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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

CRUZ PEREZ JR., individually, and
on behalf of other members of the
general public similarly situated and
on behalf of other aggrieved
employees pursuant to the California
Private Attorneys General Act;

Plaintiff,

vs.

BODYCOTE THERMAL
PROCESSING, INC., a Delaware
corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: 2:22-cv-00145-RAO

Honorable Rozella A. Oliver
Courtroom 590

CLASS ACTION

**DECLARATION OF SELENA
MATAVOSIAN IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

[Plaintiff's Motion for Preliminary
Approval of Class Action Settlement;
Declaration of Proposed Class
Representative (Cruz Perez Jr.); and
[Proposed] Order filed concurrently
herewith]

Date: January 10, 2024
Time: 10:00 a.m.
Courtroom: 590

Complaint Filed: November 17, 2021
FAC Filed: February 18, 2022
Trial Date: None Set

DECLARATION OF SELENA MATAVOSIAN

I, Selena Matavosian, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers *for* Justice, PC, attorneys of record for Plaintiff Cruz Perez Jr. (“Plaintiff”). The facts set forth in this declaration are within my personal knowledge or based on information and belief, and if called as a witness, I could and would competently testify thereto.

EXPERIENCE AND ADEQUACY OF LAWYERS *for* JUSTICE, PC

2. Since October 2008, Lawyers *for* Justice, PC has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. Currently, Lawyers *for* Justice, PC is the attorney of record in over a dozen employment-related putative class actions in both state and federal courts in the State of California. Lawyers *for* Justice, PC is comprised of attorneys who focus on litigating complex wage-and-hour class and Private Attorneys General Act (“PAGA”) representative actions. Lawyers *for* Justice, PC has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. During a relatively short time, in association with other law firms, Lawyers *for* Justice, PC has recovered millions of dollars on behalf of thousands of individuals in California. Below is a summary of the experience and qualifications of the attorneys at Lawyers *for* Justice, PC who most recently and primarily have been responsible for the representation of Plaintiffs in connection with the resolution of above-captioned matter. Additional attorney and non-attorney staff have also worked on the above-captioned matter.

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3. Edwin Aiwarzian is the Managing Member and Shareholder of Lawyers *for* Justice, PC. He received his Bachelor of Arts degree from Pepperdine University in April of 1999 and earned a Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of its Masters in Dispute Resolution degree program. In addition, he has previously served as a pro bono mediator for the Los Angeles County Superior Court. In October of 2000, he obtained a Litigation Paralegal Certificate from the UCLA Extension Program. During the summer of 2000, he studied Legal Writing at Harvard University. From approximately September 2002 to approximately December 2002, he served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the United States Court of Appeals for the Ninth Circuit. From approximately June 2002 to approximately August 2002, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. In December of 2004, he obtained a license to practice law from the California State Bar. Since in or around October of 2008, through his work at Lawyers *for* Justice, PC, he has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. While employed by Lawyers *for* Justice PC, he has argued over one hundred (100) motions, taken or defended over one hundred fifty (150) depositions, prepared dozens of expert witnesses for deposition or trial, and attended over one hundred seventy-five (175) mediations. Together with other attorneys at the firm, and in many cases in conjunction with co-counsel, he has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. Under his supervision, Lawyers *for* Justice, PC has successfully obtained class certification by contested motion practice in approximately fifteen (15) cases in the last decade, and litigated over

1 1,000 class action or representative action cases.

2 4. Arby Aiwarzian is a Member and Shareholder of Lawyers *for* Justice,
 3 PC. He received his Bachelor of Arts degree from University of California, Los
 4 Angeles and graduated magna cum laude. He earned a Juris Doctor degree, cum
 5 laude, from Southwestern Law School. From approximately May 2007 to
 6 approximately July 2007, he served as a Judicial Extern to the Honorable Earl
 7 Johnson, Jr. of the California Court of Appeal for the Second Appellate District.
 8 From approximately August 2008 to approximately December 2008 he served as a
 9 Judicial Extern to the Honorable Kim McLane Wardlaw of the United State Court
 10 of Appeals for the Ninth Circuit. He was admitted to practice law in California in
 11 2010. He is admitted to practice before all courts of the State of California and all
 12 United States District Courts in the State of California. He has worked on many
 13 wage-and-hour class action and representative action cases, taking the lead in taking
 14 and defending depositions, arguing motions, and attending mediations. He has
 15 played an integral role in preparing matters for class certification, including and not
 16 limited to, successful certification of a class in *Upson v. Sur La Table* (Los Angeles
 17 County Superior Court Case No. BC424012), *Montazemi v. Regus Management*
 18 (Los Angeles County Superior Court Case No. BC478769), and *Abdulhaqq v. Urban*
 19 *Outfitters* (Alameda County Superior Court Case No. RG13680477). He has worked
 20 on over one hundred (100) class action or representative action cases which have
 21 resulted in settlement, including and not limited to those listed in paragraph 7 herein.
 22 He has handled over one hundred and fifty (150) mediations and worked on over
 23 two hundred and fifty (250) class action or representative action cases which have
 24 resulted in settlement.

25 5. Joanna Ghosh is a Senior Member of Lawyers *for* Justice, PC. She
 26 received a Bachelor of Arts degree from California State University, Los Angeles in
 27 2006, a Master of Science degree from the London School of Economics in 2007,
 28 and a Juris Doctor degree from Georgetown University Law Center in 2010. She is

admitted to practice in California (since 2010) and in New York (since 2013) and is also admitted to practice in all U.S. District Courts in California, the U.S. Bankruptcy Court for the Central District of California, and the U.S. Supreme Court. She has taken and defended dozens of depositions and successfully handled motion practice in class action cases regarding discovery (including and not limited to, regarding class contact information), class certification (both contested class certification and stipulated class certification), arbitration agreements, coordination, intervention. She has successfully handled briefing and oral argument on appeal and obtained notable decisions regarding the Private Attorneys General Act and employer efforts to compel arbitration of PAGA claims, e.g., *Roberto Betancourt v. Prudential Overall Supply* (Cal., May 24, 2017) 9 Cal.App.5th 439 (Cal. Ct. App., Mar. 7, 2017), cert. denied, cert. denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court* (2019) 8 Cal.5th 175. She also has extensive experience with class action and/or representative action settlements. Under her, Edwin Aiwasian, and Arby Aiwasian's supervision, the firm has handled the class certification and court approval process for hundreds of class action and/or representative action matters that have successfully resolved. She is a member of the California Employment Lawyers Association.

6. I am a Member of Lawyers *for* Justice, PC. I received my Bachelor of Science degree from California State University, Northridge in 2019 and earned my Juris Doctor degree from Southwestern Law School in 2022. I was admitted to practice law in California in 2022. I am admitted to practice before all courts of the State of California and all federal district courts in the State of California. I have worked on many wage-and-hour class action and PAGA representative cases, and my work on these cases has included preparing pleadings and motions, making court appearances, and drafting, negotiating, and finalizing settlement agreements.

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EXAMPLES OF RESULTS IN WAGE-AND-HOUR CLASS ACTION AND REPRESENTATIVE ACTION CASES

7. What follows are just a few examples of the type of results Lawyers *for* Justice, PC (“LFJ”) has achieved on behalf of its clients:

a) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class action against a major property management company involving allegations of misclassification of various “manager” positions. On September 20, 2010, the court granted final approval of the class action settlement. The Los Angeles County Superior Court Case Number is BC400414.

b) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class action against a national retailer of household items involving allegations of misclassification of the “Assistant Store Manager” position. On October 28, 2010, the court granted final approval of the class action settlement. The Los Angeles County Superior Court Case Number is BC413498.

c) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class action against a national property management company involving allegations of misclassification of the “Property Manager” position. On May 23, 2012, the court granted final approval of the class action settlement. The Los Angeles County Superior Court Case Number is BC430918.

d) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class action against a national retailer involving allegations of misclassification of the “Store Manager” position. On June 10, 2011, the court granted plaintiffs’ motion for class certification. On August 26, 2013, the court granted final approval of the class action settlement. The Los Angeles County Superior Court Case Number is BC424012.

e) LFJ, in association with co-counsel therein, represented the plaintiff in a wage-and-hour class and PAGA representative action against a bank, involving allegations of misclassification of the “Assistant Branch Manager”

1 position. On August 27, 2013, the court granted final approval of the class and
2 PAGA representative action settlement. The Kern County Superior Court Case
3 Number is S-1500-CV-273194-LHB.

4 f) LFJ, in association with co-counsel therein, represented the
5 plaintiff in a wage-and-hour class and PAGA representative action against a national
6 wholesale distributor of plumbing and builder supplies, involving allegations of
7 misclassification of multiple salaried “manager” positions. On May 22, 2014, the
8 court granted final approval of the class and PAGA representative action settlement.
9 The Sacramento County Superior Court Case Number is 34-2012-00136285.

10 g) LFJ, in association with co-counsel therein, represented the
11 plaintiff in a wage-and-hour class action against a multinational corporation that
12 provides global workplace solutions, involving allegations of misclassification of
13 the “Operations Manager” position. On September 16, 2014, the court granted
14 plaintiff’s motion for class certification. The Los Angeles County Superior Court
15 Case Number is BC478769.

16 h) LFJ, in association with co-counsel therein, represented the
17 plaintiff in a wage-and-hour class and PAGA representative action against a national
18 retailer of household items, on behalf of hourly-paid or non-exempt employees. On
19 May 27, 2015, the court granted final approval of the class and PAGA representative
20 action settlement. The San Francisco County Superior Court Case Number is CGC-
21 13-532344.

22 i) LFJ, in association with co-counsel therein, represented the
23 plaintiff in a wage-and-hour class and PAGA action involving allegations of
24 misclassification of the salaried residential “Property Manager” position. On
25 September 17, 2015, the court granted plaintiff’s motion for class certification. On
26 October 20, 2017, the court granted final approval of the class and PAGA
27 representative action settlement. The Los Angeles County Superior Court Case
28 Number is BC474784.

1 j) LFJ, in association with co-counsel therein, represented the
2 plaintiffs in a wage-and-hour class and PAGA representative action against a
3 national retailer of upscale hardware and home furnishings, on behalf of non-exempt
4 employees. On April 28, 2016, the court granted final approval of the class and
5 PAGA representative action settlement. The Los Angeles County Superior Court
6 Case Numbers are BC516795 and JCCP4794, and the Judicial Council Coordination
7 Proceeding Number is 4794.

8 k) LFJ, in association with co-counsel therein, represented the
9 plaintiffs in a wage-and-hour class action against a national retailer of apparel and
10 fashion accessories, on behalf of non-exempt employees. On August 5, 2016, the
11 court granted final approval of the class action settlement. The Los Angeles County
12 Superior Court Case Number is BC488069.

13 l) LFJ, in association with co-counsel therein, represented the
14 plaintiffs in a wage-and-hour class action against a national retailer of apparel,
15 accessories, and home products, involving allegations of misclassification of the
16 “Department Manager” position. On August 12, 2016, the court granted the
17 plaintiffs’ motion for class certification in part and certified a class. On August 6,
18 2019, the court granted final approval of the class action settlement. The Alameda
19 County Superior Court Case Number is RG13680477.

20 m) LFJ represented the plaintiff in a PAGA representative action
21 against a real estate and property management company, on behalf of non-exempt
22 employees. On November 4, 2016, the court granted approval of the PAGA
23 representative action settlement. The Orange County Superior Court Case Number
24 is 30-2015-00775439-CU-OE-CXC.

25 n) LFJ, in association with co-counsel therein, represented the
26 plaintiffs in a wage-and-hour class and PAGA representative action against a full-
27 service bank, on behalf of non-exempt employees. On November 18, 2016, the court
28 granted final approval of the class and PAGA representative action settlement. The

1 San Francisco County Superior Court Case Number is CJC-13-004839 and the
2 Judicial Council Coordination Proceeding Number is 4839.

3 o) LFJ represented the plaintiffs in a wage-and-hour class and
4 PAGA representative action against a foodservice distributor, on behalf of non-
5 exempt employees. On January 26, 2017, the court granted final approval of the
6 class and PAGA representative action settlement. The San Bernardino County
7 Superior Court Case Number is CIVDS1507260.

8 p) LFJ, on behalf of the plaintiff and respondent in a PAGA
9 representative action, successfully opposed in the trial court, and briefed and argued
10 an appeal with respect to the employer's motion to compel arbitration, which
11 resulted in a published opinion by the California Court of Appeal in favor of
12 employees. *Roberto Betancourt v. Prudential Overall Supply* (Cal. App. 4th Dist.,
13 Mar. 7, 2017) 9 Cal.App.5th 439, review denied, cert. denied (U.S. Supreme Court
14 Docket No. 17-254). The Riverside County Superior Court Case Numbers are
15 RIC1503952 and RICJCCP5046, and the Judicial Council Coordination Proceeding
16 Number is 5046.

17 q) LFJ, in association with co-counsel therein, represented the
18 plaintiffs in a wage-and-hour class and PAGA representative action against a
19 consumer packaging company, on behalf of non-exempt employees. On March 10,
20 2017, the court granted final approval of the class and PAGA representative action
21 settlement. The Los Angeles County Superior Court Case Number is BC590429.

22 r) LFJ, in association with co-counsel therein, represented the
23 plaintiffs in a wage-and-hour class and PAGA representative action against a
24 manufacturer of food service industry supplies on behalf of non-exempt employees.
25 On April 14, 2017, the court granted final approval of the class and PAGA
26 representative action settlement. The Orange County Superior Court Case Number
27 is 30-2015-00810013-CU-OE-CXC.

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1 s) LFJ in association with co-counsel therein, represented the
2 plaintiffs in a wage-and-hour class and PAGA representative action against a lumber
3 and hardware company on behalf of non-exempt employees. On April 26, 2017, the
4 court granted final approval of the class and PAGA representative action settlement.
5 The Orange County Superior Court Case Number is 30-2014-00747750-CU-OE-
6 CXC.

7 t) LFJ represented the plaintiff in a wage-and-hour class and PAGA
8 representative action against a property management company, on behalf of non-
9 exempt employees. On June 14, 2017, the court granted final approval of the class
10 and PAGA representative action settlement. The Los Angeles County Superior
11 Court Case Number is BC586234.

