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on behalf of himself and others similarly situated

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Attorneys for Defendants AYSO SERVICES CORPORATION;
AMERICAN YOUTH SOCCER ORGANIZATION, INC.

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

OLEG KOROLOV, on behalf of himself and
others similarly situated,

Plaintiff,

vs.

AMERICAN YOUTH SOCCER
ORGANIZATION, INC.; AYSO SERVICES
CORPORATION; and DOES 1 to 100,
inclusive,

Defendants.

Case No.: 21STCV25615

CLASS ACTION

*[Assigned for all purposes to the Hon.
David S. Cunningham, SSC Dept. 11]*

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

1 IT IS HEREBY STIPULATED, by and among Plaintiff Oleg Korolov (“Plaintiff” or “Class
2 Representative”), on behalf of himself and the Settlement Class Members on the one hand, and
3 Defendants American Youth Soccer Organization and AYSO Services Corporation (“Defendants”)
4 (collectively with Plaintiff, the “Parties”), and subject to the approval of the Court, that the above-
5 captioned action is hereby being compromised and settled pursuant to the terms and conditions set
6 forth in this First Amended Joint Stipulation of Class Action Settlement and Release (the
7 “Settlement”). This First Amended Joint Stipulation of Class Action Settlement and Release shall
8 replace and supersede the originally entered into Joint Stipulation of Class Action Settlement and
9 Release executed on or around August 30, 2022.

10 **1. BACKGROUND; DENIALS OF LIABILITY**

11 1.1. Procedural History. On July 13, 2021, Plaintiff filed a proposed putative wage and
12 hour class action complaint against Defendants American Youth Soccer Organization and AYSO
13 Services Corporation for alleged violations of the California Labor Code in the Los Angeles County
14 Superior Court Case No. 21STCV25615, (“Action”). On December 1, 2021, Plaintiff filed a First
15 Amended Complaint adding a single cause of action for civil penalties associated with Defendants’
16 alleged violations of the California Labor Code pursuant to the Private Attorneys General Act of
17 2004.

18 In the Action, Plaintiff alleges, among other things, claims on behalf of certain California-
19 based, hourly, non-exempt employees who worked for Defendants. More particularly, Plaintiff
20 alleges, among other things, that Defendants had, with respect to him individually and/or other
21 members of the public similarly situated, among other things, (1) failed to pay employees for all
22 hours worked at the minimum wage and/or applicable overtime rates of pay; (2) failed to provide
23 legally compliant meal periods and/or pay meal period premium wages; (3) failed to indemnify
24 employees for employment-related losses/expenditures; (4) statutory penalties for failure to timely
25 pay earned wages during employment; (5) statutory penalties for failure to provide accurate wage
26 statements; (5) waiting time penalties for failure to timely pay employee all earned and unpaid wages
27 due upon separation of employment; (6) applicable civil penalties; and civil penalties pursuant to
28

1 the Private Attorneys General Act of 2004 (“PAGA”). In the Action, Plaintiff seeks on behalf of the
2 class monetary relief (including damages, restitution, and penalties) and other relief.

3 1.2. Settlement Negotiations. On March 22, 2022, the Parties participated in a formal
4 mediation session with well-respected wage and hour mediator Steve Rottman, Esq. Prior to the
5 mediation, Class Counsel conducted extensive informal discovery and investigation during the
6 prosecution of the Action. The informal discovery and investigation included, among other
7 things: (1) inspection and analysis of employee documents and data, including personnel files,
8 time and payroll records, employment policies and procedures, and other relevant documents; (2)
9 evaluation of legal positions taken by Defendants; (3) evaluation of potential class-wide damages
10 and PAGA penalties; and (4) review and research of applicable law with respect to the claims and
11 potential defenses brought by Defendants. As part of Defendants’ production, Plaintiff’s counsel
12 and expert witness also reviewed and analyzed time records, pay records, and information relating
13 to the size and scope of the Class, as well as data permitting Plaintiff to understand the number of
14 workweeks in the Class and PAGA Periods. Class Counsel has vigorously prosecuted this Action,
15 and Defendants have vigorously defended it. The Parties have engaged in sufficient discovery and
16 investigation to assess the relative merits of the claims and contentions of the Parties. The Parties
17 agree that the above-described investigation and evaluation, as well as the information exchanged
18 during the settlement negotiations, are more than sufficient to assess the merits of the respective
19 Parties’ positions and to compromise the issues on a fair and equitable basis. Based on this
20 information and the settlement discussions during the mediation conducted at arm’s length, the
21 Parties came to an agreement on March 22, 2022. The settlement is the result of an informed and
22 detailed evaluation of the potential liability of total exposure in relation to the costs and risks
23 associated with continued litigation of the Action. Following the mediation, on March 22, 2022,
24 the Parties executed a Memorandum of Understanding. This Joint Stipulation of Settlement, and
25 Release among other things, resolves and settles on behalf of the “Settlement Class” and “PAGA
26 Employees” (defined below) all claims asserted in the operative complaint in the Action.

27 1.3. Defendant’s Denial of Wrongdoing and Liability and Reasons for Settlement.
28 Defendants contend that the Settlement Class Members were properly and timely paid all wages

owed, including, but not limited to, all straight time and overtime, were properly reimbursed, and were provided meal and rest periods as required under California law. In entering into this Settlement, Defendants do not admit, and specifically deny, on behalf of themselves and each of the “Released Parties” as defined below, each and all such claims whether asserted or to be asserted by Plaintiff individually or on behalf of any putative class or represented group. Defendants, on behalf of themselves and each of the Released Parties deny that any Released Party is liable in any way to Plaintiff or any putative member of any class or any represented group; denies that Plaintiff or any putative member of any class or any represented group is entitled to any monetary compensation or payment of any kind (or any other form of relief) under California, federal, or any other law; and denies that Plaintiff or any putative member of any class or any represented group are, were, or could have been harmed by any conduct, acts, or omissions by Defendants or any Released Party. Defendants also deny that any of the settled claims could ever properly be certified as a class in any contested certification proceedings or could proceed as a representative action. Except as necessary in a proceeding to enforce the terms of this Settlement, this Settlement Agreement and its terms and provisions will not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendants or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law. However, Defendants have concluded that any further defense of this Action would be protracted and expensive for all Parties. Substantial amounts of time, energy and resources of Defendants have been devoted and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff and Settlement Class Members. Defendants have also taken into account the risks of further litigation in reaching their decision to enter into this Settlement. Despite continuing to contend they are not liable for any of the claims set forth by Plaintiff in the Action, Defendants have, nonetheless, agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the claims as set forth in the Action.

1.4. No Admissions. The Parties understand and agree that this Settlement is the result of a good faith compromise of disputed claims and allegations. Defendants deny any and all

1 certification as part of the Settlement shall have no bearing on and shall not be admissible in or
2 considered in connection with, the issue of whether a class should be certified in a non-settlement
3 context in this Action, and shall have no bearing on and shall not be admissible or considered in
4 connection with the issue of whether a class should be certified in any other lawsuit.

5 1.7. Settlement Class Members' Claims. Plaintiff claims that the Released Class
6 Claims have merit and give rise to liability on the part of Defendants. This Settlement is a
7 compromise of disputed claims. Nothing contained in this Settlement and no documents referred
8 to herein, nor any action taken to carry out this Settlement may be construed or used as an
9 admission by or against the Settlement Class Members or Class Counsel as to the merits or lack
10 thereof of the claims asserted.

11 1.8. Defendants' Defenses. Defendants denied and continue to deny each and all of the
12 allegations, claims, and contentions alleged by Plaintiff in the Action. Defendants have expressly
13 denied and continue to deny all charges of wrongdoing or liability against them arising out of any
14 of the conduct, statements, acts, or omissions alleged in the Action. Defendants contend that they
15 complied in good faith with California and federal wage-and-hour laws and dealt legally and fairly
16 with Plaintiff and the Settlement Class Members. Defendants also denied and continue to deny,
17 *inter alia*, the allegations that the Settlement Class Members have suffered damage; that
18 Defendants in any way failed to pay Settlement Class Members for all hours worked; that
19 Defendants violated any laws regarding meal periods, rest breaks and/or reporting time pay; that
20 Defendant failed to timely pay Settlement Class Members all wages owed upon
21 termination/resignation or otherwise when due; that Defendants failed to comply with the law with
22 respect to itemized wage statements; that Defendants engaged in any unlawful, unfair or
23 fraudulent business practices; that Defendants engaged in any wrongful conduct as alleged in the
24 Action; or that Settlement Class Members were harmed by the conduct alleged in the Action.
25 Neither this Settlement, nor any document referred to or contemplated herein, nor any action taken
26 to carry out this Settlement, is, may be construed as, or may be used as an admission, concession
27 or indication by or against Defendants of any fault, wrongdoing or liability whatsoever.

Defendants deny that, for any purpose other than settling this Action, these claims are appropriate for class or representative treatment.

2. DEFINITIONS

2.1 “Settlement Administrator” means Phoenix Settlement Administrators.

2.2 “Settlement Administration Costs” means the amount to be paid to the third-party Settlement Administrator from the Maximum Settlement Amount for the administration of the Settlement. The Settlement Administration Costs amount is not to exceed six thousand dollars (\$6,000.00). Any portion of the requested Settlement Administration Costs that is not awarded to the Settlement Administrator shall be part of the Net Settlement Amount.

2.3 “Class Counsel” refers to Joseph Lavi, Vincent Granberry, and Pooja V. Patel of Lavi & Ebrahimian, LLP, 8889 W. Olympic Blvd., Suite 200, Beverly Hills, California 90211.

2.4 “Class Counsel Award” means reasonable attorneys’ fees for Class Counsel’s litigation and resolution of this Action in a maximum total of Eighty-Six Thousand and Six Hundred Sixty-Six Dollars and No Cents (\$86,666.00) (one-third of the Maximum Settlement Amount). The Court shall determine the amount of the Class Counsel Award, and it shall be paid from the Maximum Settlement Amount. Any portion of the requested Class Counsel Award that is not awarded to Class Counsel shall be part of the Net Settlement Amount.

2.5 “Class Counsel Costs” means expenses incurred by Class Counsel for Class Counsel’s litigation and resolution of this Action, not to exceed Nineteen Thousand Dollars (\$19,000). The Court shall determine the amount of the Class Counsel Costs, and it shall be paid from the Maximum Settlement Amount. Any portion of the requested Class Counsel Costs that is not awarded to Class Counsel shall be part of the Net Settlement Amount.

2.6 “Class Notice” or “Notice Packet” means the notice of this Settlement, substantially in the form of **Exhibit A**, to be sent to Settlement Class Members to notify them of this Settlement and their right to Opt Out.

