

FIRST AMENDED CLASS ACTION SETTLEMENT AGREEMENT

This First Amended Class Action Settlement Agreement (“Agreement”) is made by and between plaintiffs Tamara Jones (“Plaintiff Jones”) and Bruntina Marcelus (“Plaintiff Marcelus”) (collectively “Plaintiffs”) and Defendants Westways Staffing Services, Inc. and Harold Sterling (collectively “Defendants”). Plaintiffs and Defendants collectively are referred to in this Agreement as the “Parties.” This agreement replaces the Class Action Settlement Agreement.

I. DEFINITIONS

In addition to other terms defined in this Agreement, the terms below have the following meaning in this Agreement:

- A. “Action” means all causes of action, claims, and allegations in the operative complaint filed in *Jones v. Westways Staffing Services, Inc., et al.* (Los Angeles Superior Court Case No. 19STCV43097). The “Action” includes all claims and allegations in Plaintiff Marcelus’ July 12, 2021 letter to the Labor and Workforce Development Agency (“LWDA”), which as set forth below, will be added to the Action.
- B. “Class” is defined as all non-exempt employees working for Defendant Westways Staffing Services, Inc. who were assigned to work at any healthcare facility inside California during the Class Period. There are approximately 4,221 Class Members who have worked approximately 416,197 workdays during the Class Period.
- C. “Class Member” is a member of the Class.
- D. “Class Period” means the period of time from December 3, 2015 through September 4, 2021.
- E. “Class Counsel” means Shakouri Law Firm.
- F. “Attorneys’ Fees” means the amount requested by Class Counsel from the Court to compensate them as attorneys’ fees in connection with prosecuting the Action, including their pre-filing investigation, their filing of the Action, all related litigation activities, all related Settlement activities, and all post-Settlement compliance procedures.
- G. “Attorneys’ Expenses” means the amount requested by Class Counsel from the Court to pay Class Counsel for all litigation expenses incurred in connection with the Action.
- H. “Class Data” means, for each Class Member: his or her name; last known mailing address; dates of employment worked during the Class Period; and Social Security Number.

- I. “Class Notice” means the Notice of Proposed Settlement of Class Action and Hearing Date for Final Court Approval substantively in the form attached as Exhibit A to this Agreement and incorporated by reference into this Agreement.
- J. “Class Notice Packet” means the Class Notice to be provided to the Class Members by the Settlement Administrator which contains the individualized information for each Class Member.
- K. “Service Awards” means each of the service payments made to the Plaintiffs in their individual capacity as a Class Representative in order to compensate each of them for initiating the Action, performing work in support of the Action, undertaking the risk of liability for Defendants’ fees, costs and expenses in the event they were unsuccessful in the prosecution of the Actions, and for the general release of all their claims.
- L. “Court” means the Los Angeles Superior Court.
- M. “Defendants’ Counsel” means Tiffany Brosnan and Erin D. Leach of Snell & Wilmer L.L.P. and Thomas L. Schulman, Attorney at Law.
- N. “Effective Date” means the date when all of the following events have occurred: (1) the Settlement has been executed by all Parties and Class Counsel; (2) the Court has given preliminary approval of the Settlement; (3) the Class Notice has been given to Class Members, providing them with an opportunity to object to or opt-out of the terms of this Settlement (to the extent permitted by this Settlement Agreement); (4) the Court has held a Final Approval Hearing and entered a Final Approval Order and Judgment approving the Settlement; (5) in the event there are no valid objections submitted, the day the Court enters a Final Approval Order and Judgment certifying the Settlement Class and approving the Settlement; and (6) in the event there are valid objections submitted, sixty-five (65) calendar days have passed since the Court has entered a Final Approval Order and Judgment approving the Settlement or, if any appeal, writ, or other appellate proceeding opposing the Court’s Final Approval Order and Judgment approving the Settlement has been filed, five (5) business days after any appeal, writ, or other appellate proceedings opposing the Settlement has been finally and conclusively dismissed with no right to pursue further remedies or relief.
- O. “Election Not to Participate in Settlement” means the written request by a Class Member to exclude himself or herself from the Settlement submitted in accordance with the instructions in the Class Notice.
- P. “Final Approval Order and Judgment” means the date on which the Court enters a final order approving the Settlement and authorizes the entry of a final judgment.

- Q. “Final Approval Hearing” means the final fairness hearing to be conducted by the Court to determine whether to enter an order granting final approval of this Settlement and implement the terms of this Agreement.
- R. “Gross Settlement Amount” means Three Million Seven Hundred Forty Thousand One Hundred Sixteen Dollars (\$3,740,116.00) to be paid by Defendants as provided by this Agreement. This amount is the maximum settlement amount to be paid by or on behalf of Defendants and is all-inclusive of all payments contemplated in this Agreement for final resolution of the Action including all payments to Class Members, any attorneys’ fees, costs and expenses related to the Action (which include all such fees and costs incurred to date, as well as all such fees and costs incurred in documenting the Settlement, securing court approval of the settlement, and administering the Settlement), the service awards to the Plaintiffs, the payment to the LWDA, and all costs of settlement administration. The employer’s share of payroll taxes shall not be paid from the Gross Settlement Amount and shall remain the sole responsibility of the Defendants. The Gross Settlement Amount is all-in with no reversion to Defendants and shall be paid without the need to submit a claim form.
- S. “Judgment” means the Judgment entered by the Court following the Court’s order granting Final Approval of this Settlement in a form consistent with the form attached hereto as Exhibit C.
- T. “Plaintiffs” or “Class Representatives” means Tamara Jones and Bruntina Marcelus.
- U. “PAGA Payment” means the amount the Parties have agreed to allocate to civil penalties in the amount of Seventy-Five Thousand Dollars (\$75,000.00) in order to settle claims arising under the Private Attorneys General Act of 2004 (Labor Code sections 2698, et seq.). “LWDA Payment” means the amount paid to the LWDA as its portion (75%) of the total PAGA penalties allocated to it in this Agreement and approved by the Court. “Net PAGA Amount” means the amount paid to PAGA Members as their portion (25%) of the total PAGA penalties allocated to them in this Agreement and approved by the Court.
- V. “Net Settlement Amount” means the Gross Settlement Amount less the Court-approved amounts for attorneys’ fees, attorneys’ expenses, the service awards, the PAGA Payment, and the settlement administration expenses. All disbursements will be made by the Settlement Administrator.
- W. “Non-Participating Class Member” means a Class Member who excludes himself or herself from the Class by submitting a valid and timely Election Not to Participate in Settlement.

- X. “Participating Class Member” means a Class Member who does not submit a valid and timely Election Not to Participate in Settlement.
- Y. “Preliminary Approval of the Settlement” means the date on which the Court enters an order granting preliminary approval of this Settlement.
- Z. “Released Parties” means Defendants and Defendant Westways Staffing Services, Inc.’s former, present and future owners, parents, subsidiaries, and all of its current, former and future officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, agents, clients, successors, assigns, accountants, insurers, or legal representatives. Any of the Released Parties individually shall be referred to as a “Released Party.”
- AA. “Settlement” or “Settlement Agreement” means the settlement and disposition of the Action as embodied and effectuated by this Agreement.
- BB. “Settlement Administrator” means the third-party administrator proposed by the Parties and appointed by the Court to administer the Settlement. The parties have selected Phoenix Class Action Settlement Administration Solutions as the Settlement Administrator.
- CC. “Settlement Share” means each Participating Class Member’s share of the Net Settlement Amount as provided by this Agreement.
- DD. “PAGA Members” means all non-exempt employees working for Defendant Westways Staffing Services, Inc. who were assigned to work at any healthcare facility inside California during the PAGA Period. The PAGA Members are a subset of the Class Members.
- EE. “PAGA Period” means the period of time from July 12, 2020 through September 4, 2021.

II. RECITALS

- A. On December 3, 2019, Plaintiff Jones filed a class action Complaint in the Action against Defendants in the Superior Court of the State of California, County of Los Angeles. On August 14, 2020, Plaintiff Jones amended the Complaint to remove two causes of action.
- B. On September 14, 2020, Defendants filed an Answer to the First Amended Complaint in the Action.
- C. On July 12, 2021, Plaintiff Marcelus submitted a letter to the LWDA, alleging PAGA claims consistent with the allegations in the First-Amended Complaint in the Action.

- D. Plaintiffs, on behalf of themselves and others similarly situated, asserted claims against Defendants in the Action for:
1. Failure to reimburse for business expenses;
 2. Unauthorized deductions from wages;
 3. Failure to pay for all hours worked;
 4. Failure to pay overtime;
 5. Failure to pay minimum wage;
 6. Failure to authorize and/or permit meal breaks;
 7. Failure to authorize and/or permit rest breaks;
 8. Waiting time penalties;
 9. Unfair business practices; and
 10. PAGA violations.
- E. On July 6, 2021, the Parties participated in an all-day mediation presided over by Hon. Carl J. West (Ret.), a mediator with extensive experience involving employment class actions. With the aid of the mediator, the Parties agreed to settle the Action and all other matters covered by this Agreement pursuant to the terms and conditions of the Parties' Memorandum of Understanding (the "Parties' MOU"). This Agreement replaces and supersedes the Parties' MOU and any other agreements, understandings, or representations, whether oral or written, between the Parties.
- F. The Parties agree to enter into a stipulation permitting Plaintiff Jones to amend her First Amended Complaint (the "FAC") to add Plaintiff Marcelus as a PAGA representative, who will allege PAGA claims consistent with the allegations in her FAC.
- G. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendants or any Released Party that the claims in the Action have merit or that Defendants bear any liability to Plaintiffs or the Class on those claims or any other claims, or as an admission by Plaintiffs that Defendants' defenses in the Action have merit. Defendants deny each of the allegations and claims asserted in the

Action. Defendants enter into this Agreement for the sole purpose of avoiding the operational burden, expense and uncertainty of continuing litigation.