12 u) LFJ represented the plaintiff in a wage-and-hour class and PAGA
13 representative action against a food company on behalf of non-exempt employees.
14 On June 30, 2017, the court granted final approval of the class and PAGA
15 representative action settlement. The Sacramento County Superior Court Case
16 Number is 34-2015-00175871.

17 v) LFJ represented the plaintiffs in a wage-and-hour class and
18 PAGA representative action against a chocolate company on behalf of non-exempt
19 employees. On July 19, 2017, the court granted final approval of the class and PAGA
20 representative action settlement. The Alameda County Superior Court Case Number
21 is RG15764300.

22 w) LFJ represented the plaintiff in a PAGA representative action,
23 against the parent company of several restaurants, on behalf of hourly-paid, non-
24 exempt employees. On October 18, 2017, the court granted approval of the PAGA
25 representative action settlement. The Los Angeles County Superior Court Case
26 Number is BC569664.

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1 x) LFJ represented the plaintiffs in a wage-and-hour class and
2 PAGA representative action against a manufacturer of plastic containers on behalf
3 of non-exempt employees. On October 31, 2017, the court granted final approval of
4 the class and PAGA representative action settlement. The Los Angeles County
5 Superior Court Case Number is BC577233.

6 y) LFJ, in association with co-counsel therein, represented the
7 plaintiffs in a wage-and-hour class and PAGA representative action against a bank
8 on behalf of non-exempt employees. On December 11, 2017, the court granted final
9 approval of the class and PAGA representative action settlement. The Los Angeles
10 County Superior Court Case Number is BC569646.

11 z) LFJ, in association with co-counsel therein, represented the
12 plaintiffs in a wage-and-hour class and PAGA representative action against a
13 property management company on behalf of hourly-paid and non-exempt
14 employees. On January 4, 2018, the court granted final approval of the class and
15 PAGA representative action settlement. The Los Angeles County Superior Court
16 Case Number is JCCP4819 and the Judicial Council Coordination Proceeding
17 Number is 4819.

18 aa) LFJ, in association with co-counsel therein, represented the
19 plaintiffs in a wage-and-hour class and PAGA representative action against a global
20 provider of flexible office space solutions. On February 15, 2018, the court granted
21 final approval of the class and PAGA representative action settlement. The Los
22 Angeles County Superior Court Case Number is BC498401.

23 bb) LFJ, in association with co-counsel therein, represents the
24 plaintiff in a wage-and-hour class action against a container manufacturer, on behalf
25 of non-exempt employees. On October 15, 2018, the court granted the plaintiff's
26 motion for class certification. The Tulare County Superior Court Case Number is
27 VCU264528.

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1 cc) LFJ represented the plaintiffs in a wage-and-hour class and
2 PAGA representative action against a behavioral health service provider on behalf
3 of non-exempt employees. On November 13, 2018, the court granted final approval
4 of the class and PAGA representative action settlement. The Alameda County
5 Superior Court Case Number is RG16811450.

6 dd) LFJ, in association with co-counsel therein, represented the
7 plaintiff in a PAGA representative action against a global provider of products and
8 services to the energy industry, on behalf of hourly-paid and non-exempt employees.
9 On November 19, 2018, the court granted approval of the PAGA representative
10 action settlement. The Kern County Superior Court Case Number is S-1500-CV-
11 280215-SDC.

12 ee) LFJ, in association with co-counsel therein, represents the
13 plaintiff in a wage-and-hour class action against a parking company on behalf of
14 non-exempt employees. On September 3, 2019, the court granted the plaintiff's
15 motion for class certification and certified a class. The Santa Clara County Superior
16 Court Case Number is 16CV292208 and the Judicial Council Coordination
17 Proceeding Number is 4886.

18 ff) LFJ, in association with co-counsel therein, represents the
19 plaintiffs in a wage-and-hour class and PAGA representative action against a bank
20 on behalf of non-exempt employees. On September 27, 2019, the court granted the
21 plaintiffs' motion for class certification in part and certified a class. The Alameda
22 County Superior Court Case Number is RG15757606 and the Judicial Council
23 Coordination Proceeding Number is 4921.

24 gg) LFJ, in association with co-counsel therein, represented the
25 plaintiffs in a wage-and-hour class and PAGA representative action against a
26 national retailer of apparel and fashion accessories, on behalf of non-exempt
27 employees. On October 9, 2019, the court granted the plaintiffs' motion for class
28 certification in part and certified a class. On May 14, 2021, the court granted final

1 approval of the class and PAGA representative action settlement. The Sacramento
2 County Superior Court Case Number is 34-2015-00175330-CU-OE-GDS.

3 hh) LFJ, in association with co-counsel therein, represents the
4 plaintiff in a wage-and-hour class and PAGA representative action against a medical
5 equipment supplier on behalf of non-exempt employees. On February 13, 2020, the
6 court granted the plaintiff's motion for class certification and certified a class. The
7 San Bernardino County Superior Court Case Number is CIVDS1505744.

8 ii) LFJ, in association with co-counsel therein, on behalf of the
9 plaintiff and respondent in a PAGA representative action, successfully opposed in
10 the trial court, and briefed and argued an appeal with respect to the employer's
11 motion to compel arbitration, resulting in a notable decision from the California
12 Supreme Court clarifying the law regarding PAGA claims, *ZB, N.A. v. Superior*
13 *Court* (2019) 8 Cal.5th 175. On February 21, 2020, the court granted approval of
14 the PAGA representative action settlement. The San Diego County Superior Court
15 Case Number is 34-2015-00175330.

16 jj) LFJ, in association with co-counsel therein, represented the
17 plaintiff in a wage-and-hour class and PAGA representative action against a large
18 national drug testing laboratory on behalf of non-exempt employees. On February
19 21, 2020, the court granted the plaintiff's motion for class certification and certified
20 a class. On October 28, 2022, the court granted final approval of the class and PAGA
21 representative action settlement. The San Diego County Superior Court Case
22 Number is 37-2018-00019611-CU-OE-CTL.

23 kk) LFJ, in association with co-counsel therein, represents the
24 plaintiffs in a wage-and-hour class and PAGA representative action against a
25 national retailer of sportswear, footwear, and camping equipment on behalf of non-
26 exempt employees. On March 16, 2020, the court granted in part the plaintiff's
27 motion for class certification and certified a class. The Riverside County Superior
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1 Court Case Numbers are RIC1507504 and RICJCCP4930, and the Judicial Council
2 Coordination Proceeding Number is 4930.

3 ll) LFJ, in association with co-counsel therein, represented the
4 plaintiffs in a wage-and-hour class action against manufacturer and supplier of
5 power products and services on behalf of non-exempt employees. On July 31, 2020,
6 the court granted in part the plaintiffs' motion for class certification and certified a
7 class. On August 27, 2021, the court granted final approval of the class action
8 settlement. The San Diego County Superior Court Case Number is 37-2015-
9 00025968-CU-OE-CTL.

10 mm) LFJ represents the plaintiff in a wage-and-hour class action
11 against a nutritional products manufacturer on behalf of non-exempt production line
12 employees. On December 13, 2021, the court granted the plaintiff's motion for class
13 certification in part and certified a class. The Solano County Superior Court Case
14 Number is FCS051001.

15 nn) LFJ represents the plaintiffs in a wage-and-hour class action
16 against a manufacturer and distributor of commercial dish and glass cleaning
17 machines and supplies for the restaurant and hospitality industries, on behalf of
18 hourly-paid or non-exempt employees. On July 13, 2023, the court granted the
19 plaintiffs' motion for class certification and certified a class. The Los Angeles
20 County Superior Court Case Number is BC707670

21 **BASIC INFORMATION ABOUT THE CASE AND REACHING THE**
22 **SETTLEMENT**

23 8. Marked and attached hereto as "**EXHIBIT 1**" is the Joint Stipulation of
24 Class Action and PAGA Settlement and Release ("Settlement," "Agreement," or
25 "Settlement Agreement") entered into by and between Plaintiff, on the one hand,
26 and Defendant Bodycote Thermal Processing, Inc. ("Defendant"), on the other hand
27 (collectively, the "Parties"). The Parties and their counsel have approved the
28 proposed Notice of Pendency of Class Action Settlement and Hearing Date for Court

1 Approval (“Class Notice”), which is attached to the Settlement Agreement as
2 **“Exhibit A,” “Exhibit B,” and “Exhibit C”** and respectfully request that the Court
3 approve it as well.

4 9. Based on information provided by Defendant, as of May 2023, the
5 California Class Members are estimated to consist of approximately eight hundred
6 eighty-eight (888) individuals, the FCRA Class Members are estimated to consist of
7 approximately one hundred six (106) individuals, and the PAGA Group Members
8 are estimated to consist of approximately five hundred forty-two (542) individuals.

9 10. The effectiveness of Lawyers *for* Justice, PC (“Class Counsel”) in
10 prosecuting this matter has translated into tangible monetary benefits in the
11 following respects: (1) Class Members, the State of California, and PAGA Group
12 Members recover over a reasonably short period of time as opposed to waiting
13 additional years for the same, or possibly worse, result; (2) a guaranteed result that
14 compares favorably with other complex wage-and-hour class action and/or
15 representative action settlements of similar type given the strengths and weaknesses
16 of the case; and (3) significant savings in attorneys’ fees and/or costs that would
17 have only increased significantly had the case progressed through certification, trial,
18 and/or appeals.

19 11. Since the above-captioned action was commenced, Class Counsel has
20 litigated the case for over two (2) years and was actively preparing the matter for
21 class certification and trial, prior to reaching the Settlement. The Parties have
22 engaged in extensive settlement negotiations and participated in a formal, full-day
23 mediation conducted by Jeffrey Krivis, Esq. (the “Mediator”), a well-respected
24 mediator experienced in mediating complex labor and employment matters. Prior to
25 and during the mediation and settlement discussions, the Parties exchanged
26 extensive information and engaged in discussions regarding their evaluations of the
27 case and various aspects of the case, including but not limited to, the risks and delays
28 of further litigation, the risks to the Parties of proceeding with class certification

1 and/or representative adjudication, the law relating to off-the-clock theory, meal and
 2 rest periods, PAGA representative actions, and wage-and-hour law and
 3 enforcement, as well as the evidence produced and analyzed, and the possibility of
 4 appeals, among other things. During all settlement discussions, the Parties
 5 conducted their negotiations at arm's length in an adversarial position. Arriving at
 6 a settlement that was acceptable to all Parties was not easy. Defendant and its
 7 counsel felt strongly about their ability to prevail on the merits and at certification,
 8 and Plaintiff and Class Counsel believed that they would be able to obtain class
 9 certification and prevail at trial. After conducting extensive investigations, formal
 10 and informal discovery, and exchange of information, and extensive settlement
 11 negotiations, and with the aid of the Mediator's evaluation, the Parties have agreed
 12 that the matter is well-suited for settlement given the legal issues relating to
 13 Plaintiff's principal claims, as well as the costs and risks to both sides that would
 14 attend further litigation. The Settlement is a fair, reasonable, and adequate resolution
 15 of the Released California Class Claims of Plaintiff and the Settlement California
 16 Class Members, the Released FCRA Class Claims of Plaintiff and the Settlement
 17 FCRA Class Members, and of the Released PAGA Claims of the State of California
 18 and PAGA Group Members, against the Released Parties.

19 12. Prior to reaching the Settlement, Class Counsel investigated the
 20 veracity, strength, and scope of the claims, and was preparing the action for class
 21 certification and trial. Class Counsel conducted significant investigation and formal
 22 and informal discovery regarding the facts of the case, including and not limited to,
 23 the exchange, review, and analysis of a large volume of documents and data obtained
 24 from Defendant, Plaintiff, and other sources. Class Counsel served multiple sets of
 25 formal written discovery requests (specifically, Requests for Production of
 26 Documents (Set One) and Interrogatories (Sets One and Two)), and noticed the
 27 depositions of Defendant's Person Most Knowledgeable designees (with
 28 accompanying requests for production of documents) on Defendant. The volume of

1 data and documents that Class Counsel reviewed and analyzed included and was not
 2 limited to: employment records of Plaintiff, a detailed sampling of Class Members'
 3 time and pay data, job description, earning statements, Defendant's Employee
 4 Handbook, company policy acknowledgments and forms (including, but not limited
 5 to, Defendant's Employee Handbook Receipt Verification, California Meal Period
 6 Policy acknowledgement, California Rest Break Policy acknowledgment, California
 7 Meal Period Waiver Form, Uniforms, Safety Glasses, Safety Shoes, Hard Hats,
 8 Hearing Protection acknowledgment form, Expense Reimbursement Policy
 9 acknowledgment, and Code of Business Ethics acknowledgment form),
 10 employment policies, practices, and procedures (including, but not limited to,
 11 Expense Reimbursement Policy), among other information and documents. Class
 12 Counsel interviewed Plaintiff and conducted investigations to gather facts and
 13 circumstances surrounding Plaintiff and putative class members' employment and
 14 to identify potential witnesses. Counsel for the Parties also met and conferred on
 15 numerous occasions, e.g., to discuss issues relating to the pleadings and the
 16 production of documents and data prior to the mediation. Class Counsel also drafted
 17 pleadings and the mediation brief and prepared for and attended court proceedings,
 18 mediation, and settlement negotiations, among other tasks.

19 13. Counsel for the Parties have also invested time researching and
 20 investigating the applicable law, which is often evolving as it relates to certification,
 21 representative PAGA claims, off-the-clock theory, meal and rest periods, wage-and-
 22 hour law and enforcement, Plaintiff's claims and damages, and Defendant's
 23 defenses thereto, as well as facts discovered. Based on Class Counsel's analysis, the
 24 result achieved in this litigation is fair, adequate, and reasonable.

