

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement”) is reached by and between Plaintiff Jose Baez (“Plaintiff”), individually and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendant Insua Graphics Incorporated (hereinafter “Defendant”), on the other hand. Plaintiff and Defendant are referred to herein collectively as the “Parties.” Plaintiff and the Settlement Class are represented by Paul K. Haines and Sean M. Blakely of Haines Law Group, APC (“Class Counsel”). Defendant is represented by Katherine C. Den Bleyker and Sohini Gautam of O’Hagan Meyer.

On July 8, 2021, Plaintiff filed a Class Action Complaint against Defendant in Los Angeles County Superior Court, in the matter entitled *Jose Baez v. Insua Graphics Incorporated*, Case No. 21STCV25092 alleging the following causes of action: (1) meal period violations; (2) rest period violations; (3) wage statement penalties; (4) waiting time penalties; and (5) unfair competition. On December 16, 2021, Plaintiff filed the operative First Amended Class and Representative Action Complaint (“FAC”) to add a cause of action for civil penalties under the Private Attorneys General Act (“PAGA”). The Complaint and the FAC are referred to hereinafter as the “Action”.

Given the uncertainty of litigation, Plaintiff and Defendant wish to settle both individually and on behalf of the Settlement Class. Accordingly, Plaintiff and Defendant agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiff and Defendant stipulate to certification of the following Settlement Class:

All current and former non-exempt employees who worked for Defendant Insua Graphics Incorporated in California from July 8, 2017 until November 1, 2022 (“Class Period”).

The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved, does not become Final as defined below, or is terminated or materially modified without agreement of the parties, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

Additionally, the “PAGA Aggrieved Employees” shall be defined as:

All current and former non-exempt employees who worked for Defendant Insua Graphics Incorporated in California from July 21, 2020, until November 1, 2022 (“PAGA Period”).

2. **Release by Settlement Class members and Plaintiff.** Upon the Final Effective Date (as defined below) or the complete funding of the Maximum Settlement Amount, whichever is later, Plaintiff and all Settlement Class members who have not opted out will release and discharge Defendant and each of its parent companies, subsidiaries, related companies, affiliates, dbas, current and former management companies, shareholders, members, agents (including any

investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors, and assigns (collectively, the “Released Parties”), as follows:

- A. **Release by Settlement Class members.** Settlement Class members who do not opt out will release the Released Parties from liability for all claims, rights, demands, liabilities, causes of action, and legal theories alleged or which could have been alleged or otherwise raised based on the facts alleged in the operative First Amended Class and Representative Action Complaint (“FAC”), including: (1) Labor Code §§ 204, 210, 226.7, 512, 558, and 1198 (meal period violations); (2) Labor Code §§ 226.7, 516, 558, and 1198 (rest period violations); (3) Labor Code § 226, et seq. (wage statement penalties); (4) Labor Code §§ 201-204 (waiting time penalties); and (5) Violation of California Business & Professions Code §§ 17200, et seq. (unfair business practices), and applicable Wage Orders of the Industrial Welfare Commission, including but not limited to Industrial Welfare Commission Wage Order Nos. 1-2001 and 4-2001, and all related claims for attorneys’ fees and costs (“Class Member Released Claims”).
- B. **Release of PAGA Claims.** In addition, all Settlement Class members (regardless of whether they opt out) who worked for Defendant at any time from July 21, 2020 through November 1, 2022 (the “PAGA Period”) are “Aggrieved Employees” and shall release the Released Parties from liability for all claims for civil penalties under California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code § 2698 et seq.) arising during the PAGA Period that were alleged or which could have been alleged or otherwise raised based on the facts alleged in the operative FAC and in Plaintiff’s July 21, 2021 Notification Letter to the Labor and Workforce Development Agency (“LWDA”), including but not limited to claims for civil penalties for violations of California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.7, 512, 516, 558, 1174, 1198 and 1199, and applicable Wage Orders of the Industrial Welfare Commission, including but not limited to Industrial Welfare Commission Wage Order Nos. 1-2001 and 4-2001, and all related claims for attorneys’ fees and costs (“the PAGA Released Claims”).
- C. **Release by Plaintiff.** As a condition of receiving any portion of Plaintiff’s Class Representative Enhancement Award, and upon Defendant’s complete funding of the Maximum Settlement Amount, Plaintiff has agreed to release, individually and in addition to the Released Claims described above, all claims, whether known or unknown, without exception, against the Released Parties. The Parties understand and agree that Plaintiff is not, by way of this release, releasing any workers’ compensation claims, unemployment insurance claims, nor any other claims which cannot be released as a matter of law. Notwithstanding the foregoing, Plaintiff understands that this release includes unknown claims and that Plaintiff is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her

favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Specifically excluded from Plaintiff's Released Claims are any claims that cannot be released as a matter of law, such as claims for workers' compensation benefits or unemployment benefits. No workers' compensation claims are being resolved under this Settlement. Furthermore, expressly excluded from this Release are Plaintiff's individual claims as alleged in the matter *entitled Jose A. Baez v. Insua Graphics Incorporated*, Los Angeles Superior Court Case No. 21STCV40497. The claims and causes of action set forth in *Jose A. Baez v. Insua Graphics Incorporated*, Los Angeles Superior Court Case No. 21STCV40497 are expressly excluded from this Release and Settlement Agreement.

3. **Maximum Settlement Amount.** As consideration, Defendant agrees to pay a non-reversionary "Maximum Settlement Amount" of Six Hundred Thousand Dollars and Zero Cents (\$600,000.00) in full and complete settlement of the Action, as follows:
 - A. The Parties have agreed to engage ILYM Group, Inc. as the "Settlement Administrator" to administer this Settlement.
 - B. The term "Final" and "Final Effective Date" means: (i) that the Settlement Agreement has received Final Approval by the Court and there were no timely objections or intervener requests filed, or that any timely objections and/or interveners have been withdrawn; or, (ii) in the event that one or more timely objections or interventions has/have been filed and not withdrawn, then upon the passage of the applicable date for an objector or intervener to seek appellate review of the Court's order of Final Approval, without a timely appeal having been filed; or, (iii) in the event that a timely appeal of the Court's order of Final Approval has been filed, then the Settlement Agreement shall be final when the applicable appellate court has rendered a final decision or opinion affirming the Court's Final Approval without material modification, and the applicable date for seeking further appellate review has passed, or the date that any such appeal has been either dismissed or withdrawn by the appellant.
 - C. Defendant shall fund the Maximum Settlement Amount by transmitting the funds into a Qualified Settlement Fund ("QSF"), to be established by the Settlement Administrator, by no later than March 15, 2024. Defendant may elect to pay all or a portion of the Gross Settlement early at no penalty. Defendant shall pay the employer's share of payroll taxes separately from, and in addition to, the Maximum Settlement Amount. The employer's share of payroll taxes shall be paid by Defendant as coordinated with the Settlement Administrator after receipt of the calculation by the Settlement Administrator of the employer's portion of the payroll taxes, but not later than the date the Individual Settlement Awards are mailed by the Settlement Administrator. Under no circumstances will Defendant's payment under this Agreement be more than the Maximum Settlement Amount (subject to

the Escalator Clause below) and the employer's portion of any payroll taxes on the amount designated as wages.

- D. If the Settlement does not receive final approval and the Final Effective Date does not occur, any settlement funds paid to date shall be returned to Defendant along with any interest that accrued.
- E. This is a non-reversionary settlement. The Maximum Settlement Amount includes:
- (1) All payments (including interest) to the Settlement Class;
 - (2) All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than Eight Thousand Dollars and Zero Cents (\$8,000.00);
 - (3) Up to Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) for Plaintiff's Class Representative Enhancement Award in recognition of his contributions to the Action and his service to the Settlement Class. If Plaintiff's request for his enhancement payment is not approved and/or reduced by the Court, any amount not approved and/or reduced by the Court will revert to the participating Settlement Class members;
 - (4) Up to one-third of the Maximum Settlement Amount (currently estimated to be \$200,000.00) in Class Counsel's attorneys' fees, plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than Thirty Thousand Dollars and Zero Cents (\$30,000.00). If Class Counsel's request for attorneys' fees and/or reimbursement of litigation costs is not approved and/or reduced by the Court, any amount not approved and/or reduced by the Court will revert to the participating Settlement Class members; and
 - (5) Twenty Thousand Dollars and Zero Cents (\$20,000.00) of the Maximum Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Fifteen Thousand Dollars and Zero Cents (\$15,000.00) will be payable to the Labor & Workforce Development Agency ("LWDA"), and the remaining twenty-five percent (25%), or Five Thousand Dollars and Zero Cents (\$5,000.00) will be payable to the Settlement Class as the "PAGA Amount."
- F. **Employer Payroll Taxes.** The Maximum Settlement Amount does not include employer-side payroll taxes that are part of any Individual Settlement Amount designated as wages, which shall be paid by Defendant separate from, and in addition to, the Maximum Settlement Amount. The Settlement Administrator will calculate the amount of employer-side payroll taxes and provide that information to Defendant no later than ten (10) business days prior to March 15, 2024 (the due date for The Maximum Settlement Amount to be fully paid).