- H. The Parties stipulate to the conditional certification of the Class for purposes of this Settlement only. This Agreement is contingent upon the Preliminary and Final Approval and certification of the Class only for purposes of this Settlement. Should this Settlement not become final, for whatever reason or the Effective Date does not occur, the Parties' stipulation to class certification as part of this Settlement shall become null and void *ab initio*, and the fact that the Parties were willing to stipulate provisionally to class certification as part of this Settlement shall have no bearing on, and shall not be admissible in connection with, the issue of whether a class should be certified in a non-settlement context in the Action, and shall not be admissible for any purpose in any action, including the Action. Nothing in this Agreement will be construed as an admission or acknowledgement of any kind that any class should be certified in the Action or in any other action or proceeding.
- I. Defendants expressly reserve the right and declare that they intend to oppose class certification vigorously should this Settlement not be granted Final Approval or be modified or reversed on appeal or otherwise not become final. If for any reason this Agreement does not become effective, Defendants reserve the right to contest certification of any class, including the Class, for any reason. Defendants do not concede the merits of Plaintiffs' contentions regarding the suitability of the litigation for class certification under California Code of Civil Procedure, but have agreed to resolve the litigation through this Settlement in recognition of the expense and risk of continuing with the litigation and in the belief that the Settlement is fair, adequate and reasonable. Therefore, in entering into this Agreement, it is the Parties' mutual intention and agreement that if for any reason the Agreement does not become final, the conditional class certification will be vacated, Plaintiffs and Defendants will retain all rights to support or oppose certification for the purposes of litigation, and any certification arising from the Court's Final Approval of this Settlement may not be used by Plaintiffs or Defendants in support of any argument for or against certification of any class. Plaintiffs will not be deemed to have waived, limited or affected in any way any claims, rights or remedies in the Action, and Defendants will not be deemed to have waived, limited, or affected in any way any of their claims, rights, remedies, objections or defenses in the Action. Neither the provisional certification nor, if ultimately approved, the certification of the Class to consummate this Settlement shall constitute a determination by the Court that a plaintiff class should be certified for purposes of trial or for any other purpose in any action.

Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

III. SETTLEMENT TERMS AND CONDITIONS

- A. **Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the Gross Settlement Amount that Defendants will pay under this Settlement is Three Million Seven Hundred Forty Thousand One Hundred Sixteen Dollars (\$3,740,116.00). The entirety of the Gross Settlement Amount will be disbursed pursuant to this Agreement, with no reversion to Defendants.
- B. **Payments from the Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will make the following payments to be deducted from the Gross Settlement Amount as follows:
1. **To Plaintiffs:** In addition to their respective Settlement Shares, the Plaintiffs will apply to the Court for an award of not more than \$10,000 to Plaintiff Jones and \$7,500 to Plaintiff Marcelus as their Service Awards. Defendants agree not to oppose Service Awards of up to \$10,000 for Plaintiff Jones and \$7,500 for Plaintiff Marcelus. The Settlement Administrator will pay the Service Awards approved by the Court out of the Gross Settlement Amount. If the Court approves a Service Awards of less than \$10,000 to Plaintiff Jones and/or \$7,500 to Plaintiff Marcelus, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members. Because such payments do not constitute alleged wage loss, payroll tax withholding and deductions will not be taken from the Service Awards and instead a Form 1099 will be issued to the Plaintiffs with respect to the Service Awards. To receive these Service Awards, Plaintiffs as consideration agree to waive all known and unknown claims under California Civil Code Section 1542 and agree to a general release of all claims as set forth in Section III(F)(3) below.
 2. **To Class Counsel:** Class Counsel will apply to the Court for an award of not more than \$1,246,581.00 (33.33% of the Gross Settlement Amount) as their Attorneys' Fees to be supported by their billing records, and an amount not more than \$25,000 as their Attorneys' Expenses for their billed expenses. Defendants agree not to oppose Class Counsel's request for such Attorneys' Fees and Attorneys' Expenses. The Settlement Administrator will pay the amounts for Attorneys' Fees and Attorneys' Expenses approved by the Court (but not more than \$1,246,581.00 and \$25,000, respectively) out of the Gross Settlement Amount. If the Court approves attorneys' fees or attorneys' expenses of less than \$1,246,581.00 or \$25,000, respectively, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members. Payroll tax withholding and deductions will not be taken from any awarded attorneys' fees or attorneys' expenses and instead one or more Forms 1099 will be issued to Class Counsel as appropriate under applicable regulations with respect to those payments. The payment of awarded attorneys' fees and attorneys' expenses shall be made to Class Counsel by the Settlement Administrator in accordance with this Agreement.

3. **To the LWDA.** The Parties will seek approval from the Court for a PAGA Payment of \$75,000 out of the Gross Settlement Amount for PAGA claims accrued during the PAGA Period, which shall be allocated \$56,250 to LWDA as its share of the Settlement of civil penalties paid under this Agreement pursuant to the PAGA (the “LWDA Payment”) and \$18,750 for distribution to the PAGA Members (the “Net PAGA Amount”). If the Court approves a PAGA Payment of less than \$75,000, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members
4. **To the Settlement Administrator.** The Settlement Administrator will pay out of the Gross Settlement Amount to itself its reasonable fees and expenses that are documented and approved by the Court in an amount not to exceed \$30,000 (“Settlement Administration Expenses”). To the extent the Settlement Administration Expenses that are documented and approved by the Court are less than \$30,000 the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members.

C. **Payments From the Net Settlement Amount and Net PAGA Amount.** The Net Settlement Amount shall be used to make the following payments after the deductions have been taken from the Gross Settlement Amount as described in Section III.B. above for the awarded Service Awards, Attorneys’ Fees, Attorneys’ Expenses, the PAGA Payment, and Settlement Administration Expenses. The Net Settlement Amount shall be paid as follows:

1. **Calculation for Class.** From the Net Settlement Amount, the Settlement Share for each Participating Class Member in the Class will be calculated by (a) dividing this amount by the total number of workdays worked by all Participating Class Members in the Class during the Class Period to determine a dollar amount per workday (“Workday Payment”), and (b) multiplying the total number of workdays worked by each Participating Class Member in the Class during the Class Period by the Workday Payment.
 - a. **Taxation.** Twenty percent (20%) of each Participating Class Member’s Settlement Share shall be treated as wages (the “Wage Portion”). Accordingly, the Wage Portion is subject to wage withholdings, and shall be reported on IRS Form W-2. The Wage Portion will be paid from the Net Settlement Amount. Fifteen percent (15%) of each Participating Class Member’s Settlement Share shall be treated as reimbursement of business expenses and Sixty-Five percent (65%) of each Participating Class Member’s Settlement Share shall be treated as interest and penalties (collectively the “Non-Wage Portion”). Accordingly, the Non-Wage Portion shall not be subject to wage withholdings, and shall be

reported on IRS Form 1099. The Non-Wage Portion will be paid from the Net Settlement Amount.

2. **Calculation for PAGA Members.** The value of each PAGA Member's PAGA Share will be based on the number of each PAGA Member's workdays during the PAGA Period. Specifically, 25% of the approved PAGA Payment allocated to the Net PAGA Amount will be divided by the total number of workdays worked by all PAGA Members during the PAGA Period, and then taking that number and multiplying it by the number of workdays worked by each respective PAGA Member. PAGA Members will receive payment from the Net PAGA Amount regardless of their decision to participate in the Action if the PAGA Payment is approved by the Court.

- a. **Taxation.** The payments to PAGA Members from the Net PAGA Amount shall not be subject to wage withholdings, and shall be reported on IRS Form 1099.

3. **Effect of Non-Participating Class Members.** Non-Participating Class Members will receive no Settlement Share, and their election not to participate will reduce neither the Gross Settlement Amount nor the Net Settlement Amount. Their respective Settlement Shares will remain a part of the Net Settlement Amount for distribution to Participating Class Members on a *pro rata* basis. Defendants reserve the right to cancel the Settlement in the event the number of Non-Participating Class Members exceeds ten percent (10%) of the Class. PAGA Members may not opt of the settlement and will receive the Net PAGA Amount regardless of whether or not they are Non-Participating Class Members.

- D. **Appointment of Settlement Administrator.** The Parties will ask the Court to appoint Phoenix Settlement Administrators, as the qualified administrator, to serve as the Settlement Administrator, which, as a condition of appointment, will agree to be bound by this Agreement with respect to the performance of its duties and its compensation. The Settlement Administrator's duties will include preparing, printing, and mailing the Class Notice Packet to all Class Members; conducting a National Change of Address search to update addresses prior to mailing; performing a reasonable address search for any Class Notice Packet returned by the U.S. Postal Service as non-deliverable, and re-mailing the Class Notice Packet to the Class Member's new address; setting up a toll-free telephone number to receive calls from Class Members; receiving and reviewing for validity completed Elections Not to Participate in Settlement; providing the Parties with weekly status reports about the delivery of Class Notice Packets and receipt of completed Elections Not to Participate in Settlement; calculating Defendants' employer share of any payroll taxes, calculating Settlement Shares; issuing the checks and accompanying notices to effectuate the payments due under the Settlement; issuing

the tax reports required under this Settlement; and otherwise administering the Settlement pursuant to this Agreement. Subject to consultation with Class Counsel and Defendants' Counsel, the Settlement Administrator will have the final authority to resolve all disputes concerning the calculation of a Participating Class Member's Settlement Share, subject to the dollar limitations and calculations set forth in this Agreement. In the event that any questions or disputes arise regarding an individual's membership in the Class, Defendants' records will be presumed to be accurate and correct, and will be presumptively determinative to resolve the dispute. The Settlement Administration Expenses, including the cost of printing and mailing the Class Notice Packet, will be paid out of the Gross Settlement Amount.

The Settlement Administrator shall have its own Employer Identification Number under Internal Revenue Service Form W-9 and shall use its own Employer Identification Number and shall transmit the required employers' and employees' share of the withholdings to the appropriate state and federal tax authorities. The Settlement Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1 and section 468B of the Internal Revenue Code of 1986, as amended (the "Code"). The Settlement Administrator shall be treated as an "administrator" as defined at Treasury Regulation section 1.468B-2(k) for purposes of federal and state income tax reporting with respect to the distributions from the Net Settlement Amount. Accordingly, Forms 1099 will be distributed by the Settlement Administrator at times and in the manner required by the Code and consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax law, is changed after the date of this Agreement, the processes set forth in this section may be modified in a manner to comply with any such changes.