25 14. The Settlement provides for a Gross Settlement Amount of One Million
 26 Eighty Hundred Fifty Thousand Dollars and Zero Cents (\$1,850,000.00). The Net
 27 California Settlement Fund is the Gross Settlement Amount less the following
 28 amounts, subject to approval by the Court: Class Counsel Award, Class

Representative Enhancement Payment, Settlement Administrator Costs, FCRA Settlement Amount, and PAGA Settlement Amount. Assuming that the amounts allocated under the Settlement toward these payments are awarded by the Court, the Net California Settlement Fund that will be available for distribution to Settlement California Class Members is currently estimated to be Eighty Hundred Seventy-Five Thousand Three Hundred Forty Dollars and Zero Cents (\$875,340.00). Additionally, 75% of the PAGA Settlement Amount (i.e., the LWDA Payment), which is \$208,125.00 out of \$277,500.00, will be distributed to the Labor and Workforce Development Agency (“LWDA”) and 25% of the PAGA Settlement Amount (i.e., the PAGA Group Member Amount), which is \$69,375.00 out of \$277,500.00, will be distributed to PAGA Group Members. The Net California Settlement Fund will be fully distributed to Settlement California Class Members, the FCRA Settlement Amount will be fully distributed to Settlement FCRA Class Members, and the PAGA Settlement Amount will be fully distributed to the LWDA and PAGA Group Members, in accordance with the terms of the Settlement, and there is no reversion to Defendant.

15. The Parties have agreed to retain Simpluris Inc. (“Simpluris,” or “Settlement Administrator”) to handle the notice and settlement administration process. The Parties respectfully request that the Court appoint Simpluris to handle these procedures and serve as the Settlement Administrator. Defendant will provide the Settlement Administrator a list of (a) information regarding California Class Members that Defendant will in good faith compile from Defendant’s internal and currently available electronic timekeeping, payroll, and/or HRIS records (“Defendant’s California Class Information”), and (b) information regarding California Class Members employed by Temporary Staffing Agencies that Defendant will in good faith seek to obtain from Temporary Staffing Agencies for each individual that the Temporary Staffing Agencies placed at Defendant’s business during the Class Period (“TSA California Class Information”)

(collectively, “California Class Information”), which shall include the following information for each California Class Member: last known first and last name; last known mailing address; last known telephone number; Social Security number; start and end dates of employment as an hourly-paid or non-exempt employee who worked for Defendant within the State of California at any time, the total number of workweeks California Class Members worked during the California Class Period and total number of pay periods worked by PAGA Group Members during the PAGA Period, as applicable. Defendant will also provide the Settlement Administrator a list of the following information for each FCRA Class Member: last known full name; last known address; last known telephone number; and Social Security number (“FCRA Class Information”). The Settlement Administrator will calculate each Settlement California Class Member’s estimated share of the Net California Settlement Fund (“Individual California Settlement Payment”), each Settlement FCRA Class Member’s estimated share of the FCRA Settlement Amount (“Individual FCRA Settlement Payment”), and each PAGA Group Member’s estimated share of the PAGA Group Member Amount (“Individual PAGA Settlement Payment”). The Settlement Administrator will be responsible for the following: processing and mailing payments to Plaintiff, Class Counsel, Settlement Class Members, and PAGA Group Members; printing, translating, and mailing Class Notices and tax forms to the Class Members and PAGA Group Members as directed by the Court; receiving and reporting the Request for Exclusion, Notices of Objection, and Compensable Work Weeks Disputes; providing declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; and other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform. Settlement Administrator Costs are currently estimated not to exceed Forty-Five Thousand Dollars and Zero Cents (\$45,000.00) and will be paid out of the Gross Settlement Amount, subject to approval of the Court.

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1 16. Based on investigation and information discovered, Class Counsel
 2 believes that there is sufficient evidence to support the allegations made in the
 3 lawsuit, including the allegations that Defendant, with respect to Plaintiff and the
 4 Class Members, *inter alia*, failed to properly pay all wages due (including minimum,
 5 regular, overtime, double-time, and reporting time wages), failed to provide
 6 compliant meal and rest periods and to pay associated premium pay, failed to timely
 7 pay wages upon termination of employment, failed to provide compliant wage
 8 statements, failed to maintain requisite payroll records, and failed to reimburse
 9 necessary business expenses, and thereby engaged in unfair business practices in
 10 violation of California Business and Professions Code section 17200, *et seq.* and
 11 Fair Credit Reporting Act (“FCRA”), section 1681(b), and conduct giving rise to
 12 civil penalties recoverable under the Private Attorneys General Act of 2004
 13 (California Labor Code sections 2698, *et seq.*). Plaintiff also asserted that Class
 14 Members were expected to perform similar job duties and were subject to the same
 15 or similar operations and employment policies, practices, and procedures.
 16 Additionally, Plaintiff asserted that Defendant’s recordkeeping practices with
 17 respect to Plaintiff and Class Members were substantially the same during the time
 18 period at issue. As a result of said alleged uniform practices, Plaintiff claims that
 19 Class Members were not paid all of the compensation that was owed to them by
 20 Defendant. Thus, in Class Counsel’s view, it is clear that the outcome of this
 21 litigation would be determined by Defendant’s uniform operations and employment
 22 practices, policies, and procedures that Plaintiff alleges applied across Defendant’s
 23 hourly-paid or non-exempt employees in California during the relevant time period.

24 17. Class Counsel is aware of the defenses and position of Defendant but
 25 believes that Plaintiff could potentially obtain class certification despite many
 26 obstacles. Plaintiff and Class Counsel have also taken into account the uncertainty
 27 and risk of the outcome of further litigation, and the difficulties and delays inherent
 28 in such litigation, including those involved in class certification and/or

1 representative adjudication. Plaintiff and Class Counsel further recognize the
2 burdens of proof necessary to establish liability for the claims asserted in the lawsuit,
3 Defendant's defenses, and the difficulties in establishing entitlement to monetary
4 recovery. Plaintiff and Class Counsel have also considered the Parties' settlement
5 discussions, as well as the evaluations of the Mediator, who is experienced and well-
6 regarded in complex labor and employment matters.

7 18. Defendant, on the other hand, denied and continues to deny any liability
8 and wrongdoing of any kind associated with the allegations in the lawsuit, and
9 further denies that the lawsuit is appropriate for class treatment or representative
10 adjudication for any purpose other than the Settlement. Defendant believes that it
11 would ultimately succeed in the matter. Both sides have also had the opportunity to
12 conduct investigations and gather documents and information relating to Plaintiff's
13 and Class Members' employment with Defendant, and Defendant's operations and
14 employment policies, practices, and procedures. The Parties also reviewed and
15 analyzed a volume of documents and data, including but not limited to a detailed
16 sampling of Class Members' time and pay information, to determine the potential
17 value and strength of the claims. The available information enabled Class Counsel
18 to assess and value the class and PAGA claims and prepare violation, damages, and
19 penalties analyses and models. Accordingly, the Parties have conducted adequate
20 investigation and discovery to be sufficiently informed of the nature and extent of
21 the class and PAGA claims, and to enable both sides to fully evaluate the Settlement
22 for its fairness, adequacy, and reasonableness. The Settlement takes into account the
23 strengths and weaknesses of each side's position and the uncertainty of how the case
24 might have concluded at certification, trial, and/or appeals.

25 19. The Settlement Agreement provides for Class Counsel to apply for
26 attorneys' fees in an amount of up to thirty-three percent (33%) of the Gross
27 Settlement Amount (i.e., \$610,500.00) and expenses and costs in an amount not to
28 exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), which will be

1 paid out of the Gross Settlement Amount, subject to approval by the Court. It should
2 be noted that Class Counsel has borne all of the risks and costs of litigation and will
3 not receive any compensation until recovery is obtained.

4 20. The Settlement Agreement provides for payment of up to Five Thousand
5 Dollars and Zero Cents (\$5,000.00) to Plaintiff as a Class Representative
6 Enhancement Payment, to be paid out of the Gross Settlement Amount, subject to
7 approval by the Court. Plaintiff spent considerable time and effort to produce
8 relevant documents and past employment records and to provide the facts and
9 evidence necessary to attempt to prove the allegations. Plaintiff was available
10 whenever Class Counsel needed Plaintiff, and actively tried to obtain and provide
11 information that would facilitate the pursuit of the class and PAGA claims.
12 Accordingly, it is appropriate and just for Plaintiff to receive a Class Representative
13 Enhancement Payment, in addition to his individual settlement payment, for services
14 performed in the matter on behalf of the Class, State of California, and PAGA Group
15 Members.

16 21. On September 29, 2021, Plaintiff provided written notice to the LWDA
17 by online submission and to Defendant of the specific provisions of the California
18 Labor Code that Defendant is alleged to have violated. A true and correct copy of
19 the notice is attached hereto as “**EXHIBIT 2.**”

20 22. Class Counsel submits that the Settlement is fair, reasonable, and
21 adequate, and is in the best interests of Plaintiff, the Class, the State of California,
22 and PAGA Group Members. Class Counsel further submits that the Settlement is
23 within an acceptable range of recovery for this type of litigation given the strengths
24 and weaknesses of the case, the inherent costs and risks of further litigation, and the
25 costs and risks associated with class certification, representative adjudication, trial,
26 and/or appeals.

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

3 Executed on this 29th day of November 2023, at Glendale, California.

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Selena Matavosian

LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203

EXHIBIT 1

JOINT STIPULATION OF SETTLEMENT AND RELEASE OF CLASS
ACTION AND PAGA CLAIMS

This Joint Stipulation of Settlement and Release of Class Action and PAGA Claims (the “**Settlement**,” “**Agreement**,” or “**Settlement Agreement**”) is entered into by and between plaintiff Cruz Perez Jr. (“**Plaintiff**”), individually and on behalf of all other similarly situated employees and as alleged proxy/agent for the State of California and the California Labor and Workforce Development Agency (“**LWDA**”) (as a private attorney general pursuant to the Private Attorneys General Act, Cal. Lab. Code § 2698, *et seq.*) to the extent permitted by law, on the one hand, and defendant Bodycote Thermal Processing, Inc. (“**Defendant**” or “**Bodycote**”) on the other hand (individually referred to as “**Party**” and collectively referred to as “**the Parties**”).

This Settlement shall be binding on Plaintiff, Settlement Class Members (as defined herein), the State of California and LWDA as to the PAGA Group Members (as defined herein), and on Defendant, subject to the terms and conditions, definitions, and recitals set forth herein and to the approval of the Court. This Settlement Agreement supersedes any and all prior memoranda of understanding and is intended by the Parties to fully, finally and forever, resolve, discharge and settle the Released Claims (as defined below), subject to the terms and conditions hereof.

I. DEFINITIONS

As used herein, for the purpose of this Settlement Agreement only, the following terms shall be defined as follows:

1. “**Action**” or “**Lawsuit**” means the putative class action lawsuit entitled *Cruz Perez Jr. v. Bodycote Thermal Processing, Inc.*, which was initially filed in the Superior Court of California for the County of Los Angeles, Case No. 21STCV42312, and subsequently removed to the United States District Court, Central District of California, Case No. 2:22-cv-00145-RAO where it is currently pending.

2. “**California Class Information**” means, collectively: (a) information regarding California Class Members that Defendant will in good faith compile from

Defendant's internal and currently available electronic timekeeping, payroll, and/or HRIS records ("**Defendant's California Class Information**") and (b) information regarding California Class Members employed by Temporary Staffing Agencies that Defendant will in good faith seek to obtain from Temporary Staffing Agencies for each individual that the Temporary Staffing Agencies placed at Defendant's business during the Class Period ("**TSA California Class Information**"). Defendant shall work with the Temporary Staffing Agencies to make arrangements for the TSA California Class Information to be provided to the Settlement Administrator. The Defendant's California Class Information and the TSA California Class Information shall be referred to collectively as "**California Class Information.**" To the extent possible, it shall be formatted as a Microsoft Excel spreadsheet. The California Class Information shall include each California Class Member's last known first and last name; last known mailing address; last known telephone number; Social Security number; start and end dates of employment as an hourly-paid or non-exempt employee who worked for Defendant within the State of California at any time, the total number of workweeks California Class Members worked during the California Class Period and total number of pay periods worked by PAGA Group Members during the PAGA Period, as applicable.

3. **"California Class" or "California Class Members"** means all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California at any time during the California Class Period, whether employed directly by Defendant or indirectly through Temporary Staffing Agencies.

4. **"California Class Period"** means the period from November 17, 2017 through the earlier of: (a) the date the Court grants preliminary approval of the Settlement, or (b) the date the Qualifying Threshold is met, if applicable, pursuant to the Escalator Clause (Section V, ¶ 6 below).

5. **"California Class Settlement"** means the settlement and resolution of the Released California Class Claims.

1 6. **“Class” or “Class Members”** means California Class Members and
2 FCRA Class Members referred to together regardless of whether persons are members
3 of one or both of the defined classes.

4 7. **“Class Counsel”** means Arby Aiwazian, Joanna Ghosh, Vartan
5 Madoyan, and Selena Matavosian of Lawyers *for* Justice, PC.

6 8. **“Class Counsel Award”** means attorneys’ fees for Class Counsel’s
7 litigation and resolution of the Lawsuit, and Class Counsel’s actual expenses and costs
8 incurred and to be incurred in connection with the Lawsuit.

9 9. **“Class Representative”** means Plaintiff Cruz Perez Jr.

10 10. **“Class Representative Enhancement Payment”** means the amount that
11 the Court authorizes to be paid to Plaintiff, in recognition of Plaintiff’s efforts and
12 risks in assisting with the prosecution of the Lawsuit. The Class Representative
13 Enhancement Payment shall be in addition to any Individual California Settlement
14 Payment, Individual FCRA Settlement Payment, and/or Individual PAGA Settlement
15 Payment, if any, that Plaintiff may be eligible to receive.

16 11. **“Compensable Pay Periods”** means the number of pay periods in which
17 each PAGA Member worked as an hourly-paid or non-exempt employee for
18 Defendant within the State of California at any time during the PAGA Period, whether
19 employed directly by Defendant or indirectly through Temporary Staffing Agencies.

20 12. **“Compensable Work Weeks” or “Work Weeks”** means the number of
21 weeks in which each California Class Member worked as an hourly-paid or non-
22 exempt employee for Defendant in the State of California during the California Class
23 Period, whether employed directly by Defendant or indirectly through Temporary
24 Staffing Agencies, less any such weeks that were covered by the class action
25 settlement in the consolidated actions entitled *Espinosa v. Bodycote Thermal*
26 *Processing, Inc.* and *Perea v. Bodycote Thermal Processing, Inc.*, Los Angeles
27 Superior Court, Related Case No. BC556473.