G. **Escalator Clause.** As of September 8, 2022, Defendant's best estimate of the number of Workweeks during the Class Period was 13,529. If the actual number of Workweeks as of the date of mediation is more than 5% greater than this estimate (i.e., if the actual Workweeks during the Class Period, as of the date of mediation, is greater than 14,205.45), then Defendant shall, in its sole discretion, have the option to either:

- (i) De-escalate the Settlement so that the Class Period and PAGA Period end on the date the Workweeks totals to 14,205.45; or
- (ii) Permit the Maximum Settlement Amount as defined in Paragraph 3 above to be increased on a proportional basis for Workweeks in excess of Thirteen Thousand Five Hundred and Twenty-Nine (13,529).

4. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment ("Individual Settlement Payment") from the settlement. Individual Settlement Payments will be determined and paid as follows:

A. The Settlement Administrator shall first deduct from the Maximum Settlement Amount the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, Plaintiff's Class Representative enhancement award, payment to the Labor and Workforce Development Agency, and the Settlement Administrator's fees and expenses for administration. The remaining amount shall be known as the "Net Settlement Amount" or "NSA". Individual Settlement Payments will be the total of each Settlement Class member's: (i) payment from NSA; and (ii) payment, if any, from the PAGA Amount, as described below.

B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member's Individual Settlement Payment based on the following formula:

i. Payments to all participating Settlement Class members: The Settlement Administrator will calculate payments from the NSA based on each participating Settlement Class member's proportionate Workweeks worked during the Class Period. Specifically, each participating Settlement Class member's payment from the NSA will be calculated by multiplying the NSA by a fraction, the numerator of which is the participating Settlement Class member's number of Workweeks worked during the Class Period, and the denominator of which is the total Workweeks worked by all participating Settlement Class members during the Class Period.

ii. Payments from the PAGA Amount: Each Settlement Class member who was employed by Defendant at any time during the PAGA Period (including those who submit a valid and timely Request for Exclusion from the class portion of the settlement) shall receive a portion of the Five Thousand Dollars and Zero Cents (\$5,000.00) of the Maximum Settlement Amount that has been designated as the "PAGA Amount" proportionate to the

number of workweeks that he or she worked during the PAGA Period, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the Settlement Class member's number of workweeks worked during the PAGA Period, and the denominator of which is the total number of workweeks worked by all Settlement Class members during the PAGA Period (including those who submit a valid and timely Request for Exclusion from the class action settlement).