E. Procedure for Approving Settlement.

1. Motion for Preliminary Approval of Settlement by the Court.

- a. After execution of this Settlement Agreement, Plaintiffs will file a Preliminary Approval Motion with the Court for an order granting Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Class Notice (the "Motion for Preliminary Approval"), which Defendants agree not to oppose as long it is consistent with the terms set forth in this Agreement. Plaintiffs will provide Defendants with a copy of the Preliminary Approval Motion and related exhibits at least one week prior to filing such Motion. Any disagreements among the Parties concerning the Class Notice, or other documents necessary to implement the Settlement will be referred to the Court presiding over the Action.

- b. Class Counsel agrees to meet-and-confer with Defendants' Counsel as to a mutually agreed-upon date for the hearing on the Motion for Preliminary Approval. At the hearing on the Motion for Preliminary Approval, the Parties will jointly appear and support the granting of the Motion for Preliminary Approval. Class Counsel will submit a Proposed Preliminary Approval Order substantially in the form evidenced by Exhibit B to this Agreement and incorporated by reference into this Agreement.
 - c. Should the Court decline to preliminarily approve all material aspects of the Settlement (including but not limited to the scope of release for Participating Class Members and/or for Plaintiffs, or the binding effect of the Settlement on Participating Class Members), the Settlement will be void and the Parties will submit the issues to Retired Judge Carl J. West, whose decision shall be binding on the Parties.
 - d. A decision by the Court not to enter the Preliminary Approval Order in its entirety, or a decision by the Court to enter the Preliminary Approval Order with material modifications (other than modifications concerning the proposed amount of any attorneys' fees or attorneys' expenses to be paid to Class Counsel or the amount of any service payment to Plaintiffs) that either of the Parties determines in their reasonable and good faith judgment to be material, will be discretionary grounds for that Party to terminate this Agreement by providing written notice to the other Party and the Court within twenty-one (21) calendar days of receipt of the Court's decision. In such event, the Parties agree to submit any unresolved issues to Retired Judge Carl J. West, whose decision shall be binding on the Parties.
2. **Notice to Class Members.** After the Court enters its order granting Preliminary Approval of the Settlement, the Claims Administrator will provide every Class Member with the Class Notice Packet, which will include the Class Notice completed to reflect the order granting Preliminary Approval of the Settlement and showing the Class Member's Class Data as follows:
- a. No later than thirty (30) calendar days after the Court enters its order granting Preliminary Approval of the Settlement, Defendants will provide to the Settlement Administrator an Excel file with each Class Member's Class Data. The identities, social security numbers, and addresses of Class Members shall remain strictly confidential for the Settlement Administrator's eyes only, and shall not be disclosed to Plaintiffs or to Class Counsel. Plaintiffs and Class Counsel shall have access to the Class Data, with the Class Members

identified with anonymous unique identifiers. The Settlement Administrator shall agree not to disclose the Class Data and its contents to third parties, except as necessary for approval of the Settlement. This provision shall not be construed to impede Class Counsel's ability to discharge their fiduciary duties to the Class, and if additional disclosures are necessary, Class Counsel will obtain written authorization from Defendants and/or an order from the Court.

- b. Using best efforts to mail it as soon as possible, and in no event later than fourteen (14) calendar days after receiving the Class Data, the Settlement Administrator will mail the Class Notice Packets to all Class Members via first-class regular U.S. Mail using the mailing address information provided by Defendants, unless modified by any updated address information that the Settlement Administrator obtains in the course of administration of the Settlement.
- c. If a Class Notice Packet is returned because of an incorrect address, the Settlement Administrator will promptly, and not longer than ten (10) days from receipt of the returned Notice Packet, search for a more current address for the Class Member and re-mail the Class Notice Packet to the Class Member. The Settlement Administrator will use the Class Data and otherwise work with Defendants to find that more current address. The Settlement Administrator will be responsible for taking reasonable steps, consistent with its agreed-upon job parameters, Court orders, and as agreed to with Class Counsel and according to the following deadlines, to trace the mailing address of any Class Member for whom a Class Notice Packet is returned by the U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address; and promptly re-mailing to Class Members for whom new addresses are found. If the Class Notice Packet is re-mailed, the Settlement Administrator will note for its own records and notify Class Counsel and Defendants' Counsel of the date and address of each such re-mailing as part of a weekly status report provided to the Parties.
- d. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendants' Counsel of the number of Elections Not to Participate in Settlement it receives (including the numbers of valid and deficient Forms) and the number of objections it receives (including objections to Settlement and/or objections to Attorneys' Fees and Attorneys' Expenses).
- e. Not later than fourteen (14) days before Plaintiffs file their Motion

for Final Approval of the Settlement, the Settlement Administrator will provide the Parties for filing with the Court a declaration of due diligence setting forth its compliance with its obligations under this Agreement and detailing the Elections Not to Participate in Settlement that it has received (including the numbers of valid and deficient Forms) and detailing any objections that it has received (including objections to Settlement and/or objections to Attorneys' Fees and Attorneys' Expenses). Prior to the Final Approval Hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

3. **Objections to Settlement; Objections to Attorneys' Fees and Attorneys' Expenses; Elections Not to Participate in Settlement.** Participating Class Members may submit objections to the Settlement, including objections to Attorneys' Fees and Attorneys' Expenses. Class Members may also submit Elections Not to Participate in Settlement pursuant to the following procedures:
 - a. **Objections to Settlement.** The Class Notice will provide that only Participating Class Members who wish to object to the Settlement must submit their written objection to the Settlement Administrator setting forth the grounds for the objection. Such objection must be postmarked to and/or received by the Settlement Administrator not later than 45 days after the Settlement Administrator mails the Class Notice Packets or 45 days after the Settlement Administrator re-mails the Class Notice Packets to Class Members whose first mailing came back because of an incorrect address. The Settlement Administrator will forward all written objections received to the Parties' Counsel who will file the objections along with any response thereto at the time of filing the Motion for Final Approval of the Settlement. The Court will hear from any Class Member who attends the Final Approval Hearing and asks to speak regarding his or her objection, regardless of whether he or she submitted a written objection in the manner and by the deadline specified hereinabove. Non-Participating Class Members shall have no ability to comment on or object to the Settlement, except with the Court's permission.
 - b. **Objections to Attorneys' Fees and Attorneys' Expenses.** Class Counsel shall file their application for the Attorneys' Fees and Attorneys' Expenses concurrently with Plaintiffs' Motion for Final Approval, and the application will be scheduled to be heard by the Court at the Final Approval Hearing. The Settlement Administrator will forward all written objections received to the Parties' Counsel who will file the objections along with any response thereto at the time of filing the Motion for Final Approval of the Settlement. The

Class Notice will provide that Participating Class Members who wish to object to the Attorneys' Fees and/or Attorneys' Expenses must submit their written objection to the Settlement Administrator setting forth the grounds for the objection. Such objection must be postmarked to and/or received by the Settlement Administrator not later than 45 days after the Settlement Administrator mails the Class Notice Packets or 45 days after the Settlement Administrator re-mails the Class Notice Packets to Class Members whose first mailing came back because of an incorrect address. The Court will hear from any Class Member who attends the Final Approval Hearing and asks to speak regarding his or her objection, regardless of whether he or she submitted a written objection in the manner and by the deadline specified hereinabove. Non-Participating Class Members shall have no ability to object to Attorneys' Fees and Attorneys' Expenses, except with the Court's permission.

- c. **Election Not to Participate in Settlement.** The Class Notice will also provide that Class Members who wish to exclude themselves from the Settlement must mail to the Settlement Administrator not later than 45 days after the Settlement Administrator mails the Class Notice Packets, or 45 days after the Settlement Administrator re-mails the Class Notice Packets to Class Members whose first mailing came back because of an incorrect address, a signed Election Not to Participate in Settlement or a response in another verifiable format advising the Settlement Administrator that the Class Members elects not to participate in the Settlement. If a question is raised about the authenticity of a signed Election Not to Participate in Settlement, the Settlement Administrator will have the right to demand additional proof of the Class Member's identity.

A Non-Participating Class Member will not participate in or be bound by the Settlement and the Judgment, except that PAGA Members will receive payment from the Net PAGA Amount and will be bound by and release all Released PAGA Claims, irrespective of whether they are a Non-Participating Class Member. Defendants will remain free to contest any claim or action brought by the Non-Participating Class Member, and nothing in this Agreement will constitute or be construed as a waiver of any defense against such a claim or action. A Class Member who does not complete and mail a timely Election Not to Participate in Settlement in the manner and by the deadline specified above will automatically become a Participating Class Member and be bound by all terms and conditions of the Settlement, including the Released Class Claims by the Class, if the Settlement is approved by the Court, and by the Judgment, regardless of whether he or she has objected to the Settlement. Persons who submit an Election Not to Participate in

Settlement shall not be permitted to object to the Settlement, except with the Court's permission.

All Class Members who do not submit a valid and timely Election Not to Participate in Settlement will receive a Settlement Share, and will be bound by all of the terms of the Settlement, including without limitation, the release of the Released Class Claims by the Class as set forth in this Agreement.

The Settlement Administrator shall retain the originals of all Elections Not to Participate in Settlement and objections in its files until such time as the Settlement Administrator is relieved of its duties and responsibilities under this Agreement.

- d. **Disputes to Workdays and Estimated Payments.** Class Members will have the opportunity, should they disagree with Defendants' records regarding the start and end dates of their employment, their total workday count, and/or their estimated payment, to provide documentation and/or an explanation to show contrary dates or workdays. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Shares under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Share shall be binding upon the Class Member and the Parties. Any disputes not resolved by the Settlement Administrator concerning the administration of the Settlement will be resolved by the Court under the laws of the State of California. Before any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the disputes without the necessity of involving the Court. Class Members shall have 45 days after the Settlement Administrator mails the Class Notice Packets, or 45 days after the Settlement Administrator re-mails the Class Notice Packets to Class Members whose first mailing came back because of an incorrect address, to submit a dispute to the Settlement Administrator.
4. **Right of Defendants to Reject Settlement.** If ten percent (10%) or more Class Members timely submit valid Elections Not to Participate in Settlement, Defendants will have the right, but not the obligation, to void the Settlement and the Parties will have no further obligations under the Settlement, including any obligation by Defendants to pay the Gross Settlement Amount, or any amounts that otherwise would have been owed under this Agreement. The Defendants will pay the reasonable amount of the Settlement Administration Expenses incurred as of the date that Defendants exercise their right to void the Settlement. Defendants will

notify Class Counsel and the Court whether they are exercising this right to void not later than fourteen (14) days after the Settlement Administrator notifies the Parties of the final total number of valid Elections Not to Participate in Settlement it has received following the deadline for Class Members to submit a timely Election Not to Participate in Settlement.