1 13. **“Compensable Work Weeks Dispute”** means a California Class
2 Member’s written letter disputing the pre-printed information on the Class Notice as
3 to her, his, or their Compensable Work Weeks during the California Class Period,
4 which must: (a) contain the case name and number of the Action; (b) contain the
5 California Class Member’s full name, signature, address, telephone number, and last
6 four (4) digits of their Social Security number; (c) clearly state that the California Class
7 Member disputes the number of Compensable Work Weeks credited to her, him, or
8 they for the California Class Period and what she, he, or they contend is the correct
9 number to be credited to her, him, or they; (d) attach any documentation that she, he,
10 or they has to support the dispute; and (e) be submitted by mail to the Settlement
11 Administrator at the specified address, postmarked on or before the Response
12 Deadline.

13 14. **“Court”** means the U.S. District Court for the Central District of
14 California.

15 15. **Defendant’s Counsel** means Ruth Zadikany, Esq. and C. Mitchell
16 Hendy, Esq. of Mayer Brown.

17 16. **“Effective Date”** of the Settlement means the date on which the Court’s
18 Final Approval Order of this Settlement Agreement becomes final. Such order
19 becomes final upon the following events: (i) upon the Court issuing the Final Approval
20 Order and Final Judgment granting approval of this Settlement Agreement if no
21 objections to the Settlement are submitted, or if an objection is submitted but is
22 withdrawn prior to the Court’s Final Approval Hearing; or (ii) in the event that
23 objections to the Settlement are submitted which are not thereafter withdrawn, the later
24 of the following events: (a) the day after the last day by which a notice of appeal of
25 the order may be timely filed with an appellate court, and none is filed; (b) if an appeal
26 is filed and is finally disposed of by ruling, dismissal, denial, or otherwise, the day
27 after the last date for filing a request for further review of the appellate court’s decision
28 passes and no further review is requested; (c) if an appeal is filed and there is a final

1 disposition by ruling, dismissal, denial, or otherwise by the appellate court, and further
2 review of the appellate court's decision is requested, the day after the request for
3 review is denied with prejudice and/or no further review of the order can be requested;
4 or (d) if review is accepted, the day the appellate court affirms the Settlement.

5 17. **"Employer Taxes"** refers to the employer's share of payroll taxes due
6 on the portion of the Individual California Settlement Payments allocated to wages,
7 including but not limited to Defendant's FICA and FUTA contributions.

8 18. **"FCRA"** refers to the Fair Credit Reporting Act, codified at 15 U.S.C. §
9 1681 *et seq.*

10 19. **"FCRA Class Information"** means information regarding FCRA Class
11 Members that Defendant will in good faith compile from Defendant's internal
12 resources as well as third-party vendors Defendant contracted with to perform
13 background checks on applicants for employment, and will provide to the Settlement
14 Administrator. To the extent possible, it shall be formatted as a Microsoft Excel
15 spreadsheet. It shall include each FCRA Class Member's last known full name; last
16 known address; last known telephone number; and Social Security number.

17 20. **"FCRA Class" or "FCRA Class Members"** means all individuals in
18 the United States who applied for employment with Defendant and with respect to
19 whom Defendant procured a background check during the FCRA Class Period.

20 21. **"FCRA Class Period"** means the period from November 17, 2019
21 through August 31, 2020.

22 22. **"FCRA Class Settlement"** means the settlement and resolution of the
23 Released FCRA Class Claims.

24 23. **"FCRA Settlement Amount"** means \$11,660.00 of the Gross Settlement
25 Amount, which is allocated to the FCRA Class in exchange for Settlement FCRA
26 Class Members' release of the Released FCRA Class Claims.

24. **“Final Approval Hearing”** means the hearing that the Court will hold to determine whether the Settlement is fair, reasonable, and adequate and whether a Final Judgment should be entered pursuant to the Settlement.

25. **“Final Approval Order”** means the proposed order granting final approval of the Settlement.

26. **“Final Judgment”** means a judgment issued by the Court approving the Settlement as binding upon the Parties.

27. **“Gross Settlement Amount”** means the non-reversionary gross sum of \$1,850,000.00, which shall be the total sum paid by Defendant to fully settle the Released California Class Claims, the Released FCRA Class Claims, and the Released PAGA Claims pursuant to this Settlement Agreement, which includes (a) Individual California Settlement Payments; (b) the Individual FCRA Settlement Payments, (c) the Individual PAGA Settlement Payments, (d) the Class Counsel Award, (e) the Class Representative Enhancement Payment, (e) the LWDA Payment; (f) Settlement Administrator Costs; and (g) any Employer Taxes and the employee’s share of taxes and withholdings due on the portion of the Individual California Settlement Payments allocated to wages, in no event shall Defendant be liable for more than the Gross Settlement Amount, except as provided in the Escalator Clause (Section V, ¶ 6 below).

28. **“Individual FCRA Settlement Payment”** means a Settlement FCRA Class Member’s *per capita* share of the FCRA Settlement Amount.

29. **“Individual California Settlement Payment”** means a Settlement California Class Member’s *pro rata* share of the Net California Settlement Fund, which will be calculated based on their number of Compensable Work Weeks during the California Class Period.

30. **“Individual PAGA Settlement Payment”** means a PAGA Group Member’s *pro rata* share of the PAGA Group Member Amount, which will be calculated based upon their number of Compensable Pay Periods worked during the PAGA Period.

1 31. **“Net California Settlement Fund”** means the Gross Settlement
2 Amount, less (a) the Court-approved Class Counsel Award, (b) the Court-approved
3 Class Representative Enhancement Payment, (c) the Settlement Administrator Costs,
4 (d) the FCRA Settlement Amount, and (e) the PAGA Settlement Amount.

5 32. **“Notice of Class Action Settlement” or “Class Notice”** means the
6 Notice of Proposed Class Action Settlement and Hearing Date for Court Approval
7 substantially in the forms attached hereto as **Exhibit A** (for Class Members who are
8 only California Class Members, **Exhibit B** (for Class Members who are only FCRA
9 Class Members), and **Exhibit C** (for Class Members who are both California Class
10 Members and FCRA Class Members). Each notice shall include, among other things:
11 (a) for California Class Members, an estimated Individual California Settlement
12 Payment and number of Compensable Work Weeks credited during the California
13 Class Period, (b) for FCRA Class Members, an estimated Individual FCRA Settlement
14 Payment, (c) for PAGA Group Members, an estimated Individual PAGA Settlement
15 Payment and number of Compensable Pay Periods credited during the PAGA Period;
16 (d) how to opt out of the California Class Settlement and/or FCRA Class Settlement,
17 (e) how to object to the California Class Settlement and/or FCRA Class Settlement,
18 and (f) how to dispute the number of Compensable Work Weeks credited to them (for
19 California Class Members).

20 33. **“Notice of Objection”** means a Settlement Class Member’s written
21 objection to the California Class Settlement and/or FCRA Class Settlement, which
22 must: (a) contain the case name and number of the Action; (b) contain the Settlement
23 Class Member’s full name, signature, address, telephone number, and last four (4)
24 digits of Social Security number; (c) contain a written statement of all grounds for the
25 objection accompanied by any legal support for such objection; (d) contain copies of
26 any papers, briefs, or other documents upon which the objection is based; and (e) be
27 submitted by mail to the Settlement Administrator at the specified address, postmarked
28 on or before the Response Deadline.

1 34. **“PAGA”** refers to the California Labor Code Private Attorneys General
2 Act of 2004, codified at California Labor Code § 2698 *et seq.*

3 35. **“PAGA Group” or “PAGA Group Members”** means all current and
4 former hourly-paid or non-exempt employees who worked for Defendant in California
5 at any time during the PAGA Period, whether employed directly by Defendant or
6 indirectly through Temporary Staffing Agencies.

7 36. **“PAGA Period”** means the period from April 4, 2020 through the earlier
8 of: (a) the date the Court grants preliminary approval of the Settlement, or (b) the date
9 the Qualifying Threshold is met, if applicable, pursuant to the Escalator Clause
10 (Section V, ¶ 6).

11 37. **“PAGA Settlement”** means the settlement and resolution of Released
12 PAGA Claims.

13 38. **“PAGA Settlement Amount”** means the amount of Two Hundred
14 Seventy-Seven Thousand Five Hundred Dollars and Zero Cents (\$277,500.00) out of
15 the Gross Settlement Amount, which shall be allocated as 75% (\$208,125.00) to the
16 LWDA (**“LWDA Payment”**) and 25% (\$69,375.00) (**“PAGA Group Member
17 Amount”**) will be distributed to the PAGA Group Members based on their number of
18 Compensable Pay Periods during the PAGA Period.

19 39. **“Preliminary Approval Date”** means the date on which the Court issues
20 a Preliminary Approval Order.

21 40. **“Preliminary Approval Order”** means the Court’s order granting
22 preliminary approval of the Settlement.

23 41. **“Released Claims”** collectively refers to the Released California Class
24 Claims, the Released PAGA Claims, the Released FCRA Class Claims, and all other
25 claims that any Releasing Party does not know or suspect to exist in his, her or their
26 favor against the Released Parties as contemplated pursuant to the Section 1542
27 Release clause below (Section IV, ¶ 4).
28

1 a. **“Released California Class Claims”** means any and all causes of
2 action, claims, rights, demands, debts, obligations, guarantees, liabilities, costs,
3 expenses, attorneys’ fees and costs, experts’ fees and costs, damages, and action of
4 every nature and description, whether known or unknown, actual or potential, that
5 were alleged in or reasonably arise out of the same set of operative facts in the initial
6 complaints filed by Plaintiff in the Action, and Plaintiff’s Operative Complaint, and
7 that could have been alleged based on the factual allegations contained in such
8 complaint, arising during the California Class Period, including claims for unpaid,
9 miscalculated or untimely payment of wages due (including, without limitation,
10 minimum, regular, overtime, double-time, and reporting time wages), off-the-clock
11 work, rounding, failure to provide legally-compliant meal periods and to properly
12 provide associated premium pay, failure to authorize and permit legally-compliant rest
13 periods and associated premium pay, failure to pay all wages timely at the time of
14 termination, failure to pay all wages timely during employment, failure to provide
15 compliant wage statements, failure to keep requisite payroll records, and failure to
16 indemnify/reimburse for necessary business expenses, in violation of California Labor
17 Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 558, 1174(d), 1194, 1197,
18 1197.1, 1198, 2800 and 2802 and Industrial Welfare Commission Wage Orders Nos.
19 1-2001, 4-2001, and 7-2001, unfair business practices in violation of California
20 Business & Professions Code § 17200 *et seq.* based on the aforementioned, and all
21 pre- and post-judgment interest, compensatory and statutory compensation, general
22 damages, disgorgement, declaratory relief, statutory damages, accounting of all
23 minimum wages and sums allegedly unlawfully withheld as a result thereof, injunctive
24 relief, restitution, statutory or civil penalties, interest and/or attorneys’ fees as a result
25 thereof, and other amounts recoverable under the aforementioned claims, causes of
26 action, or legal theories of relief.

27 The period of the Released California Class Claims shall extend to the limits of
28 the California Class Period. The *res judicata* effect of the Final Approval Order and

1 Final Judgment will be the same as that of the release of Released California Class
2 Claims. Defendant shall be entitled to a release of Released California Class Claims
3 which occurred during the California Class Period only during such time that the
4 California Class Member was classified as hourly-paid or non-exempt, and expressly
5 excluding all other claims, including claims for vested benefits, wrongful termination,
6 unemployment insurance, disability, social security, workers' compensation, claims
7 while classified as exempt, and claims outside of the California Class Period.

8 b. **"Released FCRA Class Claims"** means any and all causes of
9 action, claims, rights, demands, debts, obligations, guarantees, liabilities, costs,
10 expenses, attorneys' fees and costs, experts' fees and costs, damages, and action of
11 every nature and description, whether known or unknown, actual or potential, that
12 were alleged in or reasonably arising out of the same set of operative facts in the initial
13 complaints filed by Plaintiff in the Action, Plaintiff's Operative Complaint and
14 Plaintiff's PAGA Notice, and that could have been alleged based on the factual
15 allegations contained in such complaint and/or PAGA Notice, arising during the
16 FCRA Class Period, relating to background checks procured by Defendant with
17 respect to individuals who applied for employment with Defendant, including, but not
18 limited to, claims under the Fair Credit Reporting Act, 15 U.S.C. §§ 1681 *et seq.*, and
19 similar state laws, including the Investigative Consumer Reporting Agencies Act, Cal.
20 Civ. Code § 1786 *et seq.*, the Consumer Credit Reporting Agencies Act, Cal. Civ.
21 Code § 1785 *et seq.*, California Business & Professions Code § 17200 *et seq.*, and
22 similar claims under other state laws, including all damages, punitive damages,
23 declaratory relief, penalties, interest, and other amounts recoverable under said claims,
24 causes of action, or legal theories of relief.

25 As to all other FCRA claims, past or present, the Settlement FCRA Class
26 Members also waive and release their rights to be a class representative in a class
27 action as of the Effective Date of this Settlement. The period of the Released FCRA
28 Class Claims shall extend to the limits of the FCRA Class Period. The *res judicata*

1 effect of the Final Approval Order and Final Judgment will be the same as that of the
2 release of Released FCRA Class Claims. Defendant shall be entitled to a release of
3 Released FCRA Class Claims, which occurred during the FCRA Class Period.