- C. **Calculation and Payment of Individual Settlement Payments.** Within five (5) business days of: (i) the Final Effective Date occurring and (ii) Defendant's deposit of the Maximum Settlement Amount, the Settlement Administrator will calculate individual Settlement Payment amounts for all Settlement Class members and provide the same to counsel for review and approval. Within five (5) business days after approval by counsel of the Individual Settlement Payment calculations, the Settlement Administrator will prepare and mail Settlement Payments, less applicable taxes and withholdings, to Settlement Class members. The Settlement Administrator shall simultaneously pay withholdings to the applicable authorities with the necessary reports, submitting copies to Defendant's counsel. The Settlement Administrator shall pay the amounts approved by the Court for Class Counsel's attorneys' fees and costs, Plaintiff's Class Representative Enhancement Award, PAGA payment to the LWDA, and the Settlement administration costs to itself, at the same time it mails Settlement Awards to Settlement Class members.
- D. For purposes of calculating applicable taxes and withholdings, each Individual Settlement Payment shall be allocated as follows: one-third (1/3) wages, one-third (1/3) penalties, and one-third (1/3) interest. Any payment from the PAGA Amount shall be classified as 100% penalties. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans. Each Settlement Class member is responsible for the proper tax treatment of his/her Settlement Payment, and neither Plaintiff, Defendant, nor their respective counsel are providing tax advice with respect to the tax treatment of Settlement Awards.
- E. Each member of the Settlement Class who receives a Settlement Payment must cash that check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks are not cashed within 180 days after mailing shall be distributed to Legal Aid at Work, as a *cy pres* beneficiary pursuant to Cal. Code Civ. Proc. § 384.
- F. Neither Plaintiff nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless

responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Defendant will not object to Class Counsel's request for a total award of attorneys' fees of one-third of the Maximum Settlement Amount, which is currently estimated to be Two Hundred Thousand Dollars and Zero Cents (\$200,000.00). Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00), from the Maximum Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed, and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award allowed by the Court.

6. **Class Representative Enhancement Award.** Defendant will not object to a request for a Class Representative Enhancement Award of up to Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) to Plaintiff for his time and risk in prosecuting this case, and his service to the Settlement Class. This payment will be in addition to Plaintiff's Individual Settlement Payment as a Settlement Class member and shall be reported on an IRS Form 1099 issued by the Settlement Administrator.

7. **Settlement Administrator.** Defendant will not object to the appointment of ILYM Group, Inc. as Settlement Administrator. Defendant will not object to Plaintiff seeking permission to pay up to Eight Thousand Dollars and Zero Cents (\$8,000.00) for its services from the Maximum Settlement Amount. The Settlement Administrator shall be responsible for sending Notice Packets to Settlement Class members, calculating Individual Settlement Payments, preparing all checks and mailings, calculating Defendant's share of taxes payable on the wages, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Maximum Settlement Amount by Class Counsel only after Individual Settlement Payments have been mailed to all participating Settlement Class members. The Settlement Administrator shall also give notice of final judgment by posting the final judgment to its website.

8. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Paul K. Haines and Sean M. Blakely of Haines Law Group, APC as Class Counsel;
- C. Appointing Jose Baez as Class Representative for the Settlement Class;
- D. Approving ILYM Group, Inc. as Settlement Administrator;

- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice and Notice of Estimated Individual Settlement Payment, and which is attached hereto as **Exhibits A and B**, respectively), and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within ten (10) business days after entry of an order preliminarily approving this Agreement, Defendant will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, and Workweek information for each Settlement Class member employed during the Class Period (the "Class Data"). The Class Data shall be provided to the Settlement Administrator in a readable Microsoft Office Excel spreadsheet.
- B. Within ten (10) business days from receipt of the information provided for in Paragraph 9(A), the Settlement Administrator shall: (i) run the names of all Settlement Class members through the National Change of Address ("NCOA") database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Individual Settlement Payment for each Settlement Class member; and (iv) mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the class portion of the settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline").
 - i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the class portion of the settlement must submit a Request for Exclusion Form by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the settlement, except a Request for Exclusion not containing a Settlement Class member's telephone number and/or last four

digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion Form shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement (except for any amount due to him or her from the PAGA Amount) and will not be bound by the terms of the Settlement (except for the PAGA Release, if applicable) or have any right to object, appeal or comment thereon.