5. **No Solicitation of Objection or Election Not to Participate.** The Parties and their respective counsel represent that neither the Parties nor their respective counsel have or will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, appeal from the Judgment, or elect not to participate in the Settlement.
6. **Additional Briefing and Final Approval.**
 - a. Class Counsel will file with the Court their application for the Attorneys' Fees, Attorneys' Expenses and Service Payments before filing, or concurrently with, Plaintiffs' Motion for Final Approval, and the application will be scheduled to be heard by the Court at the Final Approval Hearing.
 - b. Not later than sixteen (16) court days before the Final Approval Hearing, Plaintiffs will file with the Court a Motion for Final Approval of the Settlement, which Defendants agree not to oppose as long as it is consistent with the terms set forth in this Agreement.
 - c. If any objection is filed, then not later than seven (7) calendar days before the Final Approval Hearing, both Parties may file a reply in support of the Motion for Final Approval of the Settlement; and Plaintiffs and Class Counsel may file a reply in support of their motions for the Service Awards, the Attorneys' Fees, and the Attorneys' Expenses.
 - d. If the Court does not grant final approval of the Settlement or grants final approval conditioned on any material change to the Settlement (including, but not limited to, the scope of release for Participating Class Members and/or for Plaintiffs, or the binding effect of the Settlement on Participating Class Members), then the Settlement, at either Parties' option, will be null and void and the Parties will have no further obligations under the Settlement, including any obligation by Defendants to pay the Gross Settlement Amount or any amounts that otherwise would have been owed under this Agreement. However, an award by the Court of a lesser amount than that sought by Plaintiffs and Class Counsel for the Service Awards, the Attorneys' Fees, or the Attorneys' Expenses, Settlement Administration Expenses, or PAGA Payment will not constitute a material modification to the Settlement within the meaning of this

paragraph.

- e. Upon the Court's entry of Final Approval Order and Judgment; Plaintiffs and Participating Class Members will take that which is stated in the Agreement. After entry of the Judgment, the Los Angeles Superior Court in which the Parties will seek approval of the Settlement will have continuing jurisdiction over the Action and the Settlement solely for purposes of (i) enforcing this Agreement, including resolution of any dispute concerning any provision of this Agreement, (ii) addressing settlement administration matters, and (iii) addressing such post-judgment matters as may be appropriate under California court rules and applicable law, including California Code of Civil Procedure Section 664.6.

- 7. **Waiver of Right to Appeal.** Provided that the Judgment is consistent with the terms and conditions of this Agreement, that the Court does not make any material modification to the Settlement, and that the Parties have fully performed under the Agreement, Plaintiffs and Participating Class Members who did not timely submit an objection to the Settlement, Defendants, and their respective counsel hereby waive any and all rights to appeal from the Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as, but not limited to, a motion to vacate judgment, a motion for new trial, and any extraordinary writ, and the Judgment therefore will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings or post-judgment proceedings. If an appeal is taken from the Judgment, the time for consummation of the Settlement (including making payments under the Settlement) will be suspended until such time as their appeal is finally resolved and the Judgment becomes Final.
- 8. **Modifying, Vacating, or Altering Settlement.** Should the Settlement, or any material terms therein, be modified, vacated, altered, or become otherwise subject to challenge by law, including, but not limited to, any law that became effective after the execution of this Settlement Agreement, so that this Settlement is not approved by the Court in its entirety and therefore the intent of the Parties cannot be accomplished after jointly taken efforts to enforce it have been exhausted, the Parties shall have the option to revoke the Settlement Agreement at their sole discretion. A vacation or modification of the Court's award of the Service Awards or the Attorneys' Fees or Attorneys' Expenses will not constitute a vacation or material modification of the Judgment within the meaning of this paragraph, provided that Defendants' obligation to make payments under this Settlement will remain limited by the Gross Settlement Amount.
- 9. **Vacating, Reversal, or Material Modification of Judgment on Appeal**

or Review. If, after a notice of appeal, a petition for review, or a petition for *certiorari*, or any other motion, petition, writ or application, the reviewing Court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement (including, but not limited to, the scope of release for Participating Class Members and/or Plaintiffs, or the binding effect of the Settlement on Participating Class Members), and that Court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher Court, then either Plaintiffs or Defendants will have the right to void the Settlement, which the Party must do by giving written notice to the other Parties, the reviewing Court, and the Court not later than fourteen (14) days after the reviewing Court's decision vacating, reversing, or materially modifying the Judgment becomes Final. A vacation, reversal, or modification of the Court's award of the Service Awards or the Attorneys' Fees or Attorneys' Expenses will not constitute a vacation, reversal, or material modification of the Judgment within the meaning of this paragraph, provided that Defendants' obligation to make payments under this Settlement will remain limited by the Gross Settlement Amount.

10. **Funding of Settlement, Timing of Provision of Settlement Shares and Other Payments.** Defendants will fund the Gross Settlement Amount by electronically transferring or wiring the entire sum into an escrow account to be established by the Settlement Administrator, which funds shall be held in trust for the Settlement and created as a Qualified Settlement Fund as specified under Section III.D of this Agreement. Defendants shall fund the Gross Settlement Amount within fourteen (14) calendar days of the Effective Date. Within ten (10) calendar days after receipt of the Gross Settlement Amount from Defendants, the Settlement Administrator shall pay to Participating Class Members their Settlement Shares; to the LWDA its LWDA Payment; to Plaintiffs their respective Service Awards; and to Class Counsel the Attorneys' Fees and the Attorneys' Expenses.
11. **Full Discharge of Obligations by Defendants.** Defendants' transfer of the Gross Settlement Amount to the Qualified Settlement Fund created by the Settlement Administrator shall constitute full and complete discharge of the entire obligation of Defendants under this Agreement.
12. **Uncashed Settlement Share Checks.** A Participating Class Member must cash his or her Settlement Share check within 180 days after it is mailed to him or her. If a check is returned to the Settlement Administrator, the Settlement Administrator will make all reasonable efforts to re-mail it to the Participating Class Member at his or her correct address. If Participating Class Member's Settlement Share check is not cashed within 120 days after its last mailing to the Participating Class Member, the Settlement Administrator will send the Participating Class Member a letter informing him or her that unless the check is cashed in the next 60 days, it will expire

and become non-negotiable, and offer to replace the check if it was lost or misplaced but not cashed. If the Settlement Share check of a Participating Class Member remains uncashed by the expiration of the 180-day period, the uncashed funds shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code Section 1500, *et seq.* for the benefit of those Participating Class Members who did not cash their Settlement Share checks until such time that they claim their property and who will remain bound by the Settlement. The Parties agree that this disposition results in no “unpaid residue” under California Civil Procedure Code Section 384, as the entire Net Settlement Amount will be paid out to Participating Class Members, whether or not they cash their Settlement Share checks.

13. **Final Report by Settlement Administrator to Court.** Within ten (10) days after final disbursement of all funds from the Gross Settlement Amount, the Settlement Administrator will provide the Parties a final report and accounting under oath on the disbursements of all funds from the Gross Settlement Amount.

F. Release of Claims.

1. **Participating Class Members.** Upon the Effective Date and funding in full of the Gross Settlement Amount by Defendants, all Participating Class Members who do not timely and validly opt out shall be deemed to have fully and finally released all claims, causes of action, damages, wages, benefits, expenses, penalties, debts, liabilities, demands, obligations, attorneys’ fees, costs, and any other form of relief or remedy in law, equity, or whatever kind of nature against all Released Parties that were alleged or that could have been alleged based on the facts asserted in in the operative Complaint that occurred during the Class Period, including, all claims for failure to reimburse business expenses, unauthorized deductions from wages, failure to pay for all hours worked, failure to pay overtime, failure to pay minimum wage, failure to authorize and/or permit meal breaks, failure to authorize and/or permit rest breaks, waiting time penalties, unfair business practices, the Private Attorneys General Act of 2004, Labor Code sections 2802, 221, 223, 200, 226, 500, 1197, 1198, 510, 1194, 226.7, 512, 201, 202, 203, 2699 *et seq.*, and the applicable Wage Orders, and Business & Professions Code section 17200. The release expressly excludes all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, and claims outside of the Class Period, and the Released PAGA Claims. This release shall be referred to here is the “Released Class Claims.”

Upon the Effective Date and funding in full of the Gross Settlement Amount by Defendants, all PAGA Members shall also release all Released Parties

from all Released PAGA Claims, irrespective of whether they opted-out of the Settlement, and will be bound by this PAGA Release. The Released PAGA Claims are defined as the claims asserted by PAGA Members for alleged violations of the California Labor Code and IWC Wage Order provisions identified in the PAGA Notice sent to the LWDA by Plaintiff Marcelus and further identified in the operative Complaint that are alleged to have occurred during the PAGA Period (“Released PAGA Claims”).

2. **Plaintiffs.** In addition to the release specified in Section III.F.1 above, upon the Effective Date and fully funding the Gross Settlement Amount, Plaintiffs shall fully and finally release the Released Parties including Defendants, from any and all claims, known or unknown, accrued or unaccrued, they have or may have against Defendants and the Released Parties (“Plaintiffs’ Released Claims”). Plaintiffs agree not to object to or opt out of the Settlement.
3. **Plaintiffs’ Waiver of Rights Under California Civil Code Section 1542.** As partial consideration for the awarded Service Awards, Plaintiffs’ Released Claims shall include all such claims, whether known or unknown by the releasing party. Thus, even if Plaintiffs discover facts and/or claims in addition to or different from those that they now know or believe to be true with respect to the subject matter of Plaintiffs’ Released Claims, those claims will remain released and forever barred. Therefore, with respect to Plaintiffs’ Released Claims, Plaintiffs expressly waive and relinquish all of the provisions and all of their rights and benefits under the provisions of section 1542 of the California Civil Code, which reads:

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

- G. **No Effect on Other Benefits.** The Settlement Shares will not result in any additional benefit payments (such as 401(k) or bonus) beyond those provided by this Agreement to Plaintiffs or Participating Class Members, and Plaintiffs and Participating Class Members will be deemed to have waived all such claims, whether known or unknown by them, as part of their release of claims under this Agreement. Specifically, the Parties agree and understand that none of the amounts paid under this Agreement to Plaintiffs and the Participating Class Members constitute compensation under any “Employee Benefit Plan” as defined by section 3(3) of ERISA; Plaintiffs and Participating Class Members waive any and all claims for additional contributions to, and/or benefits under, any Employee Benefit Plan maintained or sponsored by Defendants based on any amount paid under this Agreement; and they release any claim for employee benefits, including any and

all claims arising under ERISA, arising out of, or related to, the amounts paid under this Agreement.