2.7 “Class Information” means information regarding Settlement Class Members that Defendants will in good faith compile from its records and provide to the Settlement Administrator. Class Information shall be provided as a Microsoft Excel spreadsheet and shall include: each

1 Settlement Class Member's full name; last known address; last known home telephone number;
2 social security number; start and end dates of employment during the Class Period, Compensable
3 Work Weeks, and Pay Periods for Participating Class Members who are eligible for a portion from
4 the PAGA Allocation of the Net Settlement Amount. The Class Information shall also include the
5 sum total of all Compensable Work Weeks for the Class, which the Parties estimate to be
6 approximately 3,712 as of July 13, 2017. Because social security numbers are included in the Class
7 Information, the Settlement Administrator shall maintain the Class Information in confidence;
8 access shall be limited to those with a need to use the Class Information as part of the administration
9 of the Settlement; and transmission shall be through use of a secure, password-protected file. To
10 protect Class Members' privacy rights, the Settlement Administrator must maintain the Class
11 Information in confidence, use the Class Information only for purposes of this Settlement and for no
12 other purpose, and restrict access to the Class Information to Administrator employees who need
13 access to the Class Information to effect and perform under this Agreement. Defendant has a
14 continuing duty to immediately notify Class Counsel if it discovers that the Class Information
15 omitted class member identifying information and to provide corrected or updated Class Information
16 as soon as reasonably feasible. Without any extension of the deadline by which Defendant must
17 send the Class Information.

18 2.8 "Class Period" means the time period from and including July 13, 2017, through June
19 6, 2021.

20 2.9 "Class Representative Enhancement Award" means the amount that the Court
21 authorizes to be paid to Plaintiff, not to exceed nine thousand nine hundred dollars (\$9,900.00) for
22 Plaintiff Oleg Korolov, in recognition of Plaintiff's efforts and risks in assisting with the prosecution
23 of the Action. The Class Representative Enhancement Award shall be paid from the Maximum
24 Settlement Amount. Any portion of the requested Class Representative Enhancement Award that is
25 not awarded to Plaintiff shall be part of the Net Settlement Amount.

26 2.10 "Compensable Work Weeks" means the number of work weeks worked by each
27 Settlement Class Member during the Class Period. Each Settlement Class Member's Compensable
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1 Work Weeks are calculated by totaling the number of weeks worked by each Settlement Class
2 Member during the Class Period.

3 2.11 “Defendants” means American Youth Soccer Organization and AYSO Services
4 Corporation.

5 2.12 “Defense Counsel” means Mark S. Posard and Tatiana Dupuy of Gordon Rees Scully
6 Mansukhani, LLP.

7 2.13 “Effective Date” means the latest of the following dates: (i) the date upon which the
8 Court grants final approval of the Settlement if no Settlement Class members file objections to the
9 Settlement; or (ii) if a Class Member files an objection to the Settlement, sixty (60) days after the
10 date upon which the Court grants final approval of the Settlement if no appeal is initiated by an
11 objector; or (iii) if a timely appeal is initiated by an objector, the Effective Date shall be the date of
12 final resolution of that appeal (including any requests for rehearing and/or petitions for *certiorari*),
13 resulting in final judicial approval of the Settlement.

14 2.14 “Employee Taxes” means the employee’s share of any and all applicable federal,
15 state, and local payroll taxes on the portion of Participating Class Members’ Individual Settlement
16 Payment that constitutes wages. The Employee Taxes will be paid out of the Net Settlement
17 Amount.

18 2.15 “Employer Taxes” means the employer’s share of any and all applicable federal,
19 state, and local payroll taxes on the portion of Participating Class Members’ Individual Settlement
20 Payment that constitute wages. The Employer Taxes will be paid by Defendants separately and in
21 addition to the Gross Settlement Amount, and not out of the Maximum Settlement Amount or Net
22 Settlement Amount.

23 2.16 “Final Approval Hearing” means the hearing held on the motion for final approval
24 of the Settlement.

25 2.17 “Final Approval Date” means the date on which the Court grants final approval of
26 the Settlement.

27 2.18 “Final Class Judgment” means the Court’s entry of an order of judgment in this
28 Action following the Court’s final approval of the Settlement.

1 2.19 “Individual Settlement Payment” means the amount to be allocated under this
2 Settlement to individual Settlement Class Members as calculated pursuant to Paragraph 6.19 of the
3 Settlement, from the Net Settlement Amount. Checks for Individual Settlement Payments will
4 specifically indicate that they are void if not negotiated within one hundred eight (180) days of their
5 issuance.

6 2.20 “Maximum Settlement Amount” means the maximum amount Defendants shall have
7 to pay in connection with this Settlement, by way of a common fund, which shall be inclusive of all
8 Individual Settlement Payments to Participating Class Members, Class Counsel Award, Class
9 Counsel Costs, Settlement Administrator Costs, Class Representative Enhancement Award, and the
10 PAGA Allocation. Subject to Court approval and the terms of this Settlement, the Maximum
11 Settlement Amount Defendants shall be required to pay is Two Hundred and Sixty Thousand Dollars
12 and No Cents (\$260,000.00). No portion of the Maximum Settlement Amount will revert to
13 Defendants, and the Settlement does not require Participating Class Members to submit claims as a
14 prerequisite to receiving their Individual Settlement Payment. This Maximum Settlement Amount
15 is based on Defendants’ representation that the class size is seventy-seven (77) individuals as of
16 March 22, 2022 who were employed by AYSO, Inc. The Maximum Settlement Amount is based
17 on a calculation of 3,712 Compensable Work Weeks, as of March 22, 2022, collectively worked by
18 Settlement Class Members in the Class Period. Defendants shall not be required to pay more than
19 the Maximum Settlement Amount as long as the amount of Compensable Work Weeks does not
20 increase by more than five (5%) percent. Should the compensable work weeks increase by more
21 than five (5%) percent, the Maximum Settlement Amount shall increase proportionately — e.g., if
22 the Compensable Work Weeks increase by six (6%) percent or 185 (or 3,897 total) Compensable
23 Work Weeks, the Maximum Settlement Amount shall increase by one percent for each percent
24 over 5%. Under no other circumstances shall Defendants be required to pay more than the
25 Maximum Settlement Amount except as provided for in this Settlement.

26 2.21 “Net Settlement Amount” means the Maximum Settlement Amount less the
27 following amounts: (1) Attorneys’ Fees and Costs to Class Counsel; (2) Enhancement Payment to
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1 Plaintiff; (3) Settlement Administration Costs to the Settlement Administrator; and (4) PAGA
2 Settlement Amount.

3 2.22 “Notice of Objection” means a written statement of objection to the Settlement made
4 and signed by a Settlement Class Member and includes the following: (1) the full name of the
5 Settlement Class Member; (2) the dates of employment of the Settlement Class Member; (3) the last
6 four (4) digits of the Settlement Class Member’s Social Security number and/or the Employee ID
7 number; and (4) the basis for the objection.

8 2.23 “Opt Out(s)” means any Settlement Class Member who submits a complete and
9 timely request to be excluded from this Settlement, by submitting a Request for Exclusion under the
10 procedures set forth below.

11 2.24 “PAGA Allocation” means Twenty-Six Thousand Dollars and No Cents
12 (\$26,000.00) for the compromise of claims for civil penalties brought under the Labor Code Private
13 Attorneys General Act of 2004 (“PAGA”). Per California Labor Code section 2699(i), Nineteen
14 Thousand Five Hundred Dollars and No Cents (\$19,500.00), representing 75% of the PAGA
15 Allocation, will be paid to California’s Labor Workforce Development Agency from the Maximum
16 Settlement Amount. The remaining Six Thousand Five Hundred Dollars and No Cents (\$6,500.00),
17 representing 25% of the PAGA Allocation, shall be distributed to PAGA Employees.

18 2.25 “PAGA Employees” means any means any and all current and former hourly non-
19 exempt employees of Defendants in California during PAGA Period.

20 2.26 “PAGA Period” means July 13, 2020, through June 6, 2021.

21 2.27 “Participating Class Member” means any Settlement Class Member who does not
22 submit a timely Request for Exclusion under the procedures set forth below.

23 2.28 “Parties” means Defendants, Plaintiff, and the Settlement Class.

24 2.29 “Plaintiff” means Plaintiff Oleg Korolov, who is the named plaintiff in the action.

25 2.30 “Preliminary Approval” or “Preliminary Approval Date” means the date the Court
26 enters the Preliminary Approval Order for the Settlement.

27 2.31 “Preliminary Approval Order” means the Proposed Order (filed concurrently with
28 this Settlement) for preliminary approval of the Settlement.

1 2.32 “Plaintiff’s Released Claims” means any and all claims arising from the facts alleged
2 in the Action, including all wage and hour claims for unpaid wages including minimum wage
3 payments, failure to pay wages during employment, failure to pay overtime, meal and rest break
4 violations, wage statement violations, reimbursement, restitution, disgorgement, conversion, unjust
5 enrichment, civil and statutory penalties, interests, liquidated damages, attorneys’ fees and costs,
6 claims under California Labor Code sections 201-203, 204, 223, 226, 226.7, 510, 512, 558.1, 1194,
7 1194.2, 1197, 2698-2696.5, 2802, applicable Industrial Welfare Commission Wage Order, and
8 claims under California Business & Professions Code sections 17200-17204. With respect to any
9 claims Defendants may have against Plaintiff and Plaintiff’s Released Claims, Defendants and
10 Plaintiff shall be deemed to have, and by operation of the Final Judgment shall have, expressly
11 waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits
12 of Section 1542 of the California Civil Code, or any other similar provision under federal or state
13 law, which Section provides:

14 **A general release does not extend to claims that the creditor or releasing party**
15 **does not know or suspect to exist in his or her favor at the time of executing the**
16 **release and that, if known by him or her, would have materially affected his or**
17 **her settlement with the debtor or released party.**

18 Plaintiff’s Released Claims against Defendants shall expressly exclude all claims for wrongful
19 termination, age discrimination and claims under the Fair Employment and Housing Act
20 (“FEHA”), unemployment insurances, workers compensations, social security, and or vested
21 benefits.

22 2.33 “Released Claims” means collectively, the Released Class Claims which
23 Participating Class Members will release against the Released Parties and the Released PAGA
24 Claims which PAGA Employees will release against the Released Parties. It is understood and
25 agreed that Released Claims do not include claims for workers compensation, unemployment, or
26 disability benefits of any nature, nor any claims, actions, or causes of action which may be possessed
27 by Settlement Class Members under state or federal discrimination statutes, including, without
28 limitation, the Cal. Fair Employment and Housing Act, the Cal. Government Code § 12940, et seq.;

1 the Unruh Civil Rights Act, the Cal. Civil Code § 51, et seq.; the California Constitution; Title VII
2 of the Civil Rights Act of 1964, 42 U.S.C. § 2000, et seq.; the Americans with Disabilities Act, as
3 amended, 42 U.S.C. § 12101, et seq.; the Employee Retirement Income Security Act of 1974, as
4 amended, 29 U.S.C. § 1001, et seq.; and all of their implementing regulations and interpretive
5 guidelines.