- ii. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Settlement Class member to object to the settlement or opt out of the Settlement Class or encourage any Settlement Class member to appeal from the final judgment.
 - iii. Notwithstanding any other provisions of this Agreement, in the event that five percent (5%) or more of the total Settlement Class members exclude themselves and opt out of the settlement, Defendant may, in its sole discretion, unilaterally withdraw from and terminate the settlement no later than five (5) days prior to the date of the Final Approval Hearing. In the event of Defendant's withdrawal, no party may use the fact that the Parties agreed to the settlement for any reason. In the event that Defendant elects to terminate this Settlement under this provision, Defendant shall pay all of the Administrative Costs incurred by the Settlement Administrator up to that point.
- D. Objections. Settlement Class members who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by mailing a written objection by the Response Deadline to the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendant's counsel via e-mail, who will file all such objections with the Court). Defendant's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless the objections are filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendant's counsel and Class Counsel shall have ten (10) days from the date of service to the objections by the Settlement Administrator to file a response to the objections. All objections should contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection, include all objections and the factual and legal bases for same, include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence, and be postmarked no later than the Response Deadline. Settlement Class members may also appear at the final approval hearing to orally object, even if they have not submitted a written objection.
- E. Notice of Estimated Individual Settlement Payment / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Individual Settlement Payment as well as all of the information that was used from Defendant's records in order to calculate the

Individual Settlement Payment. Settlement Class members will have the opportunity, should they disagree with Defendant's records regarding the information stated in the Notice of Estimated Individual Settlement Payment, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator, and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Payments under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Payment shall be binding upon the Settlement Class member and the Parties.

- F. Any Notice Packets returned to the Settlement Administrator as non-deliverable on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within five (5) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. Efforts to locate updated addresses for returned notices shall continue throughout the 60-day notice period. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to submit a Request for Exclusion, Objection, or dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. If a Settlement Class member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendant's Counsel to provide notice of the proposed settlement.

10. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiff's and Class Counsel's application for attorneys' fees and costs, Class Representative enhancement award, LWDA payment, and settlement administration costs; and

- C. Entering judgment pursuant to California Rule of Court 3.769. Said judgment shall be posted on the website of the Settlement Administrator.

11. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

12. **Non-disclosure and Non-publication.** Plaintiff and Class Counsel agree that they have not and will not publish the Settlement Agreement, except to Settlement Class members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein. Class Counsel shall not report the Settlement Agreement in any medium or in any publication, shall not post or report anything regarding the claims of Plaintiff, the Settlement Class, or the settlement on their website, and shall not contact any reporters or media regarding the settlement. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the names of the Parties in this Action, the venue/case number of this Action, and a general description of the Action, to a court in a declaration by Class Counsel.

13. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

14. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant: Katherine C. Den Bleyker, O'Hagan Meyer, 550 S. Hope Street,
Suite 2400, Los Angeles, California 90071;
kdenbleyker@ohaganmeyer.com.

if to Plaintiff: Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive,
Suite 180, El Segundo, California 90245;
phaines@haineslawgroup.com.

15. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

16. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

17. **Enforcement and Continuing Jurisdiction of the Court.** To the extent, consistent with class action procedure, this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over this Lawsuit and over all Parties and Settlement Class members, to the fullest extent to enforce and effectuate the terms and intent of this Settlement Agreement, and to adjudicate any claimed breaches of this Settlement Agreement. In the event that one more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this settlement or to declare rights and/or obligations under this settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

DATED: 3-1-24

Defendant Insua Graphics Incorporated

By: ERIC INSUA
Its: President

DATED:

Plaintiff Jose Baez

By: _____
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: March 2, 2024

O'HAGAN MEYER

By: K. Den Bleyker
Katherine C. Den Bleyker
Attorneys for Defendant

DATED:

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff

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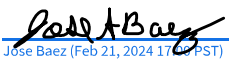
DATED:

Defendant Insua Graphics Incorporated

By: _____
Its: _____

DATED: Feb 21, 2024

Plaintiff Jose Baez

By: 
Jose Baez (Feb 21, 2024 17:00 PST)
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED:

O'HAGAN MEYER

By: _____
Katherine C. Den Bleyker
Attorneys for Defendant

DATED: 02/21/2024

HAINES LAW GROUP, APC

By: 
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

JOSE BAEZ, on behalf of himself and all others
similarly situated,

Plaintiff,

vs.

INSUA GRAPHICS INCORPORATED, a California
Corporation; and DOES 1 through 100,

Defendants.

Case No. 21STCV25092

**NOTICE OF PENDENCY OF CLASS
ACTION AND PROPOSED SETTLEMENT**

To: All current and former non-exempt employees who worked for Defendant Insua Graphics Incorporated in California from July 8, 2017 until November 1, 2022. Collectively, these employees will be referred to as "Settlement Class members."