4 c. **“Released PAGA Claims”** means any and all causes of action
5 claims, rights, demands, debts, obligations, guarantees, liabilities, costs, expenses,
6 attorneys’ fees and costs, experts’ fees and costs, damages, and action of every nature
7 and description, whether known or unknown, actual or potential, that were alleged in
8 or reasonably arising out of the same set of operative facts in the initial complaints
9 filed by Plaintiff in the Action, Plaintiff’s Operative Complaint and Plaintiff’s PAGA
10 Notice, and all claims that could have been alleged based on the factual allegations
11 contained in such complaints and/or in the PAGA Notice, arising during the PAGA
12 Period, for civil penalties pursuant to the Private Attorneys General Act, California
13 Labor Code § 2698, *et seq.*, for claims for unpaid, miscalculated or untimely payment
14 of wages due (including, without limitation, minimum, regular, overtime, double-time,
15 and reporting time wages), off-the-clock work, rounding, failure to provide legally-
16 compliant meal periods and to properly provide associated premium pay, failure to
17 authorize and permit legally-compliant rest periods and associated premium pay,
18 failure to pay all wages timely at the time of termination, failure to pay all wages
19 timely during employment, failure to provide compliant wage statements, failure to
20 keep requisite payroll records, failure to provide requisite written notice of material
21 terms of employment (including regarding rate of pay, allowances, payday, name of
22 employer, employer’s physical address, employer’s telephone number, employer’s
23 workers’ compensation insurance carrier, and accrual and use of sick leave) at the time
24 of hire and during employment, and failure to indemnify/reimburse for necessary
25 business expenses, in violation of California Labor Code §§ 201, 202, 203, 204,
26 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800,
27 2802, 2810.5 and Industrial Welfare Commission Wage Orders Nos. 1-2001, 4-2001,
28 and 7-2001.

42. **“Released Parties”** collectively refers to the California Class Released Parties, the FCRA Released Parties and the PAGA Released Parties.

a. **“California Class Released Parties”** means Defendant, the Temporary Staffing Agencies, and their past, present and future parent companies, subsidiaries, predecessors, successors, affiliates, divisions, joint employers, co-employers and related companies and joint venturers, and all of their respective present or former officers, directors, executive-level employees, agents, registered representatives, attorneys, insurers, successors, and assigns.

b. **“FCRA Released Parties”** means Defendant, and its past, present and future parent companies, subsidiaries, predecessors, successors, affiliates, divisions, joint employers, co-employers and related companies and joint venturers, and all of their respective present or former officers, directors, executive-level employees, agents, registered representatives, attorneys, insurers, successors, and assigns.

c. **“PAGA Released Parties”** means Defendant, the Temporary Staffing Agencies, and their past, present and future parent companies, subsidiaries, predecessors, successors, affiliates, divisions, joint employers, co-employers and related companies and joint venturers, and all of their respective present or former officers, directors, executive-level employees, agents, registered representatives, attorneys, insurers, successors, and assigns.

43. **“Releasing Parties”** collectively refers to the Releasing California Class Parties (defined below), the Releasing FCRA Class Parties (defined below) and the Releasing PAGA Group Member Parties (defined below).

44. **“Request for Exclusion”** means a Class Member’s written letter indicating a request to be excluded from the California Class Settlement and/or FCRA Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last four (4) digits of their Social Security number; (c) contain a simple statement

electing to be excluded from the California Class Settlement and/or FCRA Class Settlement; and (d) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

45. **“Response Deadline”** means the date that is forty-five (45) calendar days after the Settlement Administrator mails the Notice of Class Action Settlement to Class Members, which is the last date on which Class Members may: (a) submit a Request for Exclusion; (b) submit a Notice of Objection; or (c) submit a Compensable Work Weeks Dispute. If the forty-fifth (45th) day falls on a Sunday or Federal holiday, then the deadline is extended to the next day that the U.S. Postal Service is open.

46. **“Settlement Administrator”** means the third-party company that is responsible for administering the Settlement. This Settlement Administrator is Simpluris, Inc (“Simpluris”).

47. **“Settlement Administrator Costs”** means the amount to be paid to the Settlement Administrator from the Gross Settlement Amount for administration of this Settlement, currently estimated not to exceed \$45,000.00.

48. **“Settlement California Class” or “Settlement California Class Members”** means those California Class Members who do not submit a valid and timely Request for Exclusion from the California Class Settlement.

49. **“Settlement Class Members”** means Settlement California Class Members and Settlement FCRA Class Members when referred to together, regardless of whether persons are members of one or both of the defined settlement class member groups.

50. **“Settlement FCRA Class” or “Settlement FCRA Class Members”** means those FCRA Class Members who do not submit a valid and timely Request for Exclusion from the FCRA Class Settlement.

51. **“Temporary Staffing Agencies” or “TSA”** means any staffing agencies (and any of their affiliates) who employed any California Class Members or PAGA Group Members, who worked for Defendant in California during the California Class

1 Period or the PAGA Period, as applicable, including: Transforce, Inc., Staffmark
2 Investment, LLC d/b/a Advantage Resourcing, Aerotek, Inc., Silicon Valley Technical
3 Staffing, Innovative Resource Management, Inc., EmployBridge Holding Company
4 d/b/a Select Staffing.

5 **II. RECITALS**

6 1. **Class Certification**

7 For purposes of this Settlement only, the Parties stipulate to class certification
8 of the California Class with respect to the Released California Class Claims and to
9 class certification of the FCRA Class with respect to the Released FCRA Class Claims.
10 If the Court does not grant either preliminary or final approval of this Settlement, the
11 Parties shall work together in good faith to agree on a revised settlement agreement to
12 address the Court's concerns. If the Parties are unable to reach agreement, or the Court
13 does not grant either preliminary or final approval of the revised settlement, the Parties
14 agree that this stipulation regarding class certification will be revoked and the Parties
15 will return to a point in litigation prior to the execution of this Settlement Agreement.
16 Should the Settlement not become final for any reason, the fact that the Parties stipulate
17 and agree to class certification as part of the Settlement shall have no bearing on, and
18 shall not be admissible in connection with, whether any class could or should be
19 certified outside of the context of this Stipulation. Defendants reserve all of their rights
20 to challenge all claims and allegations in the Action upon all procedural and factual
21 grounds, including, without limitation, the ability to challenge class or representative
22 action treatment on any grounds, to move for dismissal of any or all claims, and to
23 assert any and all other potential defenses or privileges. Plaintiff and Class Counsel
24 agree that Defendant retains and reserves these rights and they agree not to take a
25 position to the contrary; specifically, Plaintiff and Class Counsel agree not to argue or
26 present any argument, and hereby waive any argument that this Stipulation (if it does
27 not become final for any reason) prevents Defendants from contesting class
28 certification on any grounds, from seeking decertification, from moving for dismissal

1 of any or all claims, and/or from asserting any and all other potential defenses and
2 privileges if the Action were to proceed. Further, the negotiation related to this
3 Stipulation shall remain strictly confidential and subject to the provisions of California
4 Evidence Code sections 1119 and 1152 and/or Rule 408 of the Federal Rules of
5 Evidence or any other similar rules and privileges that might apply.

6 2. **Procedural History**

7 a. On September 29, 2021, Plaintiff provided written notice by online
8 submission to the LWDA and by certified mail to Defendant, of his intent to seek civil
9 penalties for alleged violations of the California Labor Code under PAGA (the
10 **“PAGA Notice”**).

11 b. On November 17, 2021, Plaintiff initiated the Action by filing the
12 Class Action Complaint for Damages (**“Class Complaint”**) in the Superior Court of
13 the State of California, Los Angeles County, Case No. 21STCV42312, on behalf of
14 himself and other similarly situated.

15 c. On December 3, 2021, Plaintiff filed the Complaint for
16 Enforcement Under the Private Attorneys General Act, California Labor Code § 2698,
17 Et Seq. (**“PAGA Complaint”**) in the Superior Court of California for the County of
18 Los Angeles, thereby commencing a PAGA representative action entitled *Cruz Perez*
19 *Jr. v. Bodycote Thermal Processing, Inc.*, Case No. 21NWCV00803 (**“PAGA**
20 **Action”**).

21 d. On January 7, 2022, Defendant removed the Action to the United
22 States District Court for the Central District of California, Case No. 2:22-cv-00145-
23 RAO.

24 e. On February 18, 2022, Plaintiff filed a First Amended Class Action
25 Complaint for Damages (**“Operative Complaint”**) in the Action, thereby combining
26 the allegations and claims set forth in the Class Complaint and PAGA Complaint into
27 one complaint filed in the Action. The Operative Complaint alleges class and
28 representative claims, *inter alia*, that Defendant (1) failed to pay overtime in violation

1 of Labor Code §§ 510 and 1198; (2) failed to provide meal periods or pay premium
2 pay in lieu thereof in violation of Labor Code §§ 226.7 and 512(a); (3) failed to
3 authorize and permit rest periods or pay premium pay in lieu thereof in violation of
4 Labor Code § 226.7; (4) failed to pay minimum wage for all hours worked in violation
5 of Labor Code §§ 1194, 1197 and 1197.1; (5) failed to timely pay wages upon
6 termination of employment in violation of Labor Code §§ 201-203; (6) failed to timely
7 pay wages during employment in violation of Labor Code § 204; (7) failed to provide
8 accurate itemized wage statements in violation of Labor Code § 226(a); (8) failed to
9 keep requisite payroll records in violations of Labor Code § 1174(d); (9) failed to
10 reimburse necessary business expenses in violation of Labor Code §§ 2800 and 2802;
11 (10) unfair business practices in violation of Business & Professions Code §§ 17200
12 et seq.; (11) violation of the Fair Credit Reporting Act, 15 U.S.C. § 1681b; and (12)
13 violation of PAGA.

14 f. On February 22, 2022, Plaintiff filed a Request for Dismissal in
15 the PAGA Action, and on February 28, 2022, the Superior Court for the County of
16 Los Angeles dismissed the PAGA Action.

17 g. In August 2022, the Parties agreed to participate in a private
18 mediation. In advance of the mediation, Class Counsel conducted a thorough
19 investigation into the facts relating to the claims alleged in the Action and thoroughly
20 studied the legal principles applicable to the claims asserted against Defendant and
21 Defendant's defenses thereto. This included, *inter alia*, interviewing members of the
22 Class and reviewing information obtained from Defendant through formal and
23 informal discovery. Defendant informally produced time and pay data for a random
24 sample of California Class Members and PAGA Group Members, as well as relevant
25 Class data points. In addition, Defendant responded to two sets of interrogatories and
26 one set of requests for production and produced approximately 450 pages of
27 documents, including relevant policies and forms.

28

1 h. On May 15, 2023, the Parties participated in a full-day private
2 mediation session with Jeffrey Krivis, Esq. (“**Mediator**”), an experienced class action
3 mediator. During the mediation, the Parties discussed Plaintiff’s claims and
4 Defendant’s defenses thereto. The Parties also analyzed the potential exposure of
5 Defendant with respect to the claims asserted in the Action, as well as potential risks
6 that Plaintiff would face in litigating this Action through a contested class certification,
7 trial and potential appeal(s). The mediation lasted the entire day and allowed the
8 Parties to better understand each other’s respective positions as to the claims, defenses,
9 Defendant’s potential exposure and discounts to such potential exposure/liability.
10 After a full-day’s mediation and subsequent further negotiations in the weeks
11 following the mediation, the Parties ultimately reached agreement on July 23, 2023,
12 as provided herein, to settle Plaintiff’s claims on a class-wide and representative basis.

13 i. Defendant denies any liability or wrongdoing of any kind
14 associated with the claims asserted in the Action, disputes the damages and penalties
15 claimed by Plaintiff, and further contends that, for any purpose other than settlement,
16 Plaintiff’s claims are not appropriate for class or representative action treatment. This
17 Settlement is a compromise of disputed claims. Nothing contained in this Settlement,
18 no documents referred to herein, and no action taken to carry out this Settlement, shall
19 be construed or used as an admission by or against Defendant as to the merits or lack
20 thereof of the claims asserted in the Action. Defendant contends, among other things,
21 that, at all times, it has complied with all applicable state, federal, and local laws
22 related to the Class Members’ employment and/or applications for employment.

23 j. The Class Representative is represented by Class Counsel. Class
24 Counsel conducted an investigation into the facts relevant to the Action, including
25 reviewing documents and information provided by Defendant and obtained from other
26 sources. Based on their own independent investigation and evaluation, Class Counsel
27 are of the opinion that the Settlement with Defendant is fair, reasonable, and adequate,
28 and in the best interest of the Class and State of California in light of all known facts

1 and circumstances, including the risks of significant delay, defenses asserted by
2 Defendant, uncertainties regarding a class and representative action trial on the merits,
3 and numerous potential appellate issues. Although Defendant denies liability,
4 Defendant agrees to this Settlement solely to avoid the cost of further litigation.
5 Accordingly, the Parties and their counsel desire to fully, finally, and forever settle,
6 compromise, and discharge all disputes and claims arising from or relating to the
7 Action on the terms set forth herein.

8 k. The Parties stipulate and agree that the terms of this Settlement are
9 the product of good faith, arm's-length negotiations between the Parties and their
10 counsel of record, are consistent with public policy, and fully comply with applicable
11 law.

12 3. **Benefits of Settlement to Class Members and State of California**

13 Plaintiff and Class Counsel recognize the expense and length of continued
14 proceedings necessary to litigate their disputes through trial and through any possible
15 appeals. Plaintiff has also taken into account the uncertainty and risk of the outcome
16 of further litigation, and the difficulties and delays inherent in such litigation. Plaintiff
17 and Class Counsel are also aware of the burdens of proof necessary to establish
18 liability for the claims asserted in the Action, both generally and in response to
19 Defendant's defenses thereto, and the difficulties in establishing damages, penalties,
20 and entitlement to monetary recovery for the Class Members, PAGA Group Members,
21 and State of California. Plaintiff and Class Counsel have also taken into account
22 Defendant's agreement to enter into a settlement that confers substantial relief upon
23 the members of the Class, PAGA Group Members, and State of California. Based on
24 the foregoing, Class Counsel have concluded that settlement for the consideration and
25 on the terms set forth in this Settlement Agreement, is fair, reasonable, and adequate
26 and is in the best interest of the Class and State of California in light of all known facts
27 and circumstances, including the risk of significant delay, defenses asserted by
28 Defendant, numerous potential appellate issues, and other risks inherent in litigation.

1 **4. Defendant's Reasons for Settlement**

2 Defendant has concluded that any further defense of this litigation would be
3 protracted and expensive for all Parties. Substantial amounts of Defendant's time,
4 energy, and resources have been and, unless this Settlement is completed, will
5 continue to be devoted to, the defense of the claims asserted by Plaintiff in the Action.
6 Defendant has also taken into account the risks of further litigation in reaching its
7 decision to enter into this Settlement. Even though Defendant continues to contend
8 that it is not liable for any of the claims set forth by Plaintiff in the Action, Defendant
9 has agreed, nonetheless, to settle in the manner and upon the terms set forth in this
10 Agreement to put to rest the claims in the Action. Defendant contends that it has
11 complied with all applicable state, federal, and local laws.