6 2.34 “Released Parties” means: (a) Defendants American Youth Soccer Organization and
7 AYSO Services Corporation, and each and all past or present partners, parents, subsidiaries, regions,
8 or affiliates (regardless whether such partners, parents, subsidiaries, regions, or affiliates are
9 individuals, corporations, partnerships, limited partnerships, limited liability companies, or other
10 forms of entity) of Defendants; (b) each and all of the predecessor or successor entities of any of
11 those entities identified in subparagraph (a); (c) any other individuals or entities of any kind,
12 including but not limited to any payroll companies, which have been or could be alleged to be in
13 any manner responsible (whether on an alter ego, joint employer, integrated enterprise, or any other
14 theory) for any violations described in the releases below and occurring as a result of employment;
15 and (d) all past and present directors, officers, representatives, insurers, agents, shareholders,
16 partners, members, lawyers, and employees of any of the individuals or entities identified in
17 subparagraphs (a), (b), or (c).

18 2.35 “Request for Exclusion” means a Settlement Class Member’s request, in writing, for
19 exclusion from the Settlement.

20 2.36 “Response Deadline” means the last date for Settlement Class Members to postmark,
21 for return to the Settlement Administrator, Requests for Exclusion or Objections. The Response
22 Deadline shall be forty-five (45) days after the Settlement Administrator has postmarked the Class
23 Notice for mailing to Settlement Class Members, subject to adjustment in the case of re-mailings,
24 as specified in Section XVI below.

25 2.37 “Settlement” means the settlement reflected in and to be effectuated through this
26 Joint Stipulation of Settlement.

27 2.38 “Settlement Class” means any and all current and former hourly non-exempt
28 employees of Defendant AYSO Services Inc. in California during Class Period.

1 2.39 “Settlement Class Members” means all members of the Settlement Class, including
2 any Opt Outs.

3 2.40 “Superior Court” means the Los Angeles County Superior Court.

4 **3. THE SETTLEMENT CLASS**

5 For purposes of this Joint Stipulation of Class Action Settlement and Release only, the
6 Parties agree to seek, under the procedures described below, the Superior Court’s approval of
7 certification of the following “Settlement Class”: any and all current and former hourly non-exempt
8 employees of Defendant AYSO Services Inc. in California during the Class Period. The Settlement
9 Class shall include any heirs, successors, or assigns or purported assigns of the above-described
10 persons.

11 **4. MAXIMUM SETTLEMENT AMOUNT**

12 The maximum amount to be paid under this Settlement is Two Hundred and Sixty Thousand
13 Dollars and No Cents (\$260,000.00) (i.e., Maximum Settlement Amount).

14 This Settlement is based on 3,712 workweeks during the period from July 13, 2017, to June
15 6, 2021. Should the class increase by more than 5%, the payout will increase proportionately over
16 the 5% grace (i.e., meaning if the class increases 6% the settlement will increase by 1%).

17 The Maximum Settlement Amount shall be used to pay all of Class Counsel’s attorneys’
18 fees and costs, all costs of settlement administration, the enhancement payment paid to Plaintiff, all
19 payments to the California Labor Workforce and Development Agency, all settlement payments to
20 Participating Class Members, and the employee’s share of all Employee’s Taxes. No Released Party
21 shall be required to pay anything above or beyond the Maximum Settlement Amount, under any
22 circumstance, as a result of this Settlement, except Defendants’ obligation to pay the Employer’s
23 Taxes.

24 **5. PAYMENTS TO THE LABOR AND WORKFORCE DEVELOPMENT**
25 **AGENCY**

26 The Parties have agreed to pay a certain sum to the California Labor and Workforce
27 Development Agency (“LWDA”) in connection with the Labor Code Private Attorneys General Act
28 of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”). The Parties have agreed that a total of Twenty-

1 Six Thousand Dollars and No Cents (\$26,000.00) of the Maximum Settlement Amount will be
2 allocated to the resolution of Class Members' claims arising under PAGA for the PAGA Period
3 ("PAGA Settlement Amount"). Pursuant to PAGA, Seventy-Five Percent (75%), or Nineteen
4 Thousand Five Hundred Dollars and No Cents (\$19,500.00), of the PAGA Settlement Amount will
5 be paid to the LWDA ("LWDA Payment"), and Twenty-Five Percent (25%), or Six Thousand Five
6 Hundred Dollars and No Cents (\$6,500.00), of the PAGA Settlement Amount shall be distributed
7 to any and all current and former hourly non-exempt employees of Defendants in California during
8 PAGA Period ("PAGA Employees") as specified below. This \$6,500.00 shall be referred to as the
9 "PAGA Employees Portion."

10 The Settlement Administrator will pay to the LWDA, in accordance with California Labor
11 Code section 2699(i), the amount of Nineteen Thousand Five Hundred Dollars and No Cents
12 (\$19,500.00). The Settlement Administrator will advise Class Counsel when this payment is made.

13 **TERMS OF SETTLEMENT**

14 6.1. Binding Settlement. This Settlement shall bind the Parties and all Participating Class
15 Members, subject to the terms and conditions hereof and the Court's approval.

16 6.2. Maximum Amount Payable. Under the terms of this Settlement, the maximum
17 amount payable by Defendants shall be the Gross Settlement Amount of two hundred and sixty
18 thousand dollars and no cents (\$260,000.00), which includes Individual Settlement Payments to
19 Participating Class Members, the Class Counsel Award, Class Counsel Costs, Settlement
20 Administrator Costs, Class Representative Enhancement Award, and the PAGA Allocation.
21 Employer's Taxes due on wage payments from the maximum amount payable shall be paid
22 separately by Defendants, in addition to the maximum amount payable. This section does not limit
23 the agreement set forth in Section II.20 and I.V.

24 6.4. Circular 230 Disclaimer. The Parties acknowledge and agree that (1) no provision
25 of this Settlement, and no written communication or disclosure between or among the Parties, Class
26 Counsel or Defense Counsel and other advisers, is or was intended to be, nor shall any such
27 communication or disclosure constitute or be construed or be relied upon as, tax advice within the
28 meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) the

1 acknowledging party (a) has relied exclusively upon his, her, or its own, independent legal and tax
2 counsel for advice (including tax advice) in connection with this Settlement, (b) has not entered into
3 this Settlement based upon the recommendation of any other party or any attorney or advisor to any
4 other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or
5 adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party;
6 and (3) no attorney or adviser to any other party has imposed any limitation that protects the
7 confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such
8 limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax
9 structure of any transaction, including any transaction contemplated by this Settlement.

10 6.5. Tax Liability. Defendants, Defense counsel, Plaintiff, and Class Counsel make no
11 representation as to the tax treatment or legal effect of the payments called for hereunder, and
12 Plaintiff and Settlement Class Members are not relying on any statement, representation, or
13 calculation by Defendants, Defense counsel, Plaintiff, Class Counsel, or the Settlement
14 Administrator in this regard. Plaintiff and Settlement Class Members understand and agree that they
15 will be solely responsible for the payment of any taxes and penalties assessed on the payments
16 described herein. Each of the Participating Class Members and PAGA Employees agrees to
17 indemnify the Released Parties for any tax obligations arising out of payments to him or her of any
18 portion of an Individual Settlement Payment or Individual PAGA Payment.

19 6.6. Settlement Class Members shall not, on account of receiving any Individual
20 Settlement Payment or Individual PAGA Payment, be entitled to any other or additional
21 compensation, benefits, contributions, or matching employer funding of any kind under any
22 agreement or plan governing benefits or compensation (such as but not limited to any agreements
23 or plans for incentives, stock options, retirement, deferred compensation) regardless of any contrary
24 language or provisions in any such agreement or plan. The Individual Settlement Payment and/or
25 Individual PAGA Payment shall be the sole compensation and benefit to the Participating Class
26 Members and PAGA Employees under this Settlement Agreement.

27 6.7. Settlement Approval and Implementation Procedures. As part of this Settlement, the
28 Parties agree to the following procedures for obtaining the Court's preliminary approval of the

1 Settlement, certifying the Settlement Class, notifying Settlement Class Members of the Settlement,
2 obtaining the Court's final approval of the Settlement, and processing the Individual Settlement
3 Payments.

4 6.8. Preliminary Approval and Certification. As soon as practicable after execution of
5 this Settlement, the Parties will jointly submit this Settlement to the Court for its preliminary
6 approval. Such submission will include this Settlement, the proposed Notice Packet, the proposed
7 Preliminary Approval Order, and any, memoranda and evidence as may be necessary for the Court
8 to determine that this Settlement is fair, adequate, and reasonable. The Parties agree to request the
9 Court to enter an order conditionally certifying the Settlement Class after the preliminary approval
10 hearing, in accordance with California Rules of Court, Rule 3.769(c).

11 6.9. Notice by First Class U.S. Mail. Within fifteen (15) calendar days of the Court's
12 entry of an order granting preliminary approval, Defendants will provide to the Settlement
13 Administrator the Class Information. Thereafter, the Settlement Administrator will notify Class
14 Counsel that the list has been received and state the number of Settlement Class Members, PAGA
15 Employees, workweeks, and pay periods. Upon receipt of the Class Information, the Settlement
16 Administrator will perform a search on the National Change of Address database to update the
17 Settlement Class Members' addresses. No more than ten (10) calendar days after receiving the Class
18 Information from Defendants, as provided herein, the Settlement Administrator shall mail copies of
19 the Notice Packet to all Settlement Class Members by regular First-Class U.S. Mail. If an updated
20 address is located via the National Change of Address database, then the Settlement Administrator
21 shall mail the Notice Packet to that address.

22 6.10. Undeliverable Notices. Any Notice Packets returned to the Settlement Administrator
23 as undeliverable on or before the Response Deadline shall be re-mailed to the forwarding address
24 affixed thereto, if any.

25 6.11. For each Settlement Class Member whose Notice Packet is returned, there will be
26 one (1) skip trace performed by the Settlement Administrator. If an updated mailing address is
27 identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class
28 Member. Such re-mailing shall be made within five (5) business days of the Settlement

1 Administrator receiving notice that the respective Notice Packet was undeliverable. Reasonable
2 requests by the Settlement Administrator for additional information in Defendants' possession must
3 be responded to within a reasonable amount of time by counsel for Defendants. It is the intent of the
4 Parties that reasonable means be used to locate the Settlement Class Members and apprise them of
5 their rights.

6 6.12. Settlement Class Members to whom Notice Packets are re-sent after having been
7 returned undeliverable to the Settlement Administrator shall have an additional fourteen (14)
8 calendar days after the Response Deadline ("Extended Response Deadline"), to submit the Request
9 for Exclusion, Notice of Objection, or work weeks dispute. Notice Packets that are re-sent shall
10 inform the recipient of this adjusted deadline. It will be conclusively presumed that if an envelope
11 so mailed has not been returned within twenty (20) days of the mailing, that the Settlement Class
12 Member received the Notice Packet.