**PLEASE READ THIS NOTICE CAREFULLY
THIS NOTICE IS BEING SENT IN ENGLISH AND SPANISH
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**

Why should you read this notice?

The Los Angeles County Superior Court has granted preliminary approval of a proposed class action settlement (the "Settlement") in the case of *Jose Baez v. Insua Graphics Incorporated*, Los Angeles Superior Court Case No. 21STCV25092 (the "Action"). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

You may be entitled to money from this Settlement. Defendant Insua Graphics Incorporated's ("Insua Graphics") records show that you were employed at Insua Graphics in California as a non-exempt employee in California between July 8, 2017 and November 1, 2022 (the "Class Period"). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this notice is to provide you with a brief description of the Action, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Jose Baez ("Plaintiff") brought this Action against Insua Graphics, seeking to assert claims on behalf of a class of current and former non-exempt employees who worked for Insua Graphics in California at any time from July 8, 2017 until November 1, 2022. Plaintiff is known as the "Class Representative," and his attorneys, who also represent the interests of all Settlement Class members, are known as "Class Counsel."

Plaintiff alleges that Insua Graphics failed to provide Settlement Class members with all required meal and rest periods. The Action also alleges that Insua Graphics failed to provide Settlement Class members with accurate and complete wage statements and failed to timely pay all final wages at the time of separation of employment, and as a result of the foregoing alleged violations, engaged in unfair business practices and is liable for civil penalties under the Labor Code Private Attorneys General Act ("PAGA").

Insua Graphics denies all liability to Settlement Class members, denies the factual and legal allegations in the case and believes that it has valid defenses to Plaintiff's claims. Insua Graphics has entered into the Settlement solely for the purposes of resolving this dispute and has agreed to settle the case as part of a compromise with Plaintiff. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Insua Graphics, which expressly denies all liability.

The Court has not ruled on the merits of Plaintiff's claims. However, to avoid additional expense, inconvenience, and interference with its business operations, Insua Graphics has concluded that it is in its best interests and the interests of Settlement Class members to settle the Action on the terms summarized in this Notice. After Insua Graphics provided relevant information to Class Counsel, the Settlement was reached after mediation and arm's-length negotiations between the parties.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Insua Graphics, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with litigation.

If you are still employed by Insua Graphics, your decision about whether to participate in the Settlement will not affect your employment. California law and Insua Graphics' policy strictly prohibit unlawful retaliation. Insua Graphics will not take any adverse employment action against or otherwise retaliate, or discriminate, against any Settlement Class member because of the Settlement Class member's decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for the Plaintiff/Settlement Class members: HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com Sean M. Blakely sblakely@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com	Attorneys for Defendant Insua Graphics: O'HAGAN MEYER Katherine Den Bleyker kdenbleyker@ohaganmeyer.com 550 S. Hope Street, Suite 2400 Los Angeles, California 90071 Tel: (312) 422-6100 OHaganMeyer.com
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What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt employees who worked for Insua Graphics in California between July 8, 2017 until November 1, 2022. Settlement Class members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Insua Graphics as described below.

Insua Graphics has agreed to pay \$600,000.00 (the "Maximum Settlement Amount") to fully resolve all claims in the Action, including payments to Settlement Class members, requested attorneys' fees and expenses, settlement administration costs, payment to the California Labor and Workforce Development Agency ("LWDA") for its share of civil penalties under the PAGA, and the Class Representative's Enhancement Award.

The following deductions from the Maximum Settlement Amount will be requested by the parties:

Settlement Administration Costs. The Court has approved ILYM Group, Inc. to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the

Settlement. The Court has approved setting aside up to \$8,000.00 from the Maximum Settlement Amount to pay the settlement administration costs.

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Action on behalf of the Settlement Class members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Maximum Settlement Amount. Settlement Class members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for fees of up to one-third of the Maximum Settlement Amount, which is currently estimated to be \$200,000.00, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$30,000.00 for verified costs Class Counsel incurred in connection with the Action.

Enhancement Award to Class Representative. Class Counsel will ask the Court to award the Class Representative an enhancement award in the amount of \$7,500.00 to compensate him for his service and extra work provided on behalf of the Settlement Class members.