12 **5. Settlement of Disputed Claims**

13 This Agreement is a compromise of disputed claims. Defendant contends that
14 the Released California Class Claims, Released FCRA Class Claims, and the Released
15 PAGA Claims have no merit and do not give rise to liability. Plaintiff and Class
16 Counsel have claimed and continue to claim that the Released California Class Claims,
17 Released FCRA Class Claims, and the Released PAGA Claims have merit and give
18 rise to liability on the part of Defendant. This Agreement is a compromise of disputed
19 claims. Nothing contained in this Agreement, no documents referred to herein, and no
20 action taken to carry out this Agreement, may be construed or used as an admission
21 by or against the Class Members or Class Counsel as to the merits or lack thereof of
22 the claims asserted in the Action.

23 **III. TERMS OF SETTLEMENT**

24 **1. Cooperation**

25 The Parties will cooperate in obtaining an order from the Court approving the
26 Settlement. The Parties agree to use their best efforts to expedite the preparation and
27 submission of the Settlement and related documents. The Parties further agree to fully
28 cooperate in the drafting and/or filing of any further documents or filings reasonably

1 necessary to be prepared or filed, shall take all steps that may be requested by the Court
2 or that are otherwise necessary to the approval and implementation of this Settlement,
3 and shall otherwise use their respective best efforts to obtain Court approval of this
4 Settlement. If this Settlement is terminated or canceled pursuant to its terms, the
5 Parties shall be released from all remaining obligations under the terms of the
6 Settlement. In such an event, the Parties agree to share all costs incurred from carrying
7 out the terms of the Settlement prior to its termination or cancellation, including but
8 not limited to any Settlement Administration Costs on a 50/50 basis.

9 2. **Gross Settlement Amount**

10 a. Subject to Court approval, and in consideration for the release of
11 claims described in this Settlement Agreement, the Parties agree to settle this Action
12 pursuant to the financial terms set forth below. Defendants agree to pay a non-
13 reversionary Gross Settlement Amount of \$1,850,000.00, allocated as follows: (a)
14 \$277,500.00 will be allocated to the settlement of the PAGA claim (the PAGA
15 Settlement Amount), with \$208,125.00 to be sent to the LWDA (the LWDA Payment)
16 and the remaining \$69,375.00 to be allocated among the PAGA Group Members (the
17 PAGA Group Member Amount); (b) a Class Representative Enhancement Payment in
18 an amount approved by the Court; (c) attorneys' fees to Class Counsel in an amount
19 approved by the Court; (d) Class Counsel's costs and expenses in an amount approved
20 by the Court, but not to exceed \$25,000.00; (e) deductions for settlement
21 administration expenses of up to \$45,000.000; (f) \$11,660.00 to be allocated among
22 the Settlement FCRA Class Members; (g) the balance to be allocated among the
23 Settlement California Class Members based on their Compensable Work Weeks
24 (inclusive of the employee's share of taxes and withholdings with respect to the wages
25 portion of the Individual California Settlement Payments); and (h) any and all lawfully
26 required employer's-side payroll taxes owing on the Individual California Settlement
27 Payments.

1 b. Subject to the provisions set forth herein, the Gross Settlement
2 Amount is the maximum settlement amount to be paid by Defendant, and under no
3 circumstances shall Defendant be obligated to pay any additional amount to Plaintiff,
4 Class Counsel, third-party settlement administrators, the Class Members, the PAGA
5 Group Members, or the LWDA, except as set forth in the Escalator Clause (Section
6 V, ¶ 6 below).

7 3. **Calculation of Individual California Settlement Payments**

8 Individual California Settlement Payments will be calculated and apportioned
9 from the Net California Settlement Fund based on the California Class Members'
10 number of Compensable Work Weeks, as follows:

11 a. After preliminary approval of the Settlement, the Settlement
12 Administrator will divide an estimate of the Net California Settlement Fund using the
13 maximum amounts Plaintiff intends to request for the Class Representative
14 Enhancement Payment and Class Counsel Award (without prejudice to Bodycote's
15 right to object to such amounts per the terms hereof) by the Compensable Work Weeks
16 of all California Class Members to yield the "**Estimated California Compensable
17 Work Week Value**", and multiply each California Class Member's individual
18 Compensable Work Weeks by the Estimated California Compensable Work Week
19 Value to yield the estimated Individual California Settlement Payment that she, he, or
20 they may be eligible to receive under the California Class Settlement.

21 b. After final approval of the Settlement, the Settlement
22 Administrator will divide the final Net California Settlement Fund by the
23 Compensable Work Weeks of all Settlement California Class Members to yield the
24 "**Final California Compensable Work Week Value**", and multiply each Settlement
25 California Class Member's individual Compensable Work Weeks by the Final
26 California Compensable Work Week Value to yield hers, his, or their Individual
27 California Settlement Payment.

1 c. The Parties agree that the Individual California Settlement
2 Payments are allocated for payment of disputed wages, interest, penalties, and non-
3 wage damages to Settlement California Class Members. The Settlement Administrator
4 will be responsible for determining the amount of the Individual California Settlement
5 Payments to be paid to the Settlement California Class Members based on data to be
6 provided to the Settlement Administrator by Defendant. The Parties agree that this
7 formula for allocating the Net California Settlement Fund is reasonable and that the
8 Individual California Settlement Payments provided for herein are designed to provide
9 a fair settlement to the Settlement California Class Members.

10 d. Each Settlement California Class Member's Individual California
11 Settlement Payment shall be distributed to that Settlement California Class Member,
12 less applicable withholdings. All Individual California Settlement Payments will be
13 allocated as follows: thirty-three percent (33%) as wages and sixty-seven percent
14 (67%) as interest, penalties, and non-wage damages. The portion allocated to wages
15 will be reported on an IRS Form W-2 and the portions allocated to penalties, interest,
16 and non-wage damages will be reported on an IRS Form 1099 by the Settlement
17 Administrator. The Settlement Administrator will withhold the Employer Taxes and
18 employee's share of taxes and withholdings with respect to the wages portion of the
19 Individual California Settlement Payments, and issue checks to Settlement California
20 Class Members net of these taxes and withholdings. The Settlement Administrator
21 shall remit and report the applicable portions of the payroll tax payment to the
22 appropriate taxing authorities on a timely basis pursuant to its duties and undertakings.
23 The Employer Taxes attributed to the Individual Payment Amounts shall be paid from
24 the Gross Settlement Amount.

25 e. Individual California Settlement Payment will be distributed and
26 paid only after entry of the Final Approval Order by the Court by regular First-Class
27 U.S. Mail to each Settlement California Class Member's last known mailing address
28

1 within seven (7) calendar days after the Settlement Administrator receives the Gross
2 Settlement Amount.

3 4. **Individual FCRA Settlement Payments**

4 Individual FCRA Settlement Payments will be issued to Settlement FCRA Class
5 Members on a *per capita* basis of the FCRA Settlement Amount. Individual FCRA
6 Settlement Payments shall be distributed and paid only after entry of the Final
7 Approval Order by the Court by regular First-Class U.S. Mail to each Settlement
8 FCRA Class Member's last known mailing address within seven (7) calendar days
9 after the Settlement Administrator receives the Gross Settlement Amount. All
10 Individual FCRA Settlement Payments will be allocated as one hundred percent
11 (100%) non-wages for which an IRS Form 1099 will be issued (if applicable), and the
12 Settlement Administrator will not undertake any tax withholding with respect to the
13 Individual FCRA Settlement Payments.

14 5. **PAGA Settlement Amount and Calculation of Individual PAGA**
15 **Settlement Payments**

16 a. The total PAGA Settlement Amount shall be \$277,500.00.
17 seventy-five percent (75%) of that total, in the amount of \$208,125.00, will be paid to
18 the LWDA. The \$69,375.00 or twenty-five percent (25%) will be distributed to the
19 PAGA Group Members.

20 b. PAGA Members will be paid on a *pro rata* basis from the PAGA
21 Settlement Amount based on their number of Compensable Pay Periods as follows:
22 The Settlement Administrator will divide the PAGA Group Member Amount (i.e.,
23 25% of the PAGA Settlement Amount), by the total number of Compensable Pay
24 Periods worked by all PAGA Group Members to yield the "**PAGA Compensable Pay**
25 **Period Value**", and multiply each PAGA Group Member's individual Compensable
26 Pay Periods by the PAGA Compensable Pay Period Value to yield hers, his, or their
27 Individual PAGA Settlement Payment.

1 c. The Settlement Administrator will be responsible for determining
2 the amount of the Individual PAGA Settlement Payments to be paid to the PAGA
3 Group Members based on data to be provided to the Settlement Administrator by
4 Defendant. Each PAGA Group Member will receive his/her respective Individual
5 PAGA Settlement Payment without the need to complete or submit any claim forms.
6 Individual PAGA Settlement Payments shall be distributed and paid to PAGA Group
7 Members after entry of the Final Approval Order by the Court by regular First-Class
8 U.S. Mail to each PAGA Group Member's last known mailing address within seven
9 (7) calendar days after the Settlement Administrator receives the Gross Settlement
10 Amount. All Individual PAGA Settlement Payments will be allocated as one hundred
11 percent (100%) non-wages for which an IRS Form 1099 will be issued (if applicable),
12 and the Settlement Administrator will not undertake any tax withholding with respect
13 to the Individual PAGA Settlement Payments.

14 6. **Class Representative Enhancement Payment**

15 Plaintiff intends to request that the Court approve a Class Representative
16 Enhancement Payment in an amount up to \$5,000.00. Bodycote agrees not to object
17 to a Class Representative Enhancement Payment of \$3,500.00, but reserves the right
18 to oppose any request for a Class Representative Enhancement Payment that exceeds
19 \$3,500. The Class Representative Enhancement Payment approved by the Court shall
20 be paid to Plaintiff from the Gross Settlement Amount after entry of the Final
21 Approval Order by the Court within seven (7) calendar days after the Settlement
22 Administrator receives the Gross Settlement Amount. The Settlement Administrator
23 shall issue an IRS Form 1099 to Plaintiff for his respective Class Representative
24 Enhancement Payment. Plaintiff shall be solely and legally responsible to pay any and
25 all applicable taxes on his Class Representative Enhancement Payment and shall hold
26 harmless Defendant and Class Counsel from any claim or liability for taxes, penalties,
27 or interest arising as a result of the Class Representative Enhancement Payment. The
28 Class Representative Enhancement Payment shall be in addition to the Plaintiff's

1 Individual California Settlement Payment, Individual FCRA Settlement Payment,
2 and/or Individual PAGA Settlement Payment. Any amount requested by Plaintiff for
3 the Class Representative Enhancement Payment and not granted by the Court shall be
4 a part of the Net California Settlement Fund and be distributed to Settlement California
5 Class Members as provided in this Agreement.

6 7. **Class Counsel Award**

7 a. Class Counsel intends to request that the Court approve attorneys’
8 fees in the amount of up to thirty-three percent (33%) of the Gross Settlement Amount
9 (i.e., \$610,500.00 if the Gross Settlement Amount remains \$1,850,000.00) and
10 reimbursement of litigation costs and expenses actually incurred by Class Counsel in
11 prosecuting the Action in an amount not to exceed \$25,000.00, both of which will be
12 paid from the Gross Settlement Amount. Bodycote agrees not to object to an attorneys’
13 fees award of 25% (i.e., \$462,500.00), but reserves the right to oppose any request for
14 attorneys’ fees that exceeds 25% of the Gross Settlement Amount. In the event that
15 the Court reduces or does not approve the requested Class Counsel Award, Class
16 Counsel shall not have the right to revoke the Settlement and it will remain binding.
17 The Court-approved Class Counsel Award shall be payable to Class Counsel after
18 entry of the Final Approval Order by the Court within seven (7) calendar days after
19 the Settlement Administrator receives the Gross Settlement Amount. Class Counsel
20 shall be solely and legally responsible to pay all applicable taxes on the payment made
21 pursuant to this Paragraph. The Settlement Administrator shall issue an IRS Form
22 1099 to Class Counsel for the Class Counsel Award. With respect to the Class Counsel
23 Award, at Class Counsel’s direction, the Settlement Administrator may purchase an
24 annuity to utilize the United States Treasuries and bonds or utilize other attorney fee
25 deferral vehicles, for Class Counsel, and any additional expenses for doing so shall be
26 paid separately by Class Counsel and shall not be included within the Settlement
27 Administrator Costs. This Settlement is not contingent upon the Court awarding Class
28 Counsel any particular amount in attorneys’ fees and costs. Any amount requested by

1 Class Counsel for the Class Counsel Award and not granted by the Court shall be a
2 part of the Net California Settlement Fund and be distributed to Settlement California
3 Class Members as provided in this Agreement.

4 b. Except as provided in this Agreement, Defendant will not be
5 required to pay any other expenses, costs, damages or fees incurred by the Plaintiff, or
6 any Class Member or PAGA Group Member, or by any of their attorneys, experts,
7 advisors, agents or representatives. Any award of attorneys' fees, costs, expenses and
8 damages payable hereunder to Class Counsel shall be in complete satisfaction of any
9 and all claims for such attorneys' fees, costs, expenses, and damages under state or
10 federal law, which the Plaintiff, the Settlement Class, the PAGA Group Member, Class
11 Counsel, or any other counsel have or may have against Defendant arising out of or in
12 connection with the Action and its settlement, including, but not limited to, any claims
13 for attorneys' fees, costs and expenses involved in litigating attorneys' fees, costs and
14 expenses incurred through and after the final disposition and termination of this
15 Action.

16 c. The substance of Class Counsel's application for attorneys' fees
17 and costs is not part of this Settlement Agreement and is to be considered separately
18 from the Court's consideration of the fairness, reasonableness, adequacy and good
19 faith of the Settlement. The outcome of any proceeding related to Class Counsel's
20 request for attorneys' fees and costs shall not terminate this Settlement Agreement or
21 otherwise affect the Court's ruling on the Final Approval Motion.