13 6.13. Compliance with the procedures specified in paragraphs 6.9 through 6.12 of this
14 section of this Settlement shall constitute due and sufficient notice to Settlement Class Members of
15 this Settlement and shall satisfy the requirement of due process. Nothing else shall be required of,
16 or done by, the Parties, Class Counsel, and/or Defense Counsel to provide notice of the proposed
17 Settlement.

18 6.14. Disputes. Settlement Class Members will have the opportunity during the Response
19 Deadline, should they disagree with Defendants' records regarding their days worked during the
20 Class Period, to provide documentation and/or an explanation to show contrary days worked. Absent
21 evidence to the contrary, Defendants' records will be presumed correct. The dispute shall be
22 submitted to the Settlement Administrator in writing by mail or fax on or before the Response
23 Deadline or Extended Response Deadline (if applicable) and include the Settlement Class Members
24 name, address, last four digits of Social Security number, and number of work weeks they contend
25 are correct as well as any evidence. If there is a dispute, the Settlement Administrator will notify
26 and consult with the Parties to determine whether an adjustment is warranted. The Settlement
27 Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement
28 Payments under the terms of this Settlement. The Settlement Administrator's determination of the

1 eligibility for and amount of any Individual Settlement Payment shall be binding upon the
2 Settlement Class Member and the Parties. The Settlement Administrator shall inform Class Counsel
3 in a timely fashion as to the submission and resolution of all disputes.

4 6.15. Exclusions (Opt-Outs). The Notice Packet shall state that Settlement Class Members
5 who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the
6 Response Deadline. The Request for Exclusion: (1) must contain the name, address, and the last
7 four (4) digits of the Social Security number of the Settlement Class Member requesting exclusion,
8 (2) must state in clear terms that they do not want to be included or wish to be excluded from the
9 Settlement, (3) must be signed by the Settlement Class Member; and (4) must be submitted by fax
10 or mail by the Response Deadline (or Extended Response Deadline, if applicable) and returned to
11 the Settlement Administrator at the specified address or fax number. The date of the postmark on
12 the return-mailing envelope or time on the fax-stamp shall be the exclusive means used to determine
13 whether a Request for Exclusion has been timely submitted. Any Settlement Class Member who
14 requests to be excluded from the Settlement will not be entitled to any recovery under the Settlement
15 and will not be bound by the terms of the Settlement. Settlement Class Members who receive a
16 Notice Packet, but fail to submit a valid and timely Request for Exclusion on or before the Response
17 Deadline shall be bound by all terms of the Settlement and any Final Judgment entered in this Action
18 if the Settlement is approved by the Court. At no time shall any of the Parties or their counsel seek
19 to solicit members of the Settlement Class to submit Requests for Exclusion from the Settlement.
20 Class Counsel shall not represent any Settlement Class Member with respect to any such Requests
21 for Exclusion. Settlement Class Members who submit a valid Request for Exclusion may not also
22 submit a Notice of Objection. No later than seven (7) calendar days after the Response Deadline,
23 the Settlement Administrator shall provide Defense Counsel with a final list of the Settlement Class
24 Members who have timely submitted a Request for Exclusion.

25 6.16. Objections. The Notice Packet shall state that Participating Class Members who
26 wish to object to the Settlement must submit a written statement of objection (“Notice of Objection”)
27 by the Response Deadline, or if applicable the Extended Response Deadline, to the Settlement
28 Administrator. The Notice of Objection must be signed by the Settlement Class Member and state:

(1) the full name of the Settlement Class Member; (2) the dates of employment of the Settlement Class Member; (3) the last four (4) digits of the Settlement Class Member's Social Security number and/or the Employee ID number; and (4) the basis for the objection. The Notice of Objection must be postmarked or fax-stamped by the Response Deadline (or Extended Response Deadline) and returned to the Settlement Administrator at the specified address or fax number. Within five (5) days of receiving a Notice of Objection from a Settlement Class Member, the Settlement Administrator shall forward the Notice of Objection to Class Counsel and Defense Counsel. Participating Class Members may also appear at the Final Approval Hearing and orally present their objections. Participating Class Members are not required to submit a Notice of Objection in order to be heard at the Final Approval Hearing. Class Counsel will thereafter lodge the Settlement Class Member's Notice of Objection with the Court. Settlement Class Members who submit a Request for Exclusion are not entitled to object to the Settlement.

6.17. No Solicitation of Settlement Objections or Exclusions. The Parties and their counsel agree to use their best efforts to carry out the terms of this Settlement. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to submit either written objections to the Settlement or Requests for Exclusion from the Settlement, or to appeal from the Court's Final Judgment. Class Counsel shall not represent any Settlement Class Members with respect to any such objections.

6.18. Plaintiff's Participation. By executing this Settlement, Plaintiff hereby stipulates he will not object to or exclude himself from the Settlement in anyway.

6.19. Participating Class Members and PAGA Employees will have one hundred eighty (180) calendar days from the date of issuance of the check to cash or otherwise deposit their check. For any check not cashed after 180 calendar days, the Settlement Administrator shall cancel the check and remit the funds to The Salvation Army Ray & Joan Kroc Corps Community Centers. The Settlement Administrator shall inform the Parties regarding the status of any uncashed checks at the conclusion of the 180-calendar day check cashing period, including the amount at issue.

6.20. Funding of the Gross Settlement Amount. This is a non-reversionary Settlement in which Defendants are required to pay the entire Maximum Settlement Amount. No portion of the

1 Maximum Settlement Amount will revert to Defendants. Defendants are separately and solely
2 responsible for any employer payroll taxes owed as a result of the Settlement. By no later than
3 fifteen (15) calendar days after the Effective Date, Defendants shall provide to the Settlement
4 Administrator the Maximum Settlement Amount and an amount sufficient to pay the Employer's
5 Taxes. No payments from the Maximum Settlement Amount shall be made before the Maximum
6 Settlement Amount is fully funded. No release in this Settlement shall be effective until the
7 Maximum Settlement Amount is fully funded. The Settlement Administrator shall place the funds
8 in an interest-bearing account, and any interest earned shall be paid to the Individual Settlement
9 Payments for Participating Class Members. The Settlement Administrator shall make each of the
10 payments set forth above (including, Individual Settlement Payments to Participating Class
11 Members, Individual PAGA Payments to PAGA Employees, Court-approved Class Counsel Award
12 to Class Counsel, the Court-approved Class Representative Enhancement Award to Plaintiff, the
13 LWDA Payment to the LWDA, and the Court-approved Settlement Administration Costs to itself)
14 within ten (10) business days after Defendants fully fund the Maximum Settlement Amount. The
15 Settlement Administrator shall mail payments to the LWDA and simultaneously advise Class
16 Counsel regarding their tender of the payment.

17 6.21. Accounting by Settlement Administrator. No more than five (5) business days after
18 the Maximum Settlement Amount is fully funded, the Settlement Administrator will provide the
19 Parties with an accounting of all anticipated payments from the Maximum Settlement Amount. The
20 Net Settlement Amount shall be calculated by deducting from the Maximum Settlement Amount
21 payments for (1) Class Representative Enhancement Awards, as specified in this Settlement and
22 approved by the Court; (2) Class Counsel Award, as specified in this Settlement and approved by
23 the Court; (3) Class Counsel Costs, as specified in this Settlement and approved by the Court; (4)
24 Settlement Administration Costs, as specified in this Settlement and approved by the Court; and (5)
25 the PAGA Allocation, as specified in this Settlement and approved by the Court. The Net Settlement
26 Amount shall be distributed in Individual Settlement Payments in accordance with Paragraphs 6.22
27 and 6.23.

1 6.22. Individual Settlement Payments. Each Participating Class Member shall receive an
2 Individual Settlement Payment, which is a share of the Net Settlement Amount, based on the number
3 of Compensable Work Weeks worked by the Participating Class Member during the Class Period
4 and, for PAGA Employees to receive a portion from the PAGA Allocation (i.e., the Individual
5 PAGA Payment), based on the number of Pay Periods. Individual Settlement Payments and
6 Individual PAGA Payments shall be paid pursuant to the formula set forth in Paragraph 6.23 below.
7 Individual Settlement Payments shall be mailed by regular First-Class U.S. Mail to Participating
8 Class Members' last known mailing address no later than ten (10) business days after the Maximum
9 Settlement Amount is fully funded. Individual Settlement Payments and Individual PAGA
10 Payments will specifically indicate that they are void if not negotiated within one hundred eight
11 (180) days of their issuance. Individual Settlement Payments reflect settlement of a dispute
12 regarding wages, interest, and penalties. Individual Settlement Payments will be allocated as
13 follows: 20% wages ("wage portion"), 40% penalties, and 40% interest ("non-wage portion"). Each
14 Individual PAGA Payment shall be treated as 100% penalties. The Settlement Administrator shall
15 calculate and deduct from the wage portion of each Participating Class Member's Individual
16 Settlement Payment the employee's share of required state, federal, and local tax, and other wage
17 obligations or withholdings. These shall include, without limitation, all federal, state, and local
18 employment taxes (such as Social Security Taxes, Federal Unemployment Taxes, and California
19 Unemployment and Training Taxes) and all state and federal income taxes\.. The "wage" portion of
20 each Individual Settlement Payment will be reduced by any Employee Taxes. The Settlement
21 Administrator shall issue the appropriate tax documents associated with the Individual Settlement
22 Payments, including an IRS Form W-2 for the amounts allocated as "wages" and an IRS Form 1099
23 for the amounts allocated as "interest" or "penalties."

24 6.23. Individual Settlement Payment Formula. Defendants will calculate the Compensable
25 Work Weeks for each Settlement Class Member. The Settlement Administrator will calculate a
26 Payment Ratio from the Net Settlement Amount for each Settlement Class Member by dividing the
27 respective Compensable Work Weeks by the total Compensable Work Weeks for all Settlement
28 Class Members. Each Settlement Class Member's Payment Ratio will then be multiplied by the Net

1 Settlement Amount to determine each Individual Settlement Payment. The Settlement
2 Administrator will calculate a divide the respective PAGA Employee's Pay Periods by the total Pay
3 Periods for all PAGA Employees, the result will multiplied by the 25% share of the PAGA
4 Allocation designated to PAGA Employees to determine each Individual PAGA Payment.
5 Defendants will calculate the Pay Periods for PAGA Employees who are eligible for a portion of
6 the PAGA Allocation. The Settlement Administrator will reduce each Individual Settlement
7 Payment by Employee Taxes, which will be based on the most recent W-4 form on record for
8 Participating Class Members. Individual PAGA Payments will be deemed 100% penalties. The
9 Settlement Administrator will be responsible for issuing to Plaintiff, Participating Class Members,
10 and Class Counsel W-2's, 1099's, or other tax forms as may be required by law for all amounts paid
11 pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding
12 all payroll taxes and penalties to the appropriate government authorities. Defendants shall be
13 responsible for Employer Taxes. Other than Plaintiff, Class Members are not eligible to receive any
14 compensation other than an Individual Settlement Payment. Defendants shall have no responsibility
15 for deciding the validity of any Individual Settlement Payment or any other payments made pursuant
16 to this Settlement, shall have no involvement in or responsibility for the determination or payment
17 of Employee Taxes, and shall have no liability for any errors made with respect to such Employee
18 Taxes.