PAGA Payment to State of California. \$15,000.00 will be paid to the LWDA, representing 75% of the \$20,000.00 the parties have agreed to allocate to the settlement of Plaintiff's claim on behalf of the Settlement Class members under the PAGA. The remaining \$5,000.00 will be payable to certain Settlement Class members as the "PAGA Amount," as described below.

Calculation of Settlement Class Members' Individual Settlement Payments. After deducting the Court-approved amounts above, the balance of the Maximum Settlement Amount will form the Net Settlement Amount ("NSA"), which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion (described below). The NSA is estimated at approximately \$339,500.00 and will be divided as follows:

- (i) Payments to All Participating Settlement Class Members: The Settlement Administrator will calculate payments from the NSA based on each participating Settlement Class member's proportionate Workweeks worked during the Class Period. Specifically, each participating Settlement Class member's payment from the NSA will be calculated by multiplying the NSA by a fraction, the numerator of which is the participating Settlement Class member's number of Workweeks worked during the Class Period, and the denominator of which is the total Workweeks worked by all participating Settlement Class members during the Class Period.
- (ii) PAGA Amount: \$5,000 has been designated as the "PAGA Amount" and will be allocated to all PAGA Aggrieved Employees who were employed by Insua Graphics at any time from July 21, 2020, until November 1, 2022 (the "PAGA Period") (regardless of whether they opt out of the Settlement Class) in proportion to the number of workweeks that he or she worked between July 21, 2020 until November 1, 2022.

Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to all Settlement Class members who did not submit a valid and timely Request for Exclusion. Settlement checks will be valid for 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks were not cashed within 180 days after mailing shall be distributed to Legal Aid at Work, as a *cy pres* beneficiary pursuant to Cal. Code Civ. Proc. § 384.

Allocation and Taxes. For tax purposes, each Individual Settlement Payment will be treated as follows: one-third (1/3) as "wages," for which an IRS form W-2 will be issued; one-third (1/3) as penalties and one-third (1/3) as interest, for which an IRS form 1099 will be issued. Any payment from the PAGA Amount shall be designated as 100% penalties. Settlement Class members are responsible for the proper income tax treatment of the Individual Settlement Payments. The Settlement Administrator, Insua Graphics and its counsel, and

Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, and upon the complete funding of the Maximum Settlement Amount, all Settlement Class members who did not submit a timely and valid Request for Exclusion, will release and discharge Insua Graphics and each of its parent companies, subsidiaries, related companies, affiliates, dbas, current and former management companies, shareholders, members, agents (including any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors, and assigns (collectively, the “Released Parties”) from all claims, rights, demands, liabilities, causes of action, and legal theories alleged or which could have been alleged or otherwise raised based on the facts in the operative First Amended Class and Representative Action Complaint (“FAC”), including: (1) Labor Code §§ 204, 210, 226.7, 512, 558, and 1198 (meal period violations); (2) Labor Code §§ 226.7, 516, 558, and 1198 (rest period violations); (3) Labor Code § 226, et seq. (wage statement penalties); (4) Labor Code §§ 201-204 (waiting time penalties); and (5) Violation of California Business & Professions Code §§ 17200, *et seq.* (unfair business practices), and applicable Wage Orders of the Industrial Welfare Commission, including but not limited to Industrial Welfare Commission Wage Order Nos. 1-2001 and 4-2001, and all related claims for attorneys’ fees and costs (“Class Member Released Claims”).

In addition, all Settlement Class members (regardless of whether they opt out) who worked for Insua Graphics at any time from July 21, 2020 through November 1, 2022 (the “PAGA Period”) are “Aggrieved Employees” and shall release the Released Parties from liability for all claims for civil penalties under California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code § 2698 *et seq.*) arising during the PAGA Period that were alleged or which could have been alleged or otherwise raised based on the facts alleged in the operative FAC and in Plaintiff’s July 21, 2021 Notification Letter to the Labor and Workforce Development Agency (“LWDA”), including but not limited to claims for civil penalties for violations of California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.7, 512, 516, 558, 1174, 1198 and 1199, and applicable Wage Orders of the Industrial Welfare Commission, including but not limited to Industrial Welfare Commission Wage Order Nos. 1-2001 and 4-2001, and all related claims for attorneys’ fees and costs (“the PAGA Released Claims”).