- H. **In Camera Review of Defendants' Financial Records.** Defendants agree to allow in camera review of Defendants' tax filings during the Class Period for approval purposes, if requested by the Court.

I. **Miscellaneous Terms.**

1. **No Publicity.** Plaintiffs and Class Counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communication with the press about this case and/or the fact, amount or terms of the Settlement. In addition, Plaintiffs and Class Counsel agree that they will not engage in any advertising or distribute any marketing materials relating to the Settlement, including but not limited to any postings on any websites maintained by Class Counsel; provided, however, that Class Counsel may state that it has settled a class claim against a company so long as neither Defendants, nor the Plaintiffs are identified. However, Class Counsel is authorized to make disclosures to the Court and the LWDA, the PAGA Members, the Settlement Administrator, and for any other reason necessary to effectuate obtaining the approval of the settlement or the administration thereof. Notwithstanding the foregoing, Class Counsel may include the settlement (and/or a summary of the settlement) in future declarations filed in support of Class Counsel's experience and/or adequacy in PAGA representative actions and/or class actions. Nothing in the provision is intended to violate California Rules of Professional Conduct Rule 5.6.
2. **Admission of Liability or Class Certification for Other Purposes.**
 - a. Defendants deny that they have engaged in any unlawful activity, have failed to comply with the law in any respect, have any liability to anyone under the claims asserted in the Action, or that but for the Settlement a class should be certified in the Action. Defendants specifically deny any liability to Plaintiffs or to any Class Member upon any claim or cause of action asserted in this Action. This Agreement does not constitute, and is not intended to constitute, an admission by Defendants as to the merits, validity, or accuracy of any of the allegations or claims made in the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission of liability or wrongdoing by Defendants, or an admission by Plaintiffs that any of the claims was non-meritorious or any defense asserted by Defendants were meritorious. This Settlement and the fact that Plaintiffs and Defendants were willing to settle the Action will have no bearing

on, and will not be admissible in connection with, any litigation, other than solely in connection with the Settlement.

- b. Whether or not the Judgment becomes Final, neither the Settlement, this Agreement, the negotiation and execution of the Agreement, any document, statement, proceeding, act or conduct related to the Settlement or the Agreement, nor any reports or accounting of those matters, will be (i) construed as, offered or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendants or any of the other Released Parties, including, but not limited to, evidence of a presumption, concession, indication or admission by Defendants or any of the Released Parties of any liability, fault, wrongdoing, omission, concession or damage; nor (ii) disclosed, referred to or offered in evidence against Defendants or any of the Released Parties, in any further proceeding in the Action, or in any other civil, criminal or administrative action or proceeding except for purposes of effectuating the Settlement pursuant to this Agreement; nor (iii) shall be deemed to be, or used as, an admission or evidence of the appropriateness of these or similar claims for class certification in the Action or with respect to any other proceeding.
- c. This section and all other provisions of this Agreement notwithstanding, any and all provisions of this Agreement may be admitted in evidence and otherwise used in any and all proceedings solely to enforce any or all terms of this Agreement or in defense of any claims released or barred by this Agreement.

- 3. **Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any Party concerning this Agreement or its exhibits other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.
- 4. **Attorney Authorization.** Class Counsel and Defendants' Counsel warrant and represent that they are authorized by Plaintiffs and Defendants respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and will seek authorization to execute any other documents required to effectuate the terms of this Agreement including any amendments to this Agreement, if necessary. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties disagree about application or interpretation of the terms and conditions of this Agreement, the Parties will seek the assistance of a

mutually agreeable mediator for resolution.

5. **No Prior Assignments:** The Parties represent, covenant and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged in this Settlement.
6. **No Tax Advice.** Neither Class Counsel nor Defendants' Counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
7. **Modification of Agreement.** Except as set forth in this Agreement, any and all parts of this Agreement, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties and their representatives.
8. **Agreement Binding on Successors.** This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
9. **Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the substantive and procedural laws of the State of California and procedural laws of the United States of America to the extent applicable, without giving effect to any conflict of law principles or choice of law principles.
10. **Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
11. **Continuing Cooperation.** The Parties, to the greatest extent possible, are obligated to work together jointly to effectuate the Settlement, and each term therein. Unless otherwise agreed by the Parties, this joint obligation includes, but is not limited to, fully documenting the Settlement, expeditiously completing or filing any other required documents or pleadings, arguing that the terms and conditions agreed upon should be enforced fully, commencing any required action (either in court or in arbitration), jointly appealing and/or otherwise exhausting judicial review of any adverse ruling, etc.
12. **Fair Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-

length negotiations, taking into account all relevant factors, current and potential.

13. **Headings.** The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
14. **Notice.** All notices, demands or other communications given under this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, addressed as follows:

To Plaintiffs and the Class:

Ashkan Shakouri
Shakouri Law Firm
11601 Wilshire Blvd., Fifth Floor
Los Angeles, CA 90024
Telephone: (310) 575-1827
E-mail: ash@shakourilawfirm.com

To Defendants:

Thomas L. Schulman
Attorney at Law
600 West Santa Ana Blvd., Suite 955
Santa Ana, California 92701
Telephone: (714) 542-9902
Email: tmschulman@gmail.com

Tiffany Brosnan
Erin D. Leach
Snell & Wilmer L.L.P.
600 Anton Blvd., Suite 1400
Costa Mesa, California 92626
Telephone: (714) 427-7000
Facsimile: (714) 427-7799
E-mail: tbrosnan@swlaw.com
eleach@swlaw.com

15. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts by facsimile, or electronic signatures which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

16. **Severability.** In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision in this Agreement.
17. **Continuing Jurisdiction.** The Los Angeles Superior Court in which the Parties will seek approval of the Settlement shall retain continuing jurisdiction over the Action to ensure the continuing implementation and enforcement of the provisions of this Settlement Agreement under applicable law, including, but not limited to, California Code of Civil Section 664.6.

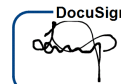
V. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

12/23/2021
Dated: _____, 2021

TAMARA JONES

By: _____

DocuSigned by:

D99CD93E01644AC

Dated: _____, 2021

BRUNTINA MARCELUS

By: _____

Dated: _____, 2021

WESTWAYS STAFFING SERVICES, INC.

By: _____

Name: _____

Title: _____

16. **Severability.** In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision in this Agreement.
17. **Continuing Jurisdiction.** The Los Angeles Superior Court in which the Parties will seek approval of the Settlement shall retain continuing jurisdiction over the Action to ensure the continuing implementation and enforcement of the provisions of this Settlement Agreement under applicable law, including, but not limited to, California Code of Civil Section 664.6.

V. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: _____, 2021

TAMARA JONES

By: _____

12/21/2021
Dated: _____, 2021

BRUNTINA MARCELUS

By: _____

DocuSigned by:

Bruntina Marcelus

FF72439EE4014G4...

Dated: _____, 2021

WESTWAYS STAFFING SERVICES, INC.

By: _____

Name: _____

Title: _____

16. **Severability.** In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision in this Agreement.
17. **Continuing Jurisdiction.** The Los Angeles Superior Court in which the Parties will seek approval of the Settlement shall retain continuing jurisdiction over the Action to ensure the continuing implementation and enforcement of the provisions of this Settlement Agreement under applicable law, including, but not limited to, California Code of Civil Section 664.6.

V. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: _____, 2021

TAMARA JONES

By: _____

Dated: _____, 2021

BRUNTINA MARCELUS

By: _____

Dated: 12/21/, 2021

WESTWAYS STAFFING SERVICES, INC.

By: Harold Sterling

Name: Harold Sterling

Title: CEO

Dated: 12/21, 2021

HAROLD STERLING

By: 

Dated: 12/21, 2021

SHAKOURI LAW FIRM

By: *Ashkan Shakouri*
Ashkan Shakouri
Attorneys for Plaintiffs

Dated: 12/22, 2021

SNELL & WILMER L.L.P.

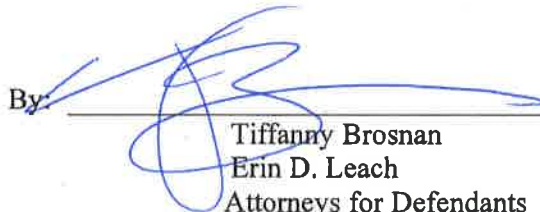
By: 
Tiffany Brosnan
Erin D. Leach
Attorneys for Defendants

EXHIBIT A

[NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION AND HEARING DATE
FOR FINAL COURT APPROVAL]

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT
AND FINAL APPROVAL HEARING**

Jones et al. v. Westways Staffing Services, Inc. et al. (Case No. 19STCV43097)

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE
READ THIS CLASS 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 Settlement Share is: \$<<[REDACTED]>>. See the explanation below. After final approval by the Court, the payment will be mailed to you at the same address as this Class Notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendants as detailed below.
Exclude Yourself	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, except as noted in Section 7 below. Instructions are set forth below.
Object	Write to the Court about why you object to the Settlement. Directions are provided below.

1. Why did I get this Class Notice?

A proposed class action settlement (the “Settlement”) of the above-captioned action (the “Lawsuit”) pending in the California Superior Court for the County of Los Angeles (the “Court”) has been reached between Plaintiffs Tamara Jones and Bruntina Marcelus (“Plaintiffs”), on the one hand, and Defendants Westways Staffing Services, Inc. and Harold Sterling (“Defendants”), on the other hand, and has been preliminarily approved by the Court. **You may be entitled to receive money from this Settlement. The Court has not made a determination about any of the contentions of the parties. This Class Notice is not to be understood as an expression of any opinion by the Court as to the merits of the claims or defenses asserted by either side.**

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

All non-exempt employees working for Defendant Westways Staffing Services, Inc. who were assigned to work at any healthcare facility inside California at any time from December 3, 2015, through September 4, 2021 (the “Class Period”).