19 6.24. Settlement Class Members are not eligible to receive any compensation other than the
20 Individual Settlement Payment, and they may only receive an Individual Settlement Payment if they
21 do not submit a valid and timely Request for Exclusion to opt out of the Settlement. Plaintiff,
22 however, is also eligible to receive the Class Representative Enhancement Award.

23 6.25. No benefit, including but not limited to pension benefits, shall increase or accrue as
24 a result of any payment made pursuant to this Settlement.

25 6.26. If a check for an Individual Settlement Payment is returned to the Settlement
26 Administrator as undeliverable, the Claims Administrator shall promptly attempt to obtain a valid
27 mailing address by performing a skip trace search. If another address is identified, the Settlement
28 Administrator shall mail the check to the newly identified address. If an Individual Settlement

1 Payment check is returned to the Settlement Administrator a second time as undeliverable, the
2 Settlement Administrator shall not attempt any further re-mailing of that check.

3 6.27. Class Representative Enhancement Awards. Plaintiff will apply to the Superior Court
4 for approval of a Class Representative Enhancement Award in the amount of no more than Nine
5 Thousand Nine Hundred Dollars and No Cents (\$9,900.00) which will be paid to Plaintiff.
6 Defendants will not oppose Plaintiff's request. The Settlement Administrator will pay Plaintiff
7 (from the Maximum Settlement Amount) the Class Representative Enhancement Award awarded
8 by the Superior Court. Plaintiff understands and agrees that the Superior Court may in its discretion
9 award a lesser amount, and Plaintiff agrees that he will accept whatever amount, if any, the Superior
10 Court awards. Any such reduction shall constitute part of the amount to be distributed as part of the
11 Net Settlement Amount to be distributed to Participating Class Members. Plaintiff and Defendants
12 agree that the Class Representative Enhancement Award awarded to Plaintiff is not a wage payment.
13 The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff for his Class Representative
14 Enhancement Award. Plaintiff shall be solely and legally responsible to pay any and all applicable
15 taxes on his Class Representative Enhancement Award. The Class Representative Enhancement
16 Award is in addition to the Individual Settlement Payment to be paid to Plaintiff. The Class
17 Representative Enhancement Award represents payment for the time incurred and services rendered
18 by Plaintiff on behalf of the Settlement Class in obtaining this Settlement.

19 6.28. Class Counsel Award and Costs. Class Counsel will apply to the Superior Court for
20 approval of reasonable attorneys' fees incurred for representing Plaintiff and the Settlement Class
21 in the Action in an amount not to exceed one-third of the Maximum Settlement Amount, or a
22 maximum total of Eighty-Six Thousand and Six Hundred Sixty-Six Dollars and No Cents
23 (\$86,666.00). Class Counsel will also apply to the Superior Court for an award of actual costs in an
24 amount of not to exceed Nineteen Thousand Dollars (\$19,000). Defendants will not oppose Class
25 Counsel's request for an award of Attorneys' Fees and Costs up to the specified amounts, and the
26 Settlement Administrator will pay Class Counsel (from the Maximum Settlement Amount) the fees
27 and costs awarded by the Superior Court up to the specified amounts. In the event that the escalator
28 clause is triggered and the Maximum Settlement Amount is increased, Class Counsel may, in its

1 discretion, increase its Attorneys' Fees in order to remain one-third of the Maximum Settlement
2 Amount. Class Counsel and Plaintiff understand and agree that the Superior Court may in its
3 discretion award lesser amounts in Attorneys' Fees and Costs than requested by Class Counsel. If
4 Class Counsel receive Attorneys' Fees or Costs less than the specified amounts, any such reduction
5 shall not revert to Defendants but shall instead constitute part of the amount to be distributed as part
6 of the Net Settlement Amount to be distributed to Participating Class Members. The amounts so
7 awarded shall be for and in complete satisfaction of all attorneys' fees and costs incurred to date by
8 Plaintiff and/or Class Counsel on behalf of Plaintiff and the Settlement Class, and of all such future
9 fees and costs including, but not limited to, fees and costs incurred in documenting this Settlement,
10 securing Superior Court approval of this Settlement, monitoring this Settlement, reviewing and
11 participating in the settlement administration process, and obtaining the Final Class Judgment.

12 6.26. The Settlement Administrator will give Class Counsel an IRS Form 1099 for the
13 Attorneys' Fees and Costs awarded. Class Counsel understand and agree that they shall be solely
14 responsible for any and all taxes and/or penalties arising from payment of the costs and attorneys'
15 fees provided herein. Not later than the Effective Date, Class Counsel shall provide a fully and
16 properly executed IRS Form W-9 for purposes of the payments which the Settlement Administrator
17 will electronically wire to Class Counsel.

18 6.30. Defendants' Option to Terminate Settlement. If, after the Response Deadline and
19 before the Final Approval Hearing, ten (10) or more of the number of Settlement Class Members
20 submit timely and valid Requests for Exclusion from the Settlement, Defendants shall have, in its
21 sole discretion, the option to terminate this Settlement. Defendants shall exercise this option to
22 terminate, if they wish, prior to the Final Approval Hearing. If Defendants decide to void the
23 Settlement, then the Settlement and conditional class certification shall be considered void, and
24 neither the Settlement, conditional class certification, nor any of the related negotiations or
25 proceedings, shall be of any force or effect, and the Parties shall stand in the same position, without
26 prejudice, as if this Settlement had been neither entered into nor filed with the Court. Should
27 Defendants void the Settlement under this paragraph, it shall be solely responsible for all Settlement
28 Administration Costs.

1 6.31. Settlement Administration Costs. The Settlement Administrator shall be paid for the
2 costs of administration of the Settlement from the Maximum Settlement Amount. Such costs of
3 administration are not to exceed six thousand dollars and no cents (\$6,000.00), unless the court
4 approves a higher amount, which will be paid from the Maximum Settlement Amount (“Settlement
5 Administration Costs”). If the allocated Settlement Administration Costs exceed the actual costs
6 sought by the Settlement Administrator, the excess will remain part of the Net Settlement Amount.
7 The Parties have agreed to use Phoenix Settlement Administrators to administer the settlement. No
8 fewer than twenty (20) days prior to the Final Approval Hearing, the Settlement Administrator shall
9 provide the Parties with a statement detailing the costs of administration. The Settlement
10 Administrator, on Defendants’ behalf, shall have the authority and obligation to make payments,
11 credits and disbursements, including payments and credits in the manner set forth in this Settlement,
12 to Participating Class Members, calculated in accordance with the methodology set out in this
13 Settlement and orders of the Court. The Parties agree to cooperate in the administration of the
14 Settlement and to make all reasonable efforts to control and minimize the costs and expenses
15 incurred in administration of the Settlement. The Parties each represent they do not have any
16 financial interest in the Settlement Administrator or otherwise have a relationship with the
17 Settlement Administrator that could create a conflict of interest. The Settlement Administrator shall
18 do the following:

- 19 a) Send the Notice Packet to Settlement Class Members;
- 20 b) Prepare and issue the checks to Participating Class Members and PAGA Employees
21 for their Individual Settlement and PAGA Payments; Class Counsel for Class
22 Counsel Award and Costs and Costs; Plaintiff for his Enhancement Award; and the
23 California Labor Workforce Development Agency (“LWDA”);
- 24 c) Establish a Qualified Settlement Fund, pursuant to Treasury Regulations section
25 1.468B for purposes of distributing these amounts;
- 26 d) File all required tax returns for the Qualified Settlement Fund;
- 27
- 28

- 1 e) Calculate, and then remit to appropriate taxing and other governmental authorities,
2 all amounts to be deducted or paid on account of the Individual Settlement Payments,
3 including Employees Taxes as more specifically described and defined below;
4 f) Provide appropriate indemnities against mistakes or inaccuracies in such tasks and
5 against any misuse or breach of confidentiality for Settlement Class Members' social
6 security numbers, telephone numbers, addresses, or other private information;
7 g) Perform all other tasks necessary to administer the Settlement.

8 All disputes relating to the Settlement Administrator's performance of its duties shall be
9 referred to the Superior Court for a final and binding determination, not subject to further review
10 or appeal of any kind.

11 6.32. Entry of Final Judgment. If the Court approves this Settlement at the Final
12 Approval Hearing, the Parties shall request that the Court enter the Final Judgment, with the Court
13 retaining jurisdiction over the Parties to enforce the terms of the judgment.

14 6.33. Nullification of Settlement. In the event: (i) the Court does not enter the
15 Preliminary Approval Order as specified herein; (ii) the Court does not grant final approval of the
16 Settlement as provided herein; (iii) the Court does not enter a Final Judgment as provided herein;
17 or (iv) the Settlement does not become final for any other reason, this Settlement shall be null and
18 void and any order or judgment entered by the Court in furtherance of this Settlement shall be
19 treated as void from the beginning. In such a case, the Parties and any funds to be awarded under
20 this Settlement shall be returned to their respective statuses as of the date and time immediately
21 prior to the execution of this Settlement, and the Parties shall proceed in all respects as if this
22 Settlement had not been executed, except that any costs and fees already incurred by the
23 Settlement Administrator shall be paid by Defendants. In the event an appeal is filed from the
24 Court's Final Judgment, or any other appellate review is sought, administration of the Settlement
25 shall be stayed pending final resolution of the appeal or other appellate review, but any fees
26 incurred by the Settlement Administrator prior to it being notified of the filing of an appeal from
27 the Court's Final Judgment, or any other appellate review, shall be paid to the Settlement
28 Administrator by Defendants within thirty (30) days of said notification.

1 6.34. No Other Payments. Except for the payments and obligations provided above, all of
2 which shall be satisfied from the Maximum Settlement Amount, no Released Party shall have any
3 obligation to make any payment to any Plaintiff, to the Settlement Class, or to any other person or
4 entity because of the Action or this Joint Stipulation of Settlement. Except as set forth above, the
5 Parties shall bear all their own costs and attorneys' fees in connection with this Joint Stipulation of
6 Settlement and the Action.

