law Governs. All terms of this Stipulation of Settlement and Exhibits hereto will be governed by, construed, and interpreted according to the laws of the State of California, irrespective of the State of California's choice of law principles.

102. Execution and Counterparts. This Stipulation of Settlement is subject only to the execution of all Parties. However, the Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument.

103. Acknowledgement that the Settlement is Fair, Reasonable, and Adequate. The Parties believe this Stipulation of Settlement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Agreement. In addition, the Mediator may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

1 104. Invalidity of Any Provision. Before declaring any provision of this Stipulation of
2 Settlement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
3 possible consistent with applicable precedents so as to define all provisions of this Stipulation of
4 Settlement valid and enforceable.

5 105. Plaintiffs' Waiver of Right to Be Excluded and Object. Plaintiffs agree to sign this
6 Stipulation of Settlement and, by signing this Stipulation of Settlement, are hereby bound by the terms
7 herein. For good and valuable consideration, Plaintiffs further agree that they will not request to be
8 excluded from this Stipulation of Settlement. Any such Request for Exclusion by Plaintiffs will be
9 void and of no force or effect.

10 106. Non-Admission of Liability. The Parties enter into this Agreement to resolve the
11 dispute that has arisen between them and to avoid the burden, expense, and risk of continued
12 litigation. By entering into this Agreement, Defendant does not admit, and specifically denies, it has
13 violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to
14 any statute or any other applicable laws, regulations, or legal requirements; breached any contract;
15 violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other
16 unlawful conduct with respect to its employees or the Class Members. Neither this Agreement, nor
17 any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an
18 admission or concession by Defendant of any such violations or failures to comply with any
19 applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement, this
20 Agreement and its terms and provisions shall not be offered or received as evidence in any action or
21 proceeding to establish any liability or admission on the part of Defendant or to establish the existence
22 of any condition constituting a violation of, or a non-compliance with, federal, state, local or other
23 applicable law.

24 107. Captions. The captions and section numbers in this Agreement are inserted for the
25 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
26 provisions of this Agreement.

27 108. Waiver. No waiver of any condition or covenant contained in this Agreement or failure
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1 to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a
2 further waiver by such party of the same or any other condition, covenant, right or remedy.

3 109. Meet and Confer Regarding Disputes. Should any dispute arise among the Parties or
4 their respective counsel regarding the implementation or interpretation of this Agreement, a
5 representative of Class Counsel and a representative of Defense Counsel shall meet and confer to
6 resolve such disputes prior to submitting such disputes to the Court.

7 110. Enforcement Actions. If one or more of the Parties institutes any legal action or other
8 proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare
9 rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to
10 recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert
11 witness fees incurred in connection with any enforcement actions. To the extent consistent with class
12 action procedure, this Agreement shall be enforceable by the Court pursuant to California Code of
13 Civil Procedure section 664.6 and California Rule of Court 3.769(h). The Disposition entered by the
14 Court will not adjudicate the merits of the Action or the liability of the Parties resulting from the
15 allegations of the Action. Its sole purpose is to adopt the terms of the Settlement and to retain
16 jurisdiction over its enforcement. To that end, the Court shall retain continuing jurisdiction over this
17 Action and over all Parties and Class Members to the fullest extent to enforce and effectuate the terms
18 and intent of this Agreement

19 111. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
20 conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly against
21 one party than another merely by virtue of the fact that it may have been prepared by counsel for one
22 of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties,
23 all Parties have contributed to the preparation of this Agreement.

24 112. Representation By Counsel. The Parties acknowledge that they have been represented
25 by counsel throughout all negotiations that preceded the execution of this Agreement, and that this
26 Agreement has been executed with the consent and advice of counsel and reviewed in full. Further,
27 Plaintiffs and Class Counsel warrant and represent that there are no liens on this Stipulation of
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Settlement.

113. All Terms Subject to Final Court Approval. All amounts and procedures described in this Stipulation of Settlement herein will be subject to final Court approval.

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

To Plaintiffs and the Class:

Douglas Han, Esq.
Shunt Tatavos-Garajeh, Esq.
Phillip Song, Esq.
JUSTICE LAW CORPORATION
751 N. Fair Oaks Avenue, Suite 101
Pasadena, California 91103

To Defendant HI-TEMP INSULATION, INC.:

Jonathan Fraser Light, Esq.
Jamie N. Stein, Esq.
Jaclyn M. Joyce, Esq.
LIGHTGABLER
760 Paseo Camarillo, Suite 300
Camarillo, California 93010

115. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Stipulation of Settlement.

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

117. Binding Agreement. The Parties warrant that they understand and have full authority to

1 enter into this Agreement, and further intend that this Agreement will be fully enforceable and binding
2 on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to
3 enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply
4 under federal or state law.

5 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint
6 Stipulation of Settlement and Release Between Plaintiffs and Defendant as of the date(s) set forth below:

7 **NAMED PLAINTIFFS AND CLASS COUNSEL**

8 **READ CAREFULLY BEFORE SIGNING**

9 DATED: 09/13/2021



10 _____
EILEEN VELASQUEZ
11 Named Plaintiff

12
13 DATED: _____

14 _____
JUAN SALINAS
15 Named Plaintiff

16
17 DEFENDANT HI-TEMP INSULATION, INC.

18 DATED: _____

By: _____

19
20
21 **APPROVED AS TO FORM**

22 **JUSTICE LAW CORPORATION**

23
24 DATED: _____

By: _____

25 DOUGLAS HAN
26 SHUNT TATAVOS-GARAJEH
27 PHILLIP SONG
Attorneys for Plaintiffs Eileen Velasquez, Juan Salinas, and
28 the Class

1 enter into this Agreement, and further intend that this Agreement will be fully enforceable and binding
2 on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to
3 enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply
4 under federal or state law.

5 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint
6 Stipulation of Settlement and Release Between Plaintiffs and Defendant as of the date(s) set forth below:

7 **NAMED PLAINTIFFS AND CLASS COUNSEL**

8 **READ CAREFULLY BEFORE SIGNING**

9 DATED: _____

10 _____
11 EILEEN VELASQUEZ
12 Named Plaintiff

13 DATED: 09/16/2021

14 Juan Salinas
15 JUAN SALINAS
16 Named Plaintiff

17 DEFENDANT HI-TEMP INSULATION, INC.

18 DATED: 9/29/2021

19 By: R. Degg

20 **APPROVED AS TO FORM**

21 JUSTICE LAW CORPORATION

22
23
24 DATED: 9/16/21

25 By: D. Han
26 DOUGLAS HAN
27 SHUNT TATAVOS-GARAJEH
28 PHILLIP SONG
Attorneys for Plaintiffs Eileen Velasquez, Juan Salinas, and
the Class

LIGHTGABLER



DATED: 9/29/2021

By: _____

Jonathan Fraser Light

Jamie N. Stein

Jaclyn M. Joyce

Attorneys for Defendant Hi-Temp Insulation, Inc.

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PROOF OF SERVICE
1013A(3) CCP

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101, Pasadena, CA 91103 and my electronic service address is aokada@justicelawcorp.com

On September 30, 2021, I served the foregoing document described as

JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

for the following case: **Velasquez v. Hi-Temp Insulation, Inc.**
LWDA/Court Case No.: **LWDA Case No.: CM-831769-21**
Court Case No.: 21CV-02505
Merced County Superior Court

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

[X] BY ELECTRONIC SUBMISSION

Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on September 30, 2021, at Pasadena, California.



Anna Okada