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked during the Class Period and the proportionate number of workweeks you worked during the PAGA Period, as stated in the accompanying Notice of Estimated Settlement Payment. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Estimated Settlement Payment. Your award is based on the number of workweeks you worked during the Class Period and the proportionate number of workweeks you worked during the PAGA Period. The information contained in Insua Graphics’ records regarding each of these factors, along with your estimated Individual Settlement Payment, is listed on the accompanying Notice of Estimated Settlement Payment. If you disagree with the information in your Notice of Estimated Settlement Payment, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Estimated Settlement Payment. Any disputes, along with supporting documentation, must be postmarked no later than **<<RESPONSE DEADLINE>>**. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. The Settlement Administrator shall

determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Settlement Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Payment will be binding on the Settlement Class member and the Parties.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a written "Request for Exclusion" letter or card postmarked no later than <<RESPONSE DEADLINE>>, with your name, address, telephone number, last four digits of your social security number, and your signature.

Send the Request for Exclusion directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Any person who submits a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class member, shall be barred from participating in any portion of the class action Settlement, and shall receive no benefits from the class action Settlement. However, all Settlement Class members who worked for Insua Graphics during the PAGA Period, including those who opt out, will be bound by the PAGA portion of the Settlement and will receive a portion from the PAGA Amount. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you should mail a written objection to the Settlement Administrator. Your written objection should include your name, address, as well as contact information for any attorney representing you regarding your objection, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection together with any evidence in support of your objection. Objections should be in writing and must be postmarked on or before <<RESPONSE DEADLINE>>.

You may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department SSC-9 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012. You have the right to appear either in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before <<RESPONSE DEADLINE>>. All objections or other correspondence must state the name and number of the case, which is *Jose Baez v. Insua Graphics Incorporated*, Los Angeles Superior Court Case No. 21STCV25092. You do not need to object in writing to be heard at the Final Approval Hearing.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department SSC-9 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Enhancement Award to the Class Representative. The Final Approval Hearing may be postponed without further notice to the Settlement Class. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.**

How can I get additional information?

This Notice is only a summary of the Action and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Los Angeles County Superior

Court, located at 312 North Spring Street, Los Angeles, California 90012, during regular court hours. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT, INSUA GRAPHICS, OR ITS ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is <<RESPONSE DEADLINE>>. These deadlines will be strictly enforced.

BY ORDER OF THE COURT ENTERED ON <<PRELIM APPROVAL DATE>>.

EXHIBIT B

NOTICE OF ESTIMATED SETTLEMENT PAYMENT

JOSE BAEZ v. INSUA GRAPHICS INCORPORATED
LOS ANGELES COUNTY SUPERIOR COURT CASE NO. 21STCV25092

Please complete, sign, date and return this Form to <<ADMINISTRATOR CONTACT INFO>> **ONLY IF** (1) your personal contact information has changed, and/or (2) you wish to dispute any of the items listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

(III) Information Used to Calculate Your Settlement Payment:

According to Insua Graphics Incorporated's ("Insua Graphics") records:

- (a) you worked [REDACTED] workweeks for Insua Graphics in California from July 8, 2017 until November 1, 2022;
and
- (b) you worked [REDACTED] workweeks for Insua Graphics in California from July 21, 2020 until November 1, 2022.

Based on the above, your Settlement Payment is estimated at \$ [REDACTED].

(IV) If you disagree with items (a) and/or (b) in Section (III) above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this Form:

If you dispute the above information from Insua Graphics' records, Insua Graphics' records will control unless you are able to provide documentation that establishes otherwise, and that Insua Graphics' records are mistaken. If there is a dispute about whether Insua Graphics' information or yours is accurate, and the dispute cannot be resolved informally, the dispute will be resolved by the Parties and the Settlement Administrator as described in the "Notice of Pendency of Class Action and Proposed Settlement" that accompanies this Form.

**ANY DISPUTES, ALONG WITH ANY SUPPORTING DOCUMENTATION, MUST BE POSTMARKED
NO LATER THAN <<RESPONSE DEADLINE>>.**

Signature: _____

Date: _____