22 **8. Settlement Administrator Costs**

23 The Parties have jointly selected a Settlement Administrator to administer the
24 Settlement after receiving an acceptable estimate for such services as agreed by the
25 Parties. The costs of settlement administration, currently estimated at no more than
26 \$45,000.00 will be paid from the Gross Settlement Amount. The fees and other charges
27 of the Settlement Administrator to administer the settlement will be paid from the
28 Gross Settlement Amount. The Settlement Administrator shall have the authority and

obligation to make payments, credits, and disbursements to Settlement Class Members and PAGA Group Members in the manner set forth herein, calculated in accordance with the methodology set out in this Agreement and orders of the Court. The Parties agree to cooperate in the Settlement administration process and to make all reasonable efforts to control and minimize the cost and expenses incurred in administration of the Settlement. The Settlement Administrator shall pay the Court-approved Settlement Administrator Costs to itself within seven (7) calendar days after the Settlement Administrator receives the Gross Settlement Amount. Any amount requested for the Settlement Administrator Costs and not granted by the Court shall be a part of the Net California Settlement Fund and be distributed to Settlement California Class Members as provided in this Agreement.

9. **Effect of Appeal**

If an appeal is taken from the award of Class Counsel's attorneys' fees, costs and expenses, or the Class Representative Enhancement Payment, the appeal shall not affect the finality of the judgment as to the remainder of the terms of the Settlement.

IV. RELEASE OF CLAIMS

1. **Release as to All Settlement California Class Members**

As of the Effective Date and full funding of the Gross Settlement Amount, all Settlement California Class Members (along with all persons purported to act on their behalf or purporting to assert a claim under or through them, including, but not limited to, their spouses, dependents, attorneys, heirs and assigns, beneficiaries, devisees, legatees, executors, estates, administrators, transferees, trustees, conservators, guardians, personal representatives, and successors-in-interest, whether individual, class, collective, representative, legal, equitable, direct or indirect, or any other type or in any other capacity) (the "**Releasing California Class Parties**") release the California Class Released Parties from the Released California Class Claims to the maximum extent permitted by law. Plaintiff and Settlement California Class members shall be deemed to have, and by operation of the Final Approval Order and Final

Judgment approved by the Court, shall have, fully, finally, and forever settled and released all of the Released California Class Claims.

2. **Release as to All Settlement FCRA Class Members**

As of the Effective Date and full funding of the Gross Settlement Amount, all Settlement FCRA Class Members (along with all persons purported to act on their behalf or purporting to assert a claim under or through them, including, but not limited to, their spouses, dependents, attorneys, heirs and assigns, beneficiaries, devisees, legatees, executors, estates, administrators, transferees, trustees, conservators, guardians, personal representatives, and successors-in-interest, whether individual, class, collective, representative, legal, equitable, direct or indirect, or any other type or in any other capacity) (the “**Releasing FCRA Class Parties**”) release the FCRA Released Parties from the Released FCRA Class Claims to the maximum extent permitted by law. Plaintiff and Settlement FCRA Class members shall be deemed to have, and by operation of the Final Approval Order and Final Judgment approved by the Court, shall have, fully, finally, and forever settled and released all of the Released FCRA Class Claims.

3. **Release as to All PAGA Group Members**

As of the Effective Date and full funding of the Gross Settlement Amount, all PAGA Group Members and the LWDA (along with all persons purported to act on their behalf or purporting to assert a claim under or through them, including, but not limited to, their spouses, dependents, attorneys, heirs and assigns, beneficiaries, devisees, legatees, executors, estates, administrators, transferees, trustees, conservators, guardians, personal representatives, and successors-in-interest, whether individual, class, collective, representative, legal, equitable, direct or indirect, or any other type or in any other capacity) (the “**Releasing PAGA Group Member Parties**”) release the PAGA Released Parties from the Released PAGA Claims to the maximum extent permitted by law. Plaintiff and PAGA Group Members shall be deemed to have, and by operation of the Final Approval Order and Final Judgment approved by the

1 Court, shall have, fully, finally, and forever settled and released all of the Released
2 PAGA Claims.

3 4. **Section 1542 Release as to Released Claims Only**

4 The Released Claims provided by this Settlement Agreement include claims
5 that any Releasing Party does not know or suspect to exist in his, her or their favor
6 against the Released Parties, but only to the extent the claims not known or suspected
7 to exist constitute Released Claims. Each Releasing Party waives all rights and
8 benefits afforded by section 1542 of the California Civil Code and any other similar
9 statute in another jurisdiction or forum that may be applicable as it relates to the
10 Released Claims and does so understanding the significance of the waiver. Section
11 1542 of the California Civil Code provides:

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

16 Released Parties acknowledge that they may hereafter discover claims or facts
17 in addition to, or different from, those which they now know or believe to exist
18 regarding the Released Claims, but Releasing Parties expressly agree to fully, finally
19 and forever settle and release any and all claims against the Released Parties, known
20 or unknown, suspected or unsuspected, which exist or may exist on behalf of or against
21 the other at the time of execution of this Agreement, including but not limited to, any
22 and all claims relating to or arising from Plaintiff's employment.

23 5. **Release of Claims by Plaintiff**

24 As of the Effective Date and full funding of the Gross Settlement Amount,
25 Plaintiff, for himself only, releases the Released Parties from all of the Released
26 California Class Claims, Released FCRA Class Claims, and Released PAGA Claims
27 during his respective California Class Period, FCRA Class Period, and PAGA Period.
28 Plaintiff, for himself and his heirs, successors and assigns, further waives, releases,

1 acquits and forever discharges the Released Parties from any and all claims, actions,
2 charges, complaints, grievances and causes of action, of whatever nature, whether
3 known or unknown, which exist or may exist on Plaintiff's behalf as of the date of this
4 Agreement, including, but not limited to, any and all tort claims, contract claims, wage
5 claims, wrongful termination claims, disability claims, benefit claims, public policy
6 claims, retaliation claims, statutory claims, personal injury claims, emotional distress
7 claims, invasion of privacy claims, defamation claims, fraud claims, quantum meruit
8 claims, and any and all claims arising under any federal, state or other governmental
9 statute, law, regulation or ordinance, including, but not limited to, claims for violation
10 of the Fair Labor Standards Act (FLSA), the California Labor Code, the Wage Orders
11 of California's Industrial Welfare Commission, other state wage and hour laws, the
12 Americans with Disabilities Act, the Age Discrimination in Employment Act
13 (ADEA), the Employee Retirement Income Security Act, Title VII of the Civil Rights
14 Act of 1964, the California Fair Employment and Housing Act, the California Family
15 Rights Act, the Family Medical Leave Act, California's Whistleblower Protection Act,
16 California Business & Professions Code §§17200 et seq., and any and all claims
17 arising under any federal, state or other governmental statute, law, regulation or
18 ordinance.

19 6. **No Violation of Labor Code § 206.5**

20 The Parties agree that they are entering into a stipulated settlement in a court
21 action where the principles of res judicata, preclusion, merger or bar apply and operate
22 to bar a new action. As such, the Parties further agree that the execution of the above
23 release constitutes an exception to, and does not violate, Labor Code section 206.5,
24 because there is a good-faith dispute as to whether any wages are due at all to any
25 Settlement California Class Member or PAGA Group Member. Each Settlement
26 California Class Member or PAGA Group Member is therefore also deemed to have
27 acknowledged and agreed that section 206.5 is not applicable to the parties. Section
28 206.5 provides in pertinent part as follows:

1 AN EMPLOYER SHALL NOT REQUIRE THE
 2 EXECUTION OF RELEASE OF CLAIM OR RIGHT
 3 ON ACCOUNT OF WAGES DUE, OR TO BECOME
 4 DUE, OR MADE AS AN ADVANCE ON WAGES TO
 5 BE EARNED, UNLESS PAYMENT OF THOSE
 6 WAGES HAS BEEN MADE. A RELEASE REQUIRED
 7 OR EXECUTED IN VIOLATION OF THE
 8 PROVISIONS OF THIS SECTION SHALL BE NULL
 9 AND VOID AS BETWEEN THE EMPLOYER AND
 10 THE EMPLOYEE.

11 7. **No Other Actions**

12 Plaintiff represents and warrants that, except for this Action, he does not have
 13 any lawsuit, claim, charge, grievance or complaint (collectively, a “**Claim**”) against
 14 the Released Parties pending in any forum, including without limitation, any local,
 15 state or federal agency or court, that constitutes a Released Claim. Releasing Parties
 16 agree, to the extent permitted by law, that they will not, at any time on or after the
 17 Effective Date, file any claim against the Released Parties in any forum including
 18 without limitation, any local, state or federal agency or court, but only to the extent the
 19 claim constitutes a Released Claim. Furthermore, in the event that Releasing Party
 20 may be permitted by law to file or be joined in any such claim, they understand and
 21 agree that they may not recover any amount in judgment or otherwise in any such
 22 claim as a result of their release of the Released Claims set forth herein and acceptance
 23 of the terms and conditions of this Settlement Agreement, but only to the extent such
 24 claim constitutes a Released Claim.

25 8. **Release of Fees and Costs for Settled Matters**

26 Class Counsel and Plaintiff, on behalf of the Class, the PAGA Group and each
 27 individual Settlement California Class Member, Settlement FCRA Class Member and
 28 PAGA Group Member, hereby irrevocably and unconditionally release, acquit and
 forever discharge any claim that they may have against Defendant for attorneys’ fees
 or costs associated with Class Counsel’s representation of Plaintiff, the Class and the
 PAGA Group. Class Counsel further understand and agree that any award of attorneys’

1 fees and costs approved by the Court will be the full, final and complete payment of
2 all attorneys' fees and costs associated with Class Counsel's representation of these
3 individuals. Except as otherwise provided in this Settlement Agreement, the Parties
4 hereto will bear responsibility for their own attorneys' fees and costs, taxable or
5 otherwise, incurred by them or arising out of this Action and will not seek
6 reimbursement thereof from any Party to this Settlement Agreement.

7 9. **No Other Liability**

8 The Settlement Agreement shall be in full settlement, compromise, release and
9 discharge of the Released Claims and each of them, and the Released Parties shall
10 have no further or other liability or obligation to any member of the Settlement
11 California Class, the Settlement FCRA Class, any PAGA Group Members or any
12 other Releasing Party with respect to the Released Claims, except as expressly
13 provided herein.

14 10. **No Assignment of Rights**

15 The Settlement Class Members and PAGA Group Members warrant and
16 represent that they have not assigned, transferred, or hypothecated, or purported to
17 assign, transfer, or hypothecate to any person or entity any of the Released Claims or
18 any rights, claims, or causes of action arising out of the Released Claims. This
19 warranty and representation of non-assignment shall survive the execution of this
20 Settlement Agreement and the dismissal of the Action. No Individual California
21 Settlement Payment, Individual FCRA Settlement Payment or Individual PAGA
22 Settlement Payment shall be paid to any person or entity with respect to whom the
23 Plaintiff, Settlement Class Member and/or PAGA Group Member have assigned,
24 transferred, or hypothecated, or purported to assign, transfer, or hypothecate any of
25 the Released Claims or any rights, claims, or causes of action arising out of, in
26 connection with or related to the Released Claims.

27 11. **Tax Liability and Medicare**

28 The Parties make no representations as to the tax treatment or legal effect of the

1 payments called for hereunder, and Settlement Class Members and PAGA Group
2 Members are not relying on any statement or representation by the Parties in this
3 regard. Settlement Class Members and PAGA Group Members understand and agree
4 that they will be responsible for the payment of taxes and penalties assessed on the
5 payments described herein and will hold the Parties free and harmless from and against
6 any claims resulting from treatment of such payments as non-taxable damages,
7 including the treatment of such payment as not subject to withholding or deduction for
8 payroll and employment taxes. Moreover, this Agreement is based upon a good faith
9 determination of the Parties to resolve a disputed claim. The Parties have not shifted
10 responsibility of medical treatment to Medicare in contravention of 42 U.S.C. Sec.
11 1395y(b). The Parties resolved this matter in compliance with both state and federal
12 law. The Parties made every effort to adequately protect Medicare's interest and
13 incorporate such into the settlement terms.

14 **12. Circular 230 Disclaimer**

15 Each Party to this Agreement (for purposes of this Paragraph, the
16 "acknowledging party" and each Party to this Agreement other than the
17 acknowledging party, an "other party") acknowledges and agrees that (1) no provision
18 of this Agreement, and no written communication or disclosure between or among the
19 Parties or their attorneys and other advisers, is or was intended to be, nor shall any
20 such communication or disclosure constitute or be construed or be relied upon as, tax
21 advice within the meaning of United States Treasury Department Circular 230 (31
22 CFR Part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon
23 his, her, or its own, independent legal and tax counsel for advice (including tax advice)
24 in connection with this Agreement, (b) has not entered into this Agreement based upon
25 the recommendation of any other party or any attorney or advisor to any other party,
26 and (c) is not entitled to rely upon any communication or disclosure by any attorney
27 or adviser to any other party to avoid any tax penalty that may be imposed on the
28 acknowledging party; and (3) no attorney or adviser to any other party has imposed

any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

V. PROCEDURES FOR ADMINISTRATION OF SETTLEMENT

1. Engagement of Settlement Administrator

a. The Parties have agreed to appoint Simpluris to perform the duties of Settlement Administrator. If the Court does not approve the appointment of Simpluris, the Parties will meet and confer to select an alternative Settlement Administrator.

b. The Settlement Administrator shall perform the following notice and other claims administration functions: (i) prepare, translate, print and disseminate the Class Notice to all Class Members, including taking appropriate steps to trace and locate any Class Members whose address or contact information as provided to the Settlement Administrator is inaccurate or outdated; (ii) track the Class Notice mailing and any exclusion requests or objections; (iii) receive, independently review, and resolve any challenges from Class Members (in consultation with Class Counsel and Defendant's counsel), including any associated documentation regarding the number of pay periods and/or workweeks of service in which they performed work for Defendant (iv) promptly furnish to Class Counsel and Defendant's Counsel copies of all written objections, requests for exclusion and any rescission statements received; (v) establish the necessary bank accounts and obtain the necessary tax identification number to administer the settlement; (vi) administer the Settlement, including determining each putative Class Member's status as a member of the Class and their Individual California Settlement Payment and/or Individual FCRA Settlement Payment; (vii) determine each of the PAGA Group Member's Individual PAGA Settlement Payment; (viii) distribute the Individual California Settlement Payments and/or Individual FCRA Settlement Payments to Settlement Class Members, the

1 Individual PAGA Settlement Payments to PAGA Group Members, payments of the
2 court-approved Class Representative Enhancement Payment, payments of the LWDA
3 Payment and the court-approved Class Counsel Award; (ix) file any necessary tax
4 forms and pay any required taxes; and (x) deposit any uncashed checks with the State
5 of California Controller's Office of Unclaimed Funds as provided for below.