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

2. What is this class action lawsuit about?

The Lawsuit is brought by Plaintiffs who are individuals formerly employed by Defendants as healthcare professionals to work one or more assignments in California. This Lawsuit is against Defendants.

In the Lawsuit, Plaintiffs allege that Defendants violated California law in several ways. Specifically, the Lawsuit includes claims for (1) failure to reimburse for business expenses; (2) unauthorized deductions from wages; (3) failure to pay for all hours worked; (4) failure to pay overtime; (5) failure to pay minimum wage; (6) failure to authorize and/or permit meal breaks; (7) failure to authorize and/or permit rest breaks; (8) failure to pay all wages timely upon separation of employment; (9) unfair business practices; and (10) violation of the Private Attorneys General Act of 2004 (“PAGA”). Defendants deny, and continue to deny, all claims asserted by Plaintiffs and contends that they fully complied with the California Labor Code and all other applicable state and federal laws and regulations.

Following mediation on July 6, 2021, the Parties reached a settlement in order to avoid the risk, inconvenience and expense of further litigation. Plaintiffs and Class Counsel believe the proposed Settlement is fair, adequate and in the best interest of the Class Members given the outcome of their investigation, the consumption of time and resources required in connection with further litigation, and the uncertainty in the law governing some of the claims presented. Defendants enter into this Settlement for the sole purpose of avoiding the operational burden, expense and uncertainty of continuing litigation.

The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiffs to serve as the Class Representatives, and the law firm of Shakouri Law Firm to serve as Class Counsel.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendants have agreed to pay Three Million Seven Hundred Forty Thousand One Hundred Sixteen Dollars (\$3,740,116.00) (the “Gross Settlement Amount”) to fund the Settlement of the Lawsuit. The Gross Settlement Amount includes all payments of Settlement Shares to the Class contemplated by the Settlement, Attorneys’ Fees, Attorneys’ Expenses, Settlement Administration Costs, the Service Award to the Plaintiffs, and the PAGA Payment, but excludes the employer’s share of payroll taxes, which shall remain the sole responsibility of Defendants. The entirety of the Gross Settlement Amount will be disbursed, with no reversion to Defendants.

Amounts to be Paid from the Gross Settlement Amount. The Court has tentatively approved certain payments to be made from the Gross Settlement Amount as follows, which will be subject to final approval by the Court, and which will be deducted from the Gross Settlement Amount before Settlement Shares are made to Class Members who do not request exclusion (“Participating Class Members”):

- **Settlement Administration Costs.** Payment to the Settlement Administrator, estimated not to exceed \$30,000, for expenses, including expenses of notifying the Class of the Settlement, processing opt-outs, and distributing Settlement Shares and tax forms.
- **Attorneys’ Fees and Attorneys’ Expenses.** Payment to Class Counsel of reasonable attorneys’ fees not to exceed \$1,246,581 (33.33% of the Gross Settlement Amount), and an additional amount to reimburse actual litigation expenses not to exceed \$25,000.00. Class Counsel has been prosecuting the Lawsuit on behalf of Plaintiffs and the Class on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.
- **Service Awards.** Service Awards not to exceed Ten Thousand Dollars (\$10,000.00) to Plaintiff Jones and not to exceed Seven Thousand Five Hundred Dollars (\$7,500.00) to Plaintiff Marcelus, or such lesser

amount as may be approved by the Court, to compensate them for their services on behalf of the Class in initiating and prosecuting the Lawsuit, and for the risks they undertook.

- **PAGA Payment.** A payment of \$75,000.00, which shall be allocated \$56,250.00 to the State of California's Labor and Workforce Development Agency ("LWDA") and \$18,750.00 for distribution to PAGA Members as part of the Net PAGA Amount.

Calculation of Payments to Participating Class Members. After all of the payments of the court-approved Attorneys' Fees, Attorneys' Expenses, Service Awards, the PAGA Payment, and the Settlement Administration Costs are deducted from the Gross Settlement Amount, the remaining portion, the "Net Settlement Amount" shall be distributed to Class Members who do **not** request exclusion ("Participating Class Members"). The Net Settlement Amount shall be paid as follows:

Calculation for Class Members. From the Net Settlement Amount, the Settlement Share for each Participating Class Member in the Class will be calculated by (a) dividing this amount by the total number of workdays worked by all Participating Class Members in the Class during the Class Period to determine a dollar amount per workday ("Workday Payment"), and (b) multiplying the total number of workdays worked by each Participating Class Member in the Class during the Class Period by the Workday Payment.

Calculation of PAGA Penalties Payments to PAGA Members. The Net PAGA Amount shall be distributed to PAGA Members **irrespective of whether they exclude themselves or opt-out.** The Net PAGA Amount will be divided by the total number of workdays worked by all PAGA Members and then taking that number and multiplying it by the number of workdays worked by each respective PAGA Member. "PAGA Members" means all non-exempt employees working for Defendant Westways Staffing Services, Inc. in California at any time from July 12, 2020 through September 4, 2021 (the "PAGA Period").

If the Settlement is approved by the Court and you do not opt out, you will automatically be mailed a check for your Settlement Share to the same address as this Class Notice. You do not have to do anything to receive a payment. 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. Twenty percent (20%) of each Participating Class Member's Settlement Share is in settlement of wage claims, which is subject to wage withholdings, and shall be reported on IRS Form W-2. Fifteen percent (15%) of each Participating Class Member's Settlement Share shall be treated as reimbursement of business expenses and Sixty-Five percent (65%) of each Participating Class Member's Settlement Share shall be treated as interest and penalties, which is not subject to wage withholdings, and shall be reported on IRS Form 1099.

Participating Class Members shall be responsible for paying any taxes owing on their Settlement Shares. Plaintiffs, Defendants, and their respective counsel do not intend anything contained in this Settlement to constitute advice regarding taxes or taxability. You may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

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

4. What Do I Release Under 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 receive NO money from the Settlement, and you will not be bound by its terms, except as provided as follows:** Irrespective of whether you exclude yourself from the Settlement or "opt out," you will be bound by the PAGA Release, you will be deemed to have released the Released PAGA Claims, and you will receive a share of the Net PAGA Amount.

If you do not timely and formally exclude yourself from the Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants about the legal issues resolved by this Settlement. It also means that all of the Court's orders in the Lawsuit will apply to you and legally bind you.

Released Parties means Defendants and Defendant Westways Staffing Services, Inc.'s former, present and future owners, parents, subsidiaries, and all of its current, former and future officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, agents, clients, successors, assigns, accountants, insurers, or legal representatives.

Class Claims. Upon the Effective Date and funding in full of the Gross Settlement Amount by Defendants, any person who is a Participating Class Member who does not opt-out shall be deemed to have fully and finally released all claims, causes of action, damages, wages, benefits, expenses, penalties, debts, liabilities, demands, obligations, attorneys' fees, costs, and any other form of relief or remedy in law, equity, or whatever kind of nature against all Released Parties that were alleged or that could have been alleged based on the facts asserted in the operative Complaint that occurred during the Class Period, including, all claims for failure to reimburse business expenses, unauthorized deductions from wages, failure to pay for all hours worked, failure to pay overtime, failure to pay minimum wage, failure to authorize and/or permit meal breaks, failure to authorize and/or permit rest breaks, waiting time penalties, unfair business practices, the Private Attorneys General Act of 2004, Labor Code sections 2802, 221, 223, 200, 226, 500, 1197, 1198, 510, 1194, 226.7, 512, 201, 202, 203, 2699 et seq., and the applicable Wage Orders, and Business & Professions Code section 17200. The release expressly excludes all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and claims outside of the Class Period ("Released Class Claims").

PAGA Claims:: Upon the Effective Date and funding in full of the Gross Settlement Amount by Defendants, all PAGA Members shall release all Released Parties from all Released PAGA Claims, irrespective of whether they opted-out of the class settlement, and will be bound by this PAGA Release (the "PAGA Release"). "Released PAGA Claims" are defined as the claims asserted by PAGA Members for alleged violations of the California Labor Code and IWC Wage Order provisions identified in the PAGA Notice sent to the LWDA by Plaintiff Marcelus and further identified in the operative Complaint that are alleged to have occurred during the PAGA Period ("Released PAGA Claims").

5. How much will my payment be?

Defendants' records reflect that you worked << [redacted] >> days during the Class Period as a non-exempt employee for Defendants. Your estimated Settlement Share as a Class Member is << [redacted] >>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Settlement Administrator at the address provided in this Notice no later than _____, 2021 **[forty-five (45) days after the Notice or re-mailed Notice].**

6. How can I get a payment?

To get money from the Settlement, you do not have to do anything. A check for your Settlement Share 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: [redacted] (800) [redacted]; address:**

The Court will hold a hearing on [redacted] to decide whether to finally approve the Settlement. If the Court finally approves the Settlement and there are no appeals, payments will be mailed within approximately **two months** after this hearing. If there are appeals, resolving them can take time, perhaps 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 receive NO money from the Settlement, and you will not be bound by its terms, except as provided as follows:** Irrespective of whether you exclude yourself from the Settlement or “opt out,” you will be bound by the PAGA Release, you will be deemed to have released the Released PAGA Claims, and you will receive a share of the Net PAGA Amount.

To opt out, you must submit to the Settlement Administrator, by First Class Mail, a written, signed and dated request to opt-out postmarked no later than [redacted] [forty-five (45) days after the Notice or re-mailed Notice]. The request to opt-out may state in substance: “I have read the Class Notice and I wish to opt-out of the class action and settlement of the case *Jones v. Westways Staffing Services, Inc. (Case No. 19STCV43097)*” or a response in another verifiable format advising the Settlement Administrator that you elect not to participate in the Settlement. The request to opt-out must contain your name, address, and signature. To be valid, the request to opt-out must be completed by you and must be timely mailed to the Settlement Administrator. No other person may opt-out for a living Class Member. Anyone who submits a timely and valid request to opt out shall not be deemed a Class Member and will not receive any payment as part of this Settlement except as provided above.