7 6.35. Release. As of the Effective Date and full funding of the Maximum Settlement
8 Amount by Defendants to the Settlement Administrator, each Participating Class Member hereby
9 fully, finally, and forever releases and discharges each and every one of the Released Parties from
10 all claims, demands, rights, liabilities, and causes of action: (a) arising in whole or in part, during
11 the Class Period, for any of the following: failure to pay employees for all hours worked at the
12 minimum wage and/or applicable overtime rates of pay; failure to provide legally complaint meal
13 periods and/or pay meal period premium wages; failure to indemnify employees for employment-
14 related losses/expenditures; failure to timely pay earned wages during employment; failure to
15 provide accurate wage statements; failure to timely pay employee all earned and unpaid wages due
16 upon separation of employment; applicable civil penalties; or any alleged or actual failure to pay
17 any interest or penalties owed as a result of any of the foregoing; or (b) all claims that were alleged,
18 or reasonably could have been alleged, based on the Class Period facts stated in the Operative
19 Complaint (collectively, the "Released Class Claims"). These claims include but are not limited to,
20 all claims that arose during the class period under Labor Code sections 201, 202, 203, 204, 226,
21 226.3, 226.7, 510, 512, 1194, 1197, 1197.1, 1198, and 2802, as well as the IWC Wage Order, and
22 section 17200 et. seq of. the California Business and Professions Code, based on the foregoing.
23 Participating Class Members do not release claims for vested benefits, wrongful termination,
24 violation of the Fair Employment and Housing Act, unemployment insurance, disability, social
25 security, workers' compensation, or claims based on facts occurring outside the Class Period.

26 6.35.1. As of the Effective Date and full funding of the Maximum Settlement
27 Amount by Defendants to the Settlement Administrator, each PAGA Employee and the State of
28 California hereby fully, finally, and forever releases and discharges each and every one of the

Released Parties from all claims, demands, rights, liabilities, and causes of action: (a) arising in whole or in part, during the PAGA Period, for any of the following: any alleged or actual unfair business practices or any alleged or actual violations of the Private Attorneys General Act, Labor Code section 2699 *et seq.* (“PAGA”) which derive from the foregoing Released Class Claims; or (b) in any manner arising out of any of the other facts or legal theories alleged or asserted in the Action, as described in the operative complaint in this Action or the July 12, 2021, letter to the LWDA (collectively, the “Released PAGA Claims”) (together the Released Class Claims and Released PAGA Claims are the “Released Claims”). In the event that a Class Member requests exclusion from the Settlement, if the Class Member is also a PAGA Employee, the PAGA Employee will still release the Released PAGA Claims as described above.

6.35.2. The Released Claims include without limitation, but in each case only to the extent described in the preceding paragraph, claims: (a) arising under or out of any unfair competition laws as defined in California Business and Professions Code Section 17200 *et seq.*; and (b) for declaratory or injunctive relief or for monetary compensation, whether in the form of wages, damages, liquidated damages, penalties, restitution, costs, attorneys’ fees, interest, or otherwise.

6.35.3. In partial consideration for the Enhancement Payment and other benefits under this Joint Stipulation of Settlement, Plaintiff provides the following additional releases: as of the Effective Date, Plaintiff shall fully, finally, and forever release and discharge each and every one of the Released Parties from all claims, demands, rights, liabilities, and causes of action of every nature and description whatsoever, whether known or unknown, whether sounding in tort, in contract, in law, in equity or otherwise, and including but not limited to all claims for violation of any local, state, or federal statute, rule, or regulation, which plaintiff now has, owns, or holds, or claims to have, own, or hold, or which he ever had, owned or held, whether known or unknown, suspected or unsuspected, at any time prior to the date he executes this Joint Stipulation of Settlement (collectively “Plaintiff’s Released Claims”). Plaintiff’s Released Claims include, without limitation, any claims under Title VII of the Civil Rights Act of 1964, any claims for fraud, promises without the intent to perform, intentional or negligent misrepresentation, breach of contract, breach of the implied covenant of good faith and fair dealing, wrongful termination in

1 violation of public policy, retaliatory discharge, violations of the California Labor Code, violations
2 of the Fair Labor Standards Act, accounting, intentional or negligent infliction of emotional distress,
3 violations of California Business and Professions Code section 17200 *et seq.*, or violations of the
4 California Fair Employment and Housing Act.

5 6.35.4. With respect to Plaintiff's Released Claims, Plaintiff stipulates and
6 agrees that, upon the Effective Date, he shall be deemed to have expressly waived and relinquished
7 to the fullest extent permitted by law, the provisions, rights, and benefits of Section 1542 of the
8 California Civil Code or any other similar provision under federal, state, or local law. Section 1542
9 provides:

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

14 Plaintiff may hereafter discover facts in addition to or different from those which they now
15 know or believe to be true with respect to the subject matter of Plaintiff's Released Claims, but
16 Plaintiff, upon the Effective Date, shall be deemed to have fully, finally, and forever settled and
17 released any and all of Plaintiffs' Released Claims, known or unknown, suspected or unsuspected,
18 contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore
19 have existed, upon any theory of law or equity now existing or coming into existence in the future,
20 including, without limitation, conduct which is negligent, intentional, with or without malice, or a
21 breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such
22 different or additional facts.

23 6.35.5. Plaintiff represents, covenants, and warrants that he is the owner of
24 all of Plaintiff's Released Claims, and that he has not directly or indirectly assigned, transferred, or
25 encumbered, or purported to assign, transfer or encumber to any person or entity, whether by
26 operation of law or otherwise, any portion of Plaintiff's Released Claims.

27 6.35.6. Plaintiff shall not be permitted to seek any further payment or any
28 personal relief of any kind, including any payment for damages, wages, fees, costs, penalties, or

1 interest, other than the consideration he is receiving under this Joint Stipulation of Settlement, on
2 account of Plaintiff's Released Claims. Exempted from this release shall be the amount Plaintiff is
3 paid as the Enhancement Payment and as an Individual Settlement Payment and Individual PAGA
4 Payment, and any claims that are currently subject to any workers' compensation claim; except,
5 however, these releases shall include and extend to claims under California Labor Code Section
6 132a. This release shall become null and void in the event that Defendants fail to electronically wire
7 the Maximum Settlement Amount and an amount sufficient to pay the employer's share of taxes on
8 the wage portion of the Individual Settlement Payments to the Settlement Administrator.

9 6.36. Covenant Not to Sue or Seek Recovery. Plaintiff hereby warrants and represents that
10 he has not filed any complaint, lawsuit, grievance, demand for arbitration, charge, and/or other claim
11 against any of the Released Parties, with any court, governmental or administrative agency or entity
12 asserting any claim or claims based on any of Plaintiff's Released Claims, other than the Action and
13 the letters to the LWDA concerning the allegations in the Action.

14 6.37. Headings. The descriptive headings of any paragraphs or sections of this Joint
15 Stipulation of Settlement are inserted for convenience of reference only and do not constitute a part
16 of this Joint Stipulation of Settlement.

17 6.38. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings
18 in the Action, except such proceedings necessary to implement and complete this Settlement,
19 pending final approval of this Joint Stipulation of Settlement. In the event an appeal is filed from
20 the Final Class Judgment, or any other appellate review is sought prior to the Effective Date,
21 administration of this Joint Stipulation of Settlement shall be stayed pending final resolution of the
22 appeal or other appellate review.

23 6.39. Amendment or Modification. No waiver of any term or provision of this Joint
24 Stipulation of Settlement shall be binding unless in writing and signed by the Party waiving the
25 breach. This Joint Stipulation of Settlement may be amended or modified only by a written
26 instrument signed by counsel for all Parties or their successors-in-interest.

27 6.40. Entire Settlement. This Joint Stipulation of Settlement constitutes the entire
28 agreement among the Parties with respect to the subject matter hereof, and fully supersede all prior

1 agreements and understandings between the Parties with respect thereto. No oral representations,
2 warranties, or inducements have been made to any Party concerning this Joint Stipulation of
3 Settlement other than the representations, warranties, and covenants contained and memorialized in
4 such documents.

5 6.41. Binding on Successors and Assigns. In addition to the Parties, this Joint Stipulation
6 of Settlement shall be binding upon, and shall inure to the benefit of, the Parties' respective heirs,
7 representatives, executors, administrators, successors, and assigns.

8 6.42. California Law Governs. This Joint Stipulation of Settlement is made and entered
9 into in the State of California and shall in all respects be interpreted, enforced, and governed under
10 the laws of said state as applied to transactions or events with contacts exclusively within California,
11 and without applying California's conflict of laws rules. The Parties agree that this Joint Stipulation
12 may be enforced under Civil Code section 664.6 and that any action arising out of or to enforce this
13 Joint Stipulation of Settlement shall be brought exclusively within Los Angeles County, California.

14 6.43. Authorization to Enter into Settlement. Counsel for all Parties warrant and represent
15 that they are expressly authorized by the Parties whom they represent to enter into this Joint
16 Stipulation of Settlement, to take all appropriate action required or permitted to be taken by such
17 Parties pursuant to this Joint Stipulation of Settlement to effectuate its terms, and to execute any
18 other documents required to effectuate the terms of this Joint Stipulation of Settlement. The Parties
19 and their counsel will cooperate with each other and use their best efforts to effect the
20 implementation of this Joint Stipulation of Settlement.

21 6.44. Mutual Preparation. The Parties have cooperated in the drafting and preparation of
22 this Joint Stipulation of Settlement. This Joint Stipulation of Settlement shall not be construed
23 against any Party on the basis that such Party was the drafter.

24 6.45 Publicity. Plaintiff and his counsel will not publicize or promote the fact, terms, or
25 amount of this Joint Stipulation of Settlement or the claims being settled through press release, press
26 conference, or postings on social media or websites until after final approval is granted. If asked for
27 comment by the media or third parties, Plaintiff shall respond only with "no comment" or statements
28 agreed to by Defendants. Class Counsel may refer to the settlement in adequacy of counsel

1 declarations, and following Preliminary Approval, may state on their websites that they settled a
2 wage and hour class action in the Superior Court and generally describe the claims at issue, provided
3 that they describe Defendants only as a “Defendants Employer.” Further, the Parties understand and
4 agree that Class Counsel may disclose this Joint Stipulation of Settlement if ordered to do so by the
5 Court, *e.g.*, post any settlement documents/orders on their respective websites and/or provide
6 information to Settlement Class Members about this Joint Stipulation of Settlement. This Joint
7 Stipulation of Settlement may also be used for purposes of resolving related or overlapping lawsuits
8 or claims by showing the scope of releases and the res judicata bar.

9 6.46. Non-Disparagement. To the fullest extent permitted by law, Plaintiff agrees to not
10 disparage or publish or disseminate information, whether oral or written, that is derogatory in any
11 manner or which may be harmful to any Released Party or their business or personal reputation,
12 whether such information was acquired before, during or after Plaintiff’s employment with
13 Defendants.