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

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

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason may object to the Settlement. Objections may be in writing and state your (the Class Member's) name, current address, telephone number, and describe why you object to the Settlement and whether you intend to appear at the final approval hearing. All objections or other correspondence must also state the name and number of the case, which is *Jones v. Westways Staffing Services, Inc. (Case No. 19STCV43097)*. **In addition, as fully set forth in Paragraph 9 below, Class Members may appear in person or through an attorney, if they so desire, at the final approval hearing to make their objection orally.**

Any written objections must be postmarked and mailed to the Settlement Administrator no later than [redacted] [forty-five (45) days after the Notice or re-mailed Notice]. The address for the Settlement Administrator is [redacted].

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 Class Members who do not object.

The addresses for Parties' counsel are as follows:

Class Counsel:

Ashkan Shakouri
Shakouri Law Firm
11601 Wilshire Blvd., Fifth Floor
Los Angeles, CA 90024
Telephone: (310) 575-1827
E-mail: ash@shakourilawfirm.com

Counsel for Defendants:

Tiffany Brosnan
Erin D. Leach
Snell & Wilmer L.L.P.
600 Anton Blvd., Suite 1400
Costa Mesa, California 92626
Telephone: (714) 427-7000

Facsimile: (714) 427-7799
E-mail: tbrosnan@swlaw.com
eleach@swlaw.com

Thomas L. Schulman
Attorney at Law
600 West Santa Ana Blvd., Suite 955
Santa Ana, California 92701
Telephone: (714) 542-9902
Email: tmschulman@gmail.com

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

The Court will hold a Final Approval Hearing at **00:00 AM/PM on** , at the Superior Court of the State of California for the County of Los Angeles, located at 312 N. Spring Street, Los Angeles, California 90012, in Department 9. 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 of the Settlement. If there are objections, the Court will consider them. The Court will listen to Class Members who ask to speak regarding their objections at the Final Approval Hearing, regardless of whether they have made a timely written request to speak at the hearing. 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 Class Member is welcome to attend the Final Approval Hearing to listen to the proceedings or to object to the Settlement. You may remotely appear at the Final Approval Hearing by using the Court Connect procedure at <https://www.lacourt.org/lacc/>. You may also attend the Final Approval Hearing in person, but under the Los Angeles County Superior Court's June 28, 2021 General Order, you must adhere to the following rules when accessing the courthouse:

- All persons, regardless of vaccination status, must wear a face mask over both the nose and mouth while in public areas of the courthouse, including courtrooms. Children under the age of two (2) are exempt from the Order. Court employees must wear face masks that meet the Cal/OSHA requirements.
- Individuals with a physical or mental health impairment or disability who seek an exemption from the face mask requirement must contact the ADA liaison at the courthouse prior to their appearance to request a reasonable accommodation pursuant to the Americans with Disabilities Act or Rule 1.100 of the California Rules of Court. A list of ADA liaisons is available at www.lacourt.org/ada/adahome.aspx.
- Individuals who decline or refuse to wear a face mask without a court order exempting them from the mask requirement will be denied entry to the courthouse and/or courtroom.
- Individuals who remove their face masks after entering the courthouse or courtroom will be reminded to wear them. If they refuse, they may be denied services, may have their legal matters rescheduled, and/or will be asked to leave the courthouse or courtroom immediately. Persons who refuse to leave voluntarily will be escorted out of the courthouse and/or courtroom by Los Angeles County Sheriff's Department personnel.
- While snack bars and cafeterias will reopen, over the next few weeks, eating or drinking is prohibited in courthouse hallways.

Moreover, under the Los Angeles Superior Court's July 30, 2021 News Release, "anyone experiencing symptoms, who has been exposed to COVID-19, or tested positive for SARS-CoV-2, should not enter any courthouses. If you have tested positive or are experiencing symptoms, promptly call the courtroom and other parties to continue

the hearing or trial.”

Due to evolving nature of the pandemic, you should check for the latest updates on accessing the courthouse by viewing the Court’s website at <https://www.kern.courts.ca.gov/covid19>.

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

This Class Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Final Judgment or other Settlement documents by going to the Administrator’s website at www.phoenixclassaction.com/Jones-v-WestwaysStaffing or by contacting the Settlement Administrator or Class Counsel. You may also get more details by examining the Court’s file using the court’s website at <http://www.lacourt.org/> and entering the Case No. *19STCV43097* in the website’s case access page, or by going to the Clerk’s Office located at 312 N. Spring Street, Los Angeles, California 90012 during regular business hours.

PLEASE DO NOT CALL THE COURT ABOUT THIS CLASS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. If the Settlement Share check of a Participating Class Member remains uncashed by the expiration of the 180 day period, the uncashed funds shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code section 1500, *et seq.* for the benefit of those Participating Class Members who did not cash their Settlement Share checks until such time that they claim their property and who will remain bound by the Settlement.
- If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

EXHIBIT B

[PRELIMINARY APPROVAL ORDER]

EXHIBIT B

**IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
SUPERIOR COURT OF LOS ANGELES COUNTY**

TAMARA JONES on behalf of herself
and others similarly situated

Plaintiff,

v.

WESTWAYS STAFFING SERVICES,
INC.; HAROLD STERLING; and DOES
1-20, inclusive

Defendants.

CASE NO. 19STCV43097

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

1 On _____, 2021, a hearing was held on Plaintiffs Tamara Jones and Bruntina
2 Marcelus' ("Plaintiffs") Unopposed Motion for Preliminary Approval of the Class Action
3 Settlement. Shakouri Law Firm appeared for Plaintiffs and Snell & Wilmer L.L.P. appeared for
4 Defendants Westways Staffing Services, Inc. and Harold Sterling ("Defendants").

5 The Court having read and considered the papers on the motion, the arguments of counsel,
6 and the law, and good cause appearing therefore,

7 **IT IS ORDERED:**

8 1. This Order incorporates the defined terms in the Class Action Settlement Agreement
9 (the "Agreement" or "Settlement"). Unless otherwise specified, all capitalized terms in this Order
10 shall have the same meaning given to those terms in the Agreement.

11 2. The Class is defined as all non-exempt employees working for Westways Staffing
12 Services, Inc. who were assigned to work at any healthcare facility inside California from
13 December 3, 2015, through September 4, 2021 (the "Class Period"). "PAGA Members" is
14 defined all non-exempt employees working for Westways Staffing Services, Inc. who were
15 assigned to work at any healthcare facility inside California from July 12, 2020, through
16 September 4, 2021 ("PAGA Period"). Pursuant to the Agreement, the Class is conditionally
17 certified for settlement purposes only.

18 3. The Parties' Agreement is granted preliminary approval as it meets the criteria for
19 preliminary settlement approval. The Settlement falls within the range of possible approval as
20 fair, adequate and reasonable, and appears to be the product of arm's-length and informed
21 negotiations and to treat all Class Members fairly. Continued litigation would have been
22 expensive for both sides. The Parties acknowledge that litigating and trying this action may have
23 resulted in delay of any recovery, involved significant risk as to liability and certification, and led
24 to possible appeals. Class Counsel received the relevant information for the Class. Plaintiffs have
25 adequately demonstrated that the Settlement did not occur until Plaintiffs and Class Counsel
26 possessed sufficient information to evaluate the case and make an informed decision about
27 settlement.

28 4. The Parties' proposed notice plan is legally sound because individual notices will be

1 mailed to all Class Members whose identities are known to the Parties, and such notice is the best
2 notice practicable. The Parties' proposed Notice of Proposed Class Action Settlement and Final
3 Approval Hearing ("Class Notice") attached to the Agreement as Exhibit A, sufficiently informs
4 Class Members of the terms of the Settlement, their right under the Settlement, their right to
5 object to the Settlement, their right to receive a Settlement Share or elect not to participate in the
6 Settlement, the processes for doing so, and the date and location of the Final Approval Hearing.
7 The Class Notice also provides notice that PAGA Members will receive payment from the Net
8 PAGA Amount and will be bound by and release all Released PAGA Claims, irrespective of
9 whether they opt out of the Settlement. Thus, the Court approves the Class Notice because it
10 provides adequate notice to Class Members.

11 5. Any Class Member who does not submit a valid request for exclusion will receive a
12 Settlement Share based upon the allocation formula set forth in the Agreement. Class Members
13 who wish to exclude themselves from the Settlement must mail a signed Election Not to
14 Participate in Settlement to the Settlement Administrator not later than 45 days after the
15 Settlement Administrator mails the Class Notice Packets to them. PAGA Members will receive
16 payment from the Net PAGA Amount and will be bound by and release all Released PAGA
17 Claims, irrespective of whether they opt out of the Settlement.

18 6. Any Class Member who elects not to participate in the Settlement has 45 days after
19 the mailing of the Class Notice to request exclusion from the Settlement pursuant to the
20 procedures set forth in the Class Notice. Any Class Member who wishes to object to the
21 Settlement, the proposed Attorneys' Fees, Attorneys' Expenses, and/or Class Representative
22 Service Payments will have the opportunity to do so at the Final Approval Hearing.

23 7. Class Counsel must file their application for Attorneys' Fees and Attorneys'
24 Expenses concurrently with their motion for final approval of the Settlement.

25 8. Phoenix Settlement Administrators is appointed to act as the Settlement
26 Administrator, pursuant to the terms set forth in the Settlement.

27 9. Shakouri Law Firm is approved as Class Counsel.
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1 10. Plaintiffs are approved as the representatives of the Class.

2 11. Defendants are directed to provide the Settlement Administrator with the Class
3 Members' Class Data as specified by the Agreement no later than 30 days after the date of entry
4 of this Order. Pursuant to the terms set forth in the Agreement, the Class Data, its contents, and
5 any files containing Class Data shall remain strictly confidential for the Settlement
6 Administrator's eyes only, not to be disclosed to Plaintiffs or to Class Counsel or to any Class
7 Member.

8 12. The Class Notice attached as Exhibit A to the Agreement is approved. The
9 Settlement Administrator is directed to mail the approved Class Notice by first-class mail to the
10 Class Members at their last known address no later than 14 days after receipt of the Class Data.

11 13. A Final Approval Hearing will be held on _____, at _____ in
12 Department 9, to determine whether the Settlement should be granted final approval as fair,
13 reasonable, and whether there was adequate notice to the Class Members. The Court will hear all
14 evidence and argument necessary to evaluate the Settlement and will consider the request for
15 approval of Attorneys' Fees, Attorneys' Expenses, Service Awards, and Settlement
16 Administration Costs. Class Members and their counsel may support or oppose the Settlement
17 and the motion for an award of attorneys' fees and costs and the Service Awards, if they so
18 desire, as set forth in the Class Notice.