14 6.47. Counterparts. This Joint Stipulation of Settlement may be executed in counterparts,
15 and when each Party has signed and delivered at least one such counterpart, each counterpart shall
16 be deemed an original, and, when taken together with other signed counterparts, shall constitute one
17 Joint Stipulation of Settlement, which shall be binding upon and effective as to all Parties. This Joint
18 Stipulation of Settlement may be signed through electronically exchanged documents (such as
19 PDFs) which shall be treated as original paper copy signatures.

20 6.48. This Settlement is Fair, Adequate and Reasonable. The Parties believe that this is a
21 fair, reasonable, and adequate Settlement and have arrived at this Settlement through arms-length
22 negotiations, taking into account all relevant factors, present and potential.

23 6.49. Invalidity of Any Provision. Before declaring any provision of this Settlement
24 invalid, the Court shall first attempt to construe the provision to be valid to the fullest extent
25 possible, consistent with applicable precedents.

26 6.50. No Prior Assignments. The Parties and their counsel represent, covenant, and
27 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to
28 assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand,

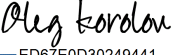
1 action, cause of action or right herein released and discharged.

2 6.51. Use and Return of Class Information. Information provided to Class Counsel
 3 pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Information
 4 provided to Class Counsel by Defendant in connection with the mediation, other settlement
 5 negotiations, or in connection with the Settlement, may be used only with respect to this
 6 Settlement, and no other purpose, and may not be used in any way that violates any existing
 7 contractual agreement, statute, or rule of court. Not later than 90 days after the date when the
 8 Court discharges the Administrator's obligation to provide a Declaration confirming the final pay
 9 out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class
 10 Information received from Defendant unless, prior to the Court's discharge of the Settlement
 11 Administrator's obligation, Defendant makes a written request to Class Counsel for the return,
 12 rather than the destructions, of Class Information.

13 6.52 In any proceeding to enforce or construe this Joint Stipulation of Settlement, the
 14 prevailing Party shall be entitled to recover its costs and attorney's fees.

15
 16 PLAINTIFF OLEG KOROLOV

17 Dated: January 12, 2023, 2023

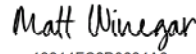
DocuSigned by:

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18 Name:

19
 20
 21 DEFENDANT AMERICAN YOUTH SOCCER
 22 ORGANIZATION

23
 24 Dated: January 12, 2023, 2023 10:18 AM PST

By:

DocuSigned by:

 13314FC2BD634A8...

25 Matt Winegar

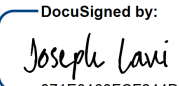
26 Title: Executive Director

DEFENDANT AYSO SERVICES CORPORATION

Dated: January 12, 2023 | 10:18 AM PST By: 
Matt Winegar
Title: Executive Director

APPROVED AS TO FORM:

LAVI & EBRAHIMIAN, LLP

Dated: January 13, 2023, 2023 By: 
Joseph Lavi
Counsel for Plaintiff, on behalf of himself and all others similarly situated

GORDON REES SCULLLY MANSUKHANI, LLP

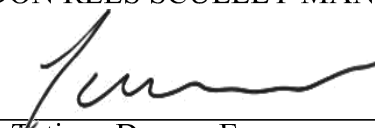
Dated: January 12, 2023 By: 
Tatiana Dupuy, Esq.
Counsel for Defendants AYSO Services Corp. and AYSO Services Corporation

Exhibit A

NOTICE OF SETTLEMENT OF CLASS ACTION

(Oleg Korolov v. American Youth Soccer Organization, Inc., et al., Superior Court of the State of California, County of Los Angeles, Case No. 21STCV25615)

YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE READ THIS NOTICE CAREFULLY.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Individual Settlement Payments is: \$<<__>>. See the explanation in Section 5 below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. In exchange for the settlement payment, you will release claims against the Defendants as detailed in Section 4 below. If your address has changed, you must notify the Settlement Administrator as explained in Section 6 below.
Exclude Yourself from the Class Settlement but not the PAGA Settlement	To exclude yourself, you must send a written Request for Exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement and you will not be bound by the Settlement. You cannot opt out of the PAGA portion of the proposed Settlement. You will still receive an Individual PAGA Payment and release the Released PAGA Claims if you are an PAGA Employee (described below). Instructions are set forth in Section 7 below.
Object to the Class Settlement but You cannot Object to the PAGA Settlement	If you do not exclude yourself from the settlement, you may write to the Court about why you do not agree with the settlement or appear at the Final Approval Hearing to make an oral objection. Directions are provided in Section 8 below.
You Can Participate in the Final Approval Hearing	The Court's final Approval Hearing is scheduled to take place on [DATE]. You don't have to attend, but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone, or by using the Court's virtual appearance platform. Participating Class Members may verbally object to the Settlement at the Final Approval Hearing.
You Can Challenge the Calculation of your Work Weeks	The Amount of your Individual Settlement Payment and Individual PAGA Payment (if any) depend on how many Work Weeks you worked during the Class Period and how many pay periods you worked during the PAGA Period, respectively. If you disagree with the information in section 5 below, you must challenge it by [Response Deadline].

Your options are further explained in this Class Notice. To exclude yourself from, or object to, the Class Settlement you must take action by certain deadlines. If you want the Settlement as proposed, you don't need to do anything to obtain your share of the Settlement.

AMERICAN YOUTH SOCCER ORGANIZATION, INC. and AYSO SERVICES CORPORATION will not retaliate against you for any actions you take with respect to the proposed Settlement.

1. Why did I get this Notice?

A proposed class action settlement (the "Settlement") of the above-captioned action pending in the Superior Court of the State of California, in and for the County of Los Angeles (the "Court") has been reached between Plaintiff Oleg Korolov ("Plaintiff") and Defendants AMERICAN YOUTH SOCCER ORGANIZATION, INC. and AYSO SERVICES CORPORATION ("Defendants") and has been granted preliminary approval by the Court. You may be entitled to receive money from this Settlement.

You have received this Notice because you have been identified as a member of the Settlement Class, which is defined as:

any and all current and former hourly non-exempt employees of Defendant AYSO Services Inc. in California during Class Period.

The Class Period is the period of time from July 13, 2017 through June 6, 2021.

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On July 13, 2021, Plaintiff filed a class action complaint against Defendants for alleged violations of the California Labor Code in Los Angeles County Superior Court, Case No. 21STCV25615 ("Action").

On December 1, 2021, Plaintiff filed a First Amended Complaint in the Action which added the claims of the PAGA Action. The First Amended Complaint alleges that Defendants failed to pay employees for all hours worked at the minimum wage and/or applicable overtime rates of pay; failed to authorize or permit meal periods or pay meal period premium wages; failed to indemnify or reimburse employees for losses and expenditures incurred as part of their employment; failed to timely pay all earned wages; statutory penalties for failure to provide accurate wage statements; waiting time penalties in the form of continuation wages for failure to timely pay employee all earned and unpaid wages due upon separation of employment; applicable civil penalties; and civil penalties pursuant to the Private Attorneys General Act of 2004 (PAGA).

Thereafter, the Parties of the Action and PAGA Action attended a full-day private mediation on March 22, 2022, with Steve Rottman, Esq. where the Parties reached the Settlement described herein.

Defendants deny and dispute all of the claims asserted against them. Specifically, Defendants contend that the Settlement Class Members were properly and timely paid all wages owed,

including, but not limited to, all straight time and overtime, were properly reimbursed, and were provided meal and rest periods as required under California law. Defendants further contend that they are not liable for any of the penalties claimed or that could be claimed in the Action; and that the Action cannot be maintained as a class action.

The Court granted preliminary approval of the Settlement on [PRELIMINARY APPROVAL DATE]. At that time, the Court also preliminarily approved Plaintiff to serve as the Class Representative, and for Joseph Lavi, Vincent Granberry, and Pooja Patel of Lavi & Ebrahimian, LLP to serve as Class Counsel.

3. What are the terms of the Settlement?

Maximum Settlement Amount. Defendants have agreed to pay Two Hundred Sixty Thousand Dollars (\$260,000) (the “Maximum Settlement Amount”) with no reversion to Defendants. The Maximum Settlement Amount includes all payments of Individual Settlement Payments to Settlement Class Members contemplated by the Settlement, Individual PAGA Payments to PAGA Employees, the Settlement Administration Costs, attorneys’ fees and costs to Class Counsel, and Enhancement Award to Class Representative, and payment to the Labor and Workforce Development Agency (“LWDA”) for its share of the PAGA Allocation. Any employer-side payroll taxes on the portion of the Individual Settlement Payments allocated to wages shall be separately paid by Defendants.

If there are no objections, Individual Settlement Payments will be distributed approximately 30 calendar days after the Final Approval Hearing. If there are objections, Individual Settlement Payments will not be distributed for at least 90 days following the Final Approval Hearing, but potentially longer. If your address changes, you are responsible for updating it with the Settlement Administrator at the phone number below.

Amounts to be Paid From the Maximum Settlement Amount. The Settlement provides for certain payments to be made from the Maximum Settlement Amount as follows, which will be subject to final Court approval, and which will be deducted from the Maximum Settlement Amount before Individual Settlement Payments are paid to Settlement Class Members who do not request exclusion (“Participating Class Members”):

- Settlement Administration Costs. Payment to the Settlement Administrator, not to exceed \$6,000, for expenses, including without limitation expenses of notifying the Settlement Class Members of the Settlement, processing opt outs, and distributing Individual Settlement Payments and Individual PAGA Payments and tax forms, and handling inquiries and uncashed checks.
- Class Counsel Fees and Class Counsel Costs to Class Counsel. Payment to Class Counsel of reasonable attorneys’ fees not to exceed one-third (1/3) of the Maximum Settlement Amount, which is presently \$86,666 and an additional amount to reimburse actual litigation costs incurred by the Plaintiff not to exceed \$19,000. Class Counsel have been prosecuting the Action on behalf of Plaintiff and the Settlement Class on a contingency fee basis (that is, without being paid any money) and has been paying all litigation costs and expenses.
- Enhancement Award. Plaintiff is requesting a Class Representative Enhancement Award in an amount not to exceed Nine Thousand Nine Hundred Dollars (\$9,900.00), or such

lesser amount as may be approved by the Court, to compensate him for services on behalf of the Settlement Class in initiating and prosecuting the Action, and for the risks he undertook.

- PAGA Allocation. A PAGA Allocation (or “PAGA Settlement Amount”) of \$26,000 out of the Maximum Settlement Amount, which shall be allocated 75% (\$19,500) to the LWDA as the LWDA’s share of the settlement of civil penalties paid under this Agreement pursuant to the PAGA and 25% (\$6,500) (“PAGA Employees Portion”) will be distributed to the PAGA Employees on a pro rata basis based on their pay periods during the PAGA Period.

Calculation of Payments to Participating Class Members. After all of the payments of the court-approved Enhancement Payments, the Class Counsel Fees, Class Counsel Costs, the PAGA Allocation, and the Settlement Administration Costs are deducted from the Maximum Settlement Amount, the remaining portion, called the “Net Settlement Amount”, shall be distributed as Individual Settlement Payments to the Participating Class Members. The Net Settlement Amount is estimated to be approximately \$_____, based upon the above proposed deductions. The Settlement Administrator will pay an Individual Settlement Payment from the Net Settlement Amount to each Participating Class Member based on the number of work weeks each Participating Class Member during the Class Period (“Compensable Work Weeks”). The Settlement Administrator will calculate a Payment Ratio from the Net Settlement Amount for each Settlement Class Member by dividing the respective Compensable Work Weeks by the total Compensable Work Weeks for all Settlement Class Members. Each Settlement Class Member’s Payment Ratio will then be multiplied by the Net Settlement Amount to determine each Individual Settlement Payment.

Calculation of Payments to PAGA Employees. The PAGA Employees Portion will be distributed to Settlement Class Members who were employed during the PAGA Period (i.e., PAGA Employees). The PAGA Period is from July 13, 2020 through June 6, 2021. The Settlement Administrator will determine how to allocate the PAGA Allocation based on Pay Periods for PAGA Employees. Defendants will calculate the Pay Periods for PAGA Employees who are eligible for a portion of the PAGA Allocation.

If the Settlement is approved by the Court and you do not exclude yourself, you will automatically be mailed a check for your Individual Settlement Payment to the same address as this Class Notice. You do not have to do anything to receive a payment. If you are a PAGA Employee you will receive an Individual PAGA Payment regardless of if you request exclusion from the Settlement. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to ensure you receive your payment.

Tax Matters. The Parties agree that the Individual Settlement Payments shall constitute 20% wages (“wage portion”), 40% penalties, and 40% interest (“non-wage portion”). Each Individual PAGA Payment shall be treated as 100% penalties. Neither Class Counsel nor Defendants’ Counsel intend anything contained in this Class Notice to constitute advice regarding taxes or taxability. The tax issues for each individual are unique to him/her, and each individual may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

Need to Promptly Cash Payment Checks. The front of every check issued will show the date when the check expires: 180 calendar days after the date of issuance. If you don't cash the check within 180 days, your check will be automatically cancelled, and the funds will be remitted to The Salvation Army Ray & Joan Kroc Corps Community Centers.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering the Judgment.

4. What Do I Release Under the Settlement?

Released Class Claims. As of the Effective Date and full funding of the Maximum Settlement Amount by Defendants to the Settlement Administrator, each Participating Class Member hereby fully, finally, and forever releases and discharges each and every one of the Released Parties from all claims, demands, rights, liabilities, and causes of action: (a) arising in whole or in part, during the Class Period, for any of the following: failure to pay employees for all hours worked at the minimum wage and/or applicable overtime rates of pay; failure to provide legally complaint meal periods and/or pay meal period premium wages; failure to indemnify employees for employment-related losses/expenditures; failure to timely pay earned wages during employment; failure to provide accurate wage statements; failure to timely pay employee all earned and unpaid wages due upon separation of employment; applicable civil penalties; or any alleged or actual failure to pay any interest or penalties owed as a result of any of the foregoing; or (b) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint (collectively, the "Released Class Claims"). These claims include but are not limited to, all claims that arose during the class period under Labor Code sections 201, 202, 203, 204, 226, 226.3, 226.7, 510, 512, 1194, 1197, 1197.1, 1198, and 2802, as well as the IWC Wage Order, and section 17200 et. seq of. the California Business and Professions Code, based on the foregoing. Participating Class Members do not release claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

As of the Effective Date and full funding of the Maximum Settlement Amount by Defendants to the Settlement Administrator, each PAGA Employee and the State of California hereby fully, finally, and forever releases and discharges each and every one of the Released Parties from all claims, demands, rights, liabilities, and causes of action: (a) arising in whole or in part, during the PAGA Period, for any of the following: any alleged or actual unfair business practices or any alleged or actual violations of the Private Attorneys General Act, Labor Code section 2699 *et seq.* ("PAGA") which derive from the foregoing Released Class Claims; or (b) in any manner arising out of any of the other facts or legal theories alleged or asserted in the Action, as described in the operative complaint in this Action or the July 12, 2021, letter to the LWDA (collectively, the "Released PAGA Claims") (together the Released Class Claims and Released PAGA Claims are the "Released Claims"). The release does not include claims that as a matter of law cannot be released and does not include claims for retaliation, discrimination, wrongful termination, and individual claims for recovery of workers' compensation benefits.

Released Parties. (a) Defendants AMERICAN YOUTH SOCCER ORGANIZATION, INC. and AYSO SERVICES CORPORATION, and each and all past or present partners, parents, subsidiaries, or affiliates (regardless whether such partners, parents, subsidiaries, or affiliates are individuals, corporations, partnerships, limited partnerships, limited liability companies, or other forms of entity) of Defendants; (b) each and all of the predecessor or successor entities of any of

those entities identified in subparagraph (a); (c) any other individuals or entities of any kind, including but not limited to any payroll companies, which have been or could be alleged to be in any manner responsible (whether on an alter ego, joint employer, integrated enterprise, or any other theory) for any violations described in the releases below and occurring as a result of employment; and (d) all past and present directors, officers, representatives, insurers, agents, shareholders, partners, members, lawyers, and employees of any of the individuals or entities identified in subparagraphs (a), (b), or (c).

This means that, if you do not timely exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants and any other Released Party about the Released Claims resolved by this Settlement. It also means that all of the Court's orders in the Action will apply to you and legally bind you.

5. How much will my payment be and can I challenge my workweeks?

Defendants' records reflect that you worked <<____>> Compensable Work Weeks for Defendants during the Class Period.

Based on this information, your estimated Individual Settlement Payment is <<____>>.

Defendants' records reflect that you [are/are not] a PAGA Employee. Defendants' records reflect that you have worked <<____>> Pay Periods during the PAGA Period.

Based on this information your estimated Individual PAGA Payment is <<____>>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute which includes your name, address, last four digits of Social Security number, and number of work weeks you contend are correct as well as any evidence, to the Settlement Administrator at the address provided in this Notice no later than [Response Deadline]. You may submit your challenge via fax or mail to the Settlement Administrator at the contact information in section 7 below.

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your Individual Settlement Payment and if applicable Individual PAGA Payment will be mailed automatically to the same address as this Class Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: **Phoenix Settlement Administrators (800) _____**.

The Court will hold a Final Approval Hearing on _____, at _____ to decide whether to approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed approximately one year after this hearing. If there are objections or appeals, resolving them can take time, usually more than a year. Please be patient.

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will not receive an Individual Settlement Payment from the Settlement, and you will not be bound by the Settlement which means you will retain the**

right to sue Defendants for Released Class Claims. However, Aggrieved Employees who opt out will still be paid their allocation of the PAGA Payment and will remain subject to the release of the Released PAGA Claims regardless whether they submit a request for exclusion.

To opt out, you must mail, fax, or email to the Settlement Administrator, a written, signed and dated request to opt-out no later than [Response Deadline]. The request to opt-out must be received by the Settlement Administrator and must: (1) must contain the name, address, and the last four (4) digits of the Social Security number of the Settlement Class Member requesting exclusion, (2) must state in clear terms that they do not want to be included or wish to be excluded from the Settlement, (3) must be signed by the Settlement Class Member and (4) be submitted by fax or mail by the [Response Deadline] and returned to the Settlement Administrator at the specified address or fax telephone number stated in the Class Notice.

The address for the Settlement Administrator is _____. Written requests for exclusion that are postmarked or fax-stamped after [Response Deadline], or are incomplete or unsigned will be rejected, and those Settlement Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I don't agree with the Settlement?

Any Settlement Class Member who has not opted out (i.e., Participating Class Member) and believes that the Settlement should not be finally approved by the Court for any reason may object to the proposed Settlement, the attorneys' fees, the costs and/or the enhancement payments, either in writing or in person. Objections that are in writing should: (1) the full name of the Settlement Class Member; (2) the dates of employment of the Settlement Class Member; (3) the last four (4) digits of the Settlement Class Member's Social Security number and/or the Employee ID number; and (4) the basis for the objection. The Notice of Objection must be submitted by fax or mail by the [Response Deadline] and returned to the Settlement Administrator at the specified address or fax telephone number stated in the Class Notice.

Alternatively, a Participating Class Member may also appear at the Final Approval hearing (detailed below), either in person or through his or her own attorney, if he or she wishes to object to the Settlement.

All written objections must be received by the Settlement Administrator no later than [Response Deadline].

To object to the Settlement, you must not opt out, and if the Court approves the Settlement despite your objection, you will be bound by the terms of the Settlement in the same way as Participating Class Members who do not object and you will still be mailed a check for your Individual Settlement Payment and Individual PAGA Payment.

The addresses for Parties' counsel are as follows:

Class Counsel:

Joseph Lavi, Esq. (SBN 209776)
Vincent Granberry, Esq. (SBN 276483)
Pooja Patel (SBN 317891)
LAVI & EBRAHIMIAN, LLP
8889 W. Olympic Blvd., Suite 200
Beverly Hills, California 90211
Telephone: (310) 432-0000
Facsimile: (310) 432-0001

Counsel for Defendants:

Mark Posard (SBN 208790)
Tatiana Dupuy (SBN 246705)
GORDON REES SCULLY MANSUKHANI LLP
101 W. Broadway, Suite 2000
San Diego, California 92101
Telephone: (619) 696-6700
Facsimile: (619) 696-7124

9. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at _____ on _____, at the Los Angeles County Superior Court, Spring Street Courthouse, located at 312 N. Spring Street, Los Angeles, California 90012, in Department SSC11 before Judge David S. Cunningham. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Settlement Class Member is welcome to attend the hearing remotely using the LA CourtConnect procedure at <https://www.lacourt.org/lacc/>. If the hearing is continued, notice will be posted on the Settlement Administrator's website at _____. In addition, hearing dates are posted on the Internet via the Case Access page for the California Superior Court for the County of Los Angeles (<http://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil>) and entering the Case No. 20STCV04732. If you do intend to appear in person for the Final Approval Hearing, you are encouraged to review the Court's current social distancing procedures at <https://www.lacourt.org/>. Currently, the Court does not require face masks to be worn in the courthouse and strongly encourages those making appearances to do so remotely.

10. How do I get more information about the Settlement?

You may call the Settlement Administrator at _____.

This Notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Judgment or other Settlement documents by going to the Settlement Administrator's website at _____. You may also get more details by examining the Court's file on the Internet via the Case Access page for the California Superior Court for the County of Los Angeles and entering the Case No. 21STCV25615. If you wish to view the Court files in person, you must make an appointment with the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT: You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.