19 14. Any Class Member may appear at the Final Approval Hearing in person or by his or
20 her own attorney and show cause why the Court should not approve the Settlement, or object to
21 the motion for an award of attorneys' fees and costs and Service Awards.

22 15. The Court reserves the right to continue the date of the Final Approval Hearing
23 without further notice to Class Members. The Court retains jurisdiction to consider all further
24 applications arising out of or in connection with the Settlement.

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DATED: _____

HON. YVETTE M. PALAZUELOS
LOS ANGELES SUPERIOR COURT

EXHIBIT C

[FINAL APPROVAL ORDER AND JUDGMENT]

EXHIBIT C

**IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
SUPERIOR COURT OF LOS ANGELES COUNTY**

TAMARA JONES on behalf of herself
and others similarly situated

Plaintiff,

v.

WESTWAYS STAFFING SERVICES,
INC.; HAROLD STERLING; and DOES
1-20, inclusive

Defendants.

CASE NO. 19STCV43097

**[PROPOSED] ORDER GRANTING FINAL
APPROVAL TO CLASS ACTION
SETTLEMENT AND APPLICATION FOR
ATTORNEYS' FEES AND COSTS, AND
FINAL JUDGMENT THEREON**

1 On _____, a hearing was held on Plaintiffs Tamara Jones and Bruntina
2 Marcelus' ("Plaintiffs") Unopposed Motion for Final Approval of Class Action Settlement.
3 Shakouri Law Firm appeared for Plaintiff and Snell & Wilmer L.L.P. appeared for Defendants
4 Westways Staffing Services, Inc. and Harold Sterling ("Defendants").

5 The Parties have submitted their Class Action Settlement Agreement (the "Agreement" or
6 "Settlement"), which this Court preliminarily approved by its _____ order (the
7 "Preliminary Approval Order"). In accordance with the Preliminary Approval Order, Class
8 Members have been given adequate notice of the terms of the Settlement and the opportunity to
9 object to it or to exclude themselves from it.

10 Having received and considered the Settlement, the supporting papers filed by the Parties,
11 and the evidence and argument received by the Court before entering the Preliminary Approval
12 Order and at the Final Approval Hearing, the Court grants final approval of the Settlement, enters
13 this Final Approval Order and Judgment, and HEREBY ORDERS and MAKES
14 DETERMINATIONS as follows:

15 1. Except as otherwise specified herein, the Court for purposes of this Final Approval
16 Order and Judgment adopts all defined terms set forth in the Agreement.

17 2. For settlement purposes only, the Court grants certification of the Class. The Class
18 is defined as all non-exempt employees working for Westways Staffing Services, Inc. who were
19 assigned to work at any healthcare facility inside California from December 3, 2015, through
20 September 4, 2021 (the "Class Period").

21 3. "PAGA Members" is defined all non-exempt employees working for Westways
22 Staffing Services, Inc. who were assigned to work at any healthcare facility inside California
23 from July 12, 2020, through September 4, 2021 ("PAGA Period").

24 4. Pursuant to the Preliminary Approval Order, the Notice of Proposed Class Action
25 Settlement and Final Approval Hearing ("Class Notice") was sent to each Class Member by first-
26 class mail. The Class Notice informed Class Members of the terms of the Settlement, their right
27 to receive a Settlement Share, their right to comment on or object to the Settlement and/or the
28 attorneys' fees and costs, their right to elect not to participate in the Settlement and pursue their

1 own remedies, and their right to appear in person and/or by counsel at the Final Approval Hearing
2 and be heard regarding approval of the Settlement. Adequate periods of time were provided by
3 each of these procedures.

4 5. The Court finds and determines that this notice procedure afforded adequate
5 protections to Class Members and provides the basis for the Court to make an informed decision
6 regarding approval of the Settlement based on the responses of Class Members. The Court finds
7 and determines that the notice provided in this case was the best notice practicable, which
8 satisfied the requirements of law and due process.

9 6. ____ Class Members filed written objections to the Settlement as part of this notice
10 process. [*As applicable* The Court overrules the objections raised by objecting Class Members.]

11 7. For the reasons stated in the Preliminary Approval Order, the Court finds and
12 determines that the terms of the Settlement are fair, reasonable and adequate to the Class and to
13 each Class Member and that the Participating Class Members will be bound by the Settlement,
14 that the Settlement is ordered finally approved, and that all terms and provisions of the Settlement
15 should be and hereby are ordered to be consummated.

16 8. The Court finds and determines that the all-inclusive Gross Settlement Amount in
17 the amount of \$3,740,116.00 and the Settlement Shares to be paid to the Participating Class
18 Members under the Settlement are fair and reasonable. The Court hereby grants final approval to
19 and orders the payment of those amounts be distributed to the Participating Class Members out of
20 the Net Settlement Amount in accordance with the Agreement. Pursuant to the terms of the
21 Agreement, the Settlement Administrator is directed to make the payments to each Participating
22 Class Member.

23 9. The Court finds and determines that the Settlement Administration Cost for
24 administering the Settlement, in the amount of \$30,000 are fair and reasonable. The Court
25 hereby grants final approval to and orders that the payment of that amount be paid out of the
26 Gross Settlement Amount to the Settlement Administrator in accordance with the Agreement.

27 10. The Court finds and determines that the request by Plaintiffs for Service Awards is
28 fair and reasonable and hereby orders that the requested payments in the amount of \$10,000.00 be

1 paid to Plaintiff Tamara Jones and \$7,500.00 to be paid to Plaintiff Bruntina Marcelus out of the
2 Gross Settlement Amount.

3 11. The Court further finds and determines that the request by Class Counsel for
4 Attorneys' Fees is fair and reasonable and hereby orders that \$1,246,581.00 (33.33% of the Gross
5 Settlement Amount) be paid to Shakouri Law Firm out of the Gross Settlement Amount.

6 12. The Court also finds and determines that the request by Class Counsel for
7 Attorneys' Expenses is fair and reasonable and hereby orders that \$_____ be paid to
8 Shakouri Law Firm out of the Gross Settlement Amount.

9 13. Upon the Effective Date and funding in full of the Gross Settlement Amount by
10 Defendants, all Participating Class Members who do not timely and validly opt out shall be
11 deemed to have fully and finally released all claims, causes of action, damages, wages, benefits,
12 expenses, penalties, debts, liabilities, demands, obligations, attorneys' fees, costs, and any other
13 form of relief or remedy in law, equity, or whatever kind of nature against all Released Parties
14 that were alleged or that could have been alleged based on the facts asserted in in the operative
15 Complaint that occurred during the Class Period, including, all claims for failure to reimburse
16 business expenses, unauthorized deductions from wages, failure to pay for all hours worked,
17 failure to pay overtime, failure to pay minimum wage, failure to authorize and/or permit meal
18 breaks, failure to authorize and/or permit rest breaks, waiting time penalties, unfair business
19 practices, the Private Attorneys General Act of 2004, Labor Code sections 2802, 221, 223, 200,
20 226, 500, 1197, 1198, 510, 1194, 226.7, 512, 201, 202, 203, 2699 et seq., and the applicable
21 Wage Orders, and Business & Professions Code section 17200. The release expressly excludes all
22 other claims, including claims for vested benefits, wrongful termination, unemployment
23 insurance, disability, social security, workers' compensation, and claims outside of the Class
24 Period, and the Released PAGA Claims. Upon the Effective Date and funding in full of the Gross
25 Settlement Amount by Defendants, all PAGA Members shall also release all Released Parties
26 from all Released PAGA Claims, irrespective of whether they opted-out of the Settlement and
27 will be bound by this PAGA Release. The Released PAGA Claims are defined as the claims
28 asserted by PAGA Members for alleged violations of the California Labor Code and IWC Wage

1 Order provisions identified in the PAGA Notice sent to the LWDA by Plaintiff Marcelus and
2 further identified in the operative Complaint that are alleged to have occurred during the PAGA
3 Period (“Released PAGA Claims”).

4 14. Pursuant to the terms of the Agreement, Plaintiffs make additional general releases
5 of Plaintiffs’ Released Claims as defined in the Agreement.

6 15. As partial consideration for the Service Awards, Plaintiffs’ Released Claims shall
7 include all such claims, whether known or unknown, by the releasing party. Thus, even if
8 Plaintiffs discover facts and/or claims in addition to or different from those that they now know or
9 believe to be true with respect to the subject matter of Plaintiffs’ Released Claims, those claims
10 will remain released and forever barred. Therefore, with respect to Plaintiffs’ Released Claims,
11 Plaintiffs expressly waive and relinquish all of the provisions and all of their rights and benefits
12 under the provisions of section 1542 of the California Civil Code, which reads:

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

16 16. Nothing in this Order shall preclude any action to enforce the Parties’ obligations
17 under the Settlement or under this Order, including the requirement that Defendants make
18 payment in accordance with the Agreement.

19 17. If, for any reason, the Settlement ultimately does not become Final (as defined by
20 the Settlement), this Final Approval Order will be vacated; the Parties will return to their
21 respective positions in the Actions as those positions existed immediately before the Parties
22 executed the Agreement; and nothing stated in the Agreement or any other papers filed with this
23 Court in connection with the Settlement will be deemed an admission of any kind by any of the
24 Parties or used as evidence against, or over the objection of, any of the Parties for any purpose in
25 the Action or in any other action.

26 18. The Parties entered into the Settlement solely for the purpose of compromising and
27 settling disputed claims. Defendants in no way admit any violation of law or any liability
28 whatsoever to Plaintiffs and the Class, individually or collectively, all such liability being

1 expressly denied by Defendants.

2 19. By means of this Final Approval Order, this Court hereby enters final judgment in
3 this Action.

4 20. Without affecting the finality of this Final Approval Order and Judgment in any
5 way, the Court retains jurisdiction of all matters relating to the interpretation, administration,
6 implementation, effectuation and enforcement of this Order and the Settlement under Code of
7 Civil Procedure § 664.6.

8 21. The Parties are hereby ordered to comply with the terms of the Agreement.

9 22. Each side to bear its own costs and attorneys' fees except as provided by the
10 Settlement and this Final Approval Order and Judgment.

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12 DATED: _____

13 _____
14 HON. YVETTE M. PALAZUELOS
15 LOS ANGELES SUPERIOR COURT
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