6 2. **Preliminary Approval of Settlement**

7 a. **Application for Preliminary Approval.** Promptly upon execution
8 of this Agreement, Plaintiff will move the Court to grant preliminary approval of this
9 Settlement, certifying the California Class and FCRA Class for settlement purposes
10 only and setting a date for the Final Approval Hearing. Class Counsel shall provide
11 Defendant's Counsel with at least five (5) business days prior to filing to review and
12 provide feedback regarding said Motion and the accompanying documents, and
13 reserves the right to file the Motion after review and approval by Defendants' Counsel
14 or after the expiration of the five (5) business day period, whichever comes first. All
15 Parties agree to work diligently and cooperatively to have this Settlement presented to
16 the Court for preliminary approval. The proposed Preliminary Approval Order shall
17 provide for the Notice of Class Action Settlement to be sent to Class Members as
18 specified herein.

19 b. **Preliminary Approval Order.** Plaintiff will request that the Court
20 enter, after the preliminary approval hearing, a Preliminary Approval Order, jointly
21 agreed to by the Parties, which will provide for, in substantial part, the following:

22 i. Conditionally certifying the California Class and FCRA
23 Class as provided in this Settlement Agreement for settlement purposes only;

24 ii. Granting preliminary approval of the Settlement under the
25 legal standards relating to the preliminary approval of class action settlements;

26 iii. Preliminarily appointing Plaintiff as the representative of the
27 Class for settlement purposes only;

28 iv. Preliminarily appointing Class Counsel as counsel for the

1 Class for settlement purposes only; and

2 v. Approving, as to form and content, the mutually-agreed
3 upon and proposed Class Notice and directing its mailing to the Class by First-Class
4 U.S. Mail;

5 vi. Finding the proposed method of disseminating the Class
6 Notice meets all legal requirements, and is the best notice practicable under the
7 circumstances;

8 vii. Establishing the procedures and the deadline by which
9 Class Members may assert objections to the certification of the Class and/or to the
10 Settlement;

11 viii. Establishing a deadline for the Parties to submit
12 papers/briefing in response to any objections and in support of final approval of the
13 Settlement;

14 ix. Establishing procedures and the deadline by which
15 individuals may exclude themselves from the Settlement;

16 x. Setting a date for the Final Approval Hearing no earlier than
17 one-hundred (100) calendar days after the date preliminary approval is granted; and

18 xi. Providing that, pending this Court's final determination of
19 whether the proposed Settlement will be approved and in aid of the Court's
20 jurisdiction and to prevent a multiplicity of lawsuits, the Plaintiff, and anyone acting
21 on his behalf (including, but not limited to, attorneys, representatives and agents),
22 waive and release and are barred and enjoined from instituting, commencing, or
23 continuing to prosecute, directly or indirectly, as an individual or collectively,
24 representatively, derivatively, or on behalf of himself or herself, or in any other
25 capacity of any kind whatsoever, any action in this Court, any other state court, or
26 any arbitration or mediation proceeding or any other similar proceeding, any and all
27 claims against any Released Party that asserts any Released Claims that would be
28 released and discharged upon entry of the Final Approval Order, except as the Court

1 may further order upon application of a Class Member and notice to all Parties.

2 3. **CAFA Notice**

3 Within ten (10) calendar days of the filing of the Settlement Agreement with the
4 Court as a part of Motion for Preliminary Approval of Class Action Settlement,
5 Defendant will serve or cause to be served notice of the Settlement in accordance with
6 the Class Action Fairness Act, 28 U.S.C. § 1715 (“CAFA”) to the appropriate
7 governmental authorities, and Defendant’s Counsel will provide Class Counsel with
8 written confirmation that it has completed the mailing of the CAFA notice in
9 conformity with CAFA. After completion of such service, Defendants will file a
10 declaration with the Court indicating such service has been completed.

11 4. **Notice of Settlement to LWDA**

12 Plaintiff will submit this Agreement to the LWDA as required by Labor Code
13 section 2699(l)(2) at the same time that it is submitted to the Court for preliminary
14 approval.

15 5. **California Class Information and FCRA Class Information**

16 a. Within fifteen (15) business days of entry of a Preliminary
17 Approval Order by the Court, Defendant will transmit to the Settlement Administrator
18 the California Class Information and FCRA Class Information. No later than three (3)
19 business days after receipt of the California Class Information and FCRA Class
20 Information, the Settlement Administrator will notify counsel for the Parties that the
21 lists have been received and state the number of California Class Members and FCRA
22 Class Members included in the California Class Information and FCRA Class
23 Information, respectively, and confirm whether the Escalator Clause (set forth in
24 Section V, ¶ 6) has been triggered.

25 b. The California Class Information and FCRA Class Information
26 and any other data provided by Defendant to the Settlement Administrator and/or Class
27 Counsel pursuant to this Settlement Agreement, shall be presumed to be accurate
28 (subject to challenges or disputes as provided in this Agreement), and shall be held in

1 strict confidence to be used solely for the purpose of this Settlement, and shall not be
2 disclosed to anyone outside of the Settlement Administrator. The Parties shall provide
3 the Settlement Administrator with any updated or different addresses or phone
4 numbers they obtain from Class Members prior to the Response Deadline.

5 c. Unless required by court order, neither Defendant nor the
6 Settlement Administrator will provide the California Class Information and FCRA
7 Class Information or the name, contact information and/or any financial information
8 of Class Members or PAGA Group Members to the Plaintiff, Class Counsel, any other
9 Class Member or PAGA Group Member, or to any other person or entity.

10 d. If Defendant and the Settlement Administrator determine, based
11 upon further review of available data, that a person previously identified as being a
12 Class Member or PAGA Group Member should not be so included, or if they identify
13 a person who should have been included as a Class Member or PAGA Group Member
14 but was not so included, Defendant and the Settlement Administrator shall promptly
15 delete or add such person as appropriate and immediately notify Class Counsel prior
16 to such deletions or additions (and the reasons therefore).

17 **6. Escalator Clause**

18 As of May 15, 2023, Defendant estimated that the California Class was
19 comprised of nine hundred twenty-four (924) individuals (the “**Projected California**
20 **Class Size**”) and that these individuals worked for Defendant in the State of California
21 for approximately 53,381 Work Weeks during the period from November 17, 2017
22 through May 15, 2023 (the “**Projected California Class Workweeks**”). If as of the
23 date preliminary approval is granted, the number of Work Weeks of the California
24 Class exceeds 58,719 Work Weeks (i.e., is ten percent (10%) or higher than the
25 Projected California Class Work Weeks) (the “**Qualifying Threshold**”), then
26 Defendant will have the option of either (a) increasing the Gross Settlement Amount
27 on a *pro rata* basis based on the increased number of Work Weeks in excess of the
28 Qualifying Threshold; or (b) ending the California Class Period and PAGA Period as

of the date the Work Weeks count reaches the Qualifying Threshold. The actual California Class size and Work Weeks are to be determined based on the California Class Information.

7. **Notice to Class Members**

a. Upon receipt of the California Class Information and FCRA Class Information, the Settlement Administrator will perform a search based on the United States Postal Service's National Change of Address Database to update and correct any known or identifiable address changes.

b. Within fourteen (14) calendar days of receipt of the California Class Information and FCRA Class Information, the Settlement Administrator shall mail copies of the Notice of Class Action Settlement to all Class Members in English and Spanish via regular First-Class U.S. Mail. The Class Notice attached as Exhibit A shall be mailed to California Class Members, the Class Notice attached as Exhibit B shall be mailed to FCRA Class Members, and the Class Notice attached as Exhibit C shall be mailed to Class Members who are both California Class Members and FCRA Class Members. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Class Member, including performing a skip-trace to identify any updated addresses. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Class Member.

c. It will be conclusively presumed that if the Class Notice is not returned as undeliverable, the Class Member received the Notice. Any Notice of Class Action Settlement returned to the Settlement Administrator as undeliverable on or before the Response Deadline shall be re-mailed once to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address by use of skip-tracing, or other search using the name, address and/or Social Security number of the Class Member whose notice was undeliverable, and shall then re-mail all returned, undelivered Class

1 Notices within five (5) calendar days of receiving notice that a Class Notice was
2 undeliverable. Class Members who receive a re-mailed Notice of Class Action
3 Settlement shall have their Response Deadline extended by the longer of fourteen (14)
4 calendar days from the date of re-mailing or the remaining original Response Deadline
5 period.

6 d. All costs of mailing of the Notice of Class Action Settlement,
7 whether foreseen or not, shall be paid from the Gross Settlement Amount, including
8 the cost of searching for Class Members' addresses.

9 e. Other than the obligations set forth in this Settlement Agreement,
10 Plaintiff, Class Counsel, Defendant, and the Settlement Administrator shall have no
11 additional obligation to identify or locate any Class Member or have any liability in
12 connection with the provision of information to the Settlement Administrator or
13 otherwise. The Parties agree that the proposed Class Notice constitutes the best notice
14 practicable under the circumstances, and constitutes due and sufficient notice of the
15 pendency of the Action, the proposed Settlement, and the Final Approval Hearing to
16 all persons entitled to notice, in full compliance with due process under the United
17 States Constitution. The Plaintiff and Class Counsel acknowledge that this provision
18 is a material term of this Settlement Agreement and that Defendant would not have
19 entered into this Settlement Agreement without their agreement to this provision.
20 Compliance with these procedures shall constitute due and sufficient notice to Class
21 Members of this Settlement and shall satisfy the requirement of due process.

22 8. **Responses to Class Notice.**

23 a. **Disputes Regarding Compensable Work Weeks.** California
24 Class Members will have the opportunity to dispute, should they disagree with, the
25 number of Compensable Work Weeks stated on their Class Notice by submitting a
26 Compensable Work Weeks Dispute, postmarked on or before the Response Deadline.
27 If there is a Compensable Work Weeks Dispute, the Settlement Administrator will
28 consult with the Parties to determine whether an adjustment is warranted. No

1 Compensable Work Weeks Dispute will be considered if the California Class Member
2 submits a Compensable Work Weeks Dispute to the Settlement Administrator that is
3 postmarked after the Response Deadline.

4 b. **Class Member Requests for Exclusion.** The Notice of Class
5 Action Settlement shall state that Class Members who wish to exclude themselves
6 from the California Class Settlement and/or FCRA Class Settlement must submit a
7 Request for Exclusion, postmarked on or before the Response Deadline. In the case of
8 a second or subsequent mailing to the Settlement Class Member, for example because
9 of an undeliverable mailing, the Opt-Out Period shall be computed from the date of
10 the second or subsequent mailing. A Request for Exclusion must be in writing and
11 must state the Class Member's name, the last four digits of his/her Social Security
12 Number or Tax ID Number, the Class Member's address and telephone number. It
13 must also contain words that clearly describe the Class Member's intention to opt out
14 of the California Class Settlement and/or FCRA Class Settlement. The Request for
15 Exclusion must be personally signed by the Settlement Class Member who seeks to
16 opt out. The Request for Exclusion will be deemed invalid if it does not contain the
17 Class Member's full name, address, signature, and a statement requesting exclusion,
18 as provided in Section I, ¶ 44. No Request for Exclusion may be made on behalf of a
19 group of Settlement Class Members. The Request for Exclusion must be sent by mail
20 to the Settlement Administrator and must be timely postmarked as set forth above,
21 except that the Settlement Administrator may, upon consultation with counsel for all
22 Parties and good cause shown, extend the due date for mailing the Request for
23 Exclusion. If the Settlement Administrator is unsure of the validity of a Request for
24 Exclusion, it must provide a copy of the Request for Exclusion to the Parties to review
25 and make a determination as to its validity. The postmark date of the mailing envelope
26 shall be the exclusive means used to determine whether a Request for Exclusion has
27 been timely submitted. Any California Class Member who requests to be excluded
28 from the California Class Settlement will not be entitled to an Individual California

1 Settlement Payment and will not be bound to the California Class Settlement, or have
2 any right to object, appeal, or comment thereon. Any FCRA Class Member who
3 requests to be excluded from the FCRA Class Settlement will not be entitled to an
4 Individual FCRA Settlement Payment and will not be bound to the FCRA Class
5 Settlement, or have any right to object, appeal, or comment thereon. If a Request for
6 Exclusion is not timely completed and returned to the Settlement Administrator as set
7 forth above, it will be conclusively presumed that the Member received the Notice of
8 Class action Settlement and that he or she does not wish to opt out of the Settlement.
9 Settlement Class Members who fail to submit a valid and timely Request for Exclusion
10 on or before the Response Deadline shall be bound by all terms of the Settlement and
11 any Final Approval Order and Final Judgment entered in the Action if the Settlement
12 is approved by the Court. Plaintiffs agree not to opt-out of the Settlement. No later
13 than five (5) calendar days after the Response Deadline, the Settlement Administrator
14 shall provide counsel for the Parties with a complete list of all members of the Class
15 who have validly and timely submitted a Request for Exclusion. Requests for
16 Exclusion do not apply to the PAGA claims and PAGA Group Members will not be
17 provided with the opportunity to opt-out of the PAGA portion of this Settlement. Any
18 Class Member who is also considered a PAGA Group Member will be issued their
19 Individual PAGA Settlement Payment and be bound to the PAGA Settlement,
20 regardless of whether they submit a Request for Exclusion.

21 c. **Objections to the Settlement.** The Notice of Class Action
22 Settlement shall state that Settlement California Class Members who wish to object to
23 the California Class Settlement and/or the Settlement FCRA Class Members who wish
24 to object to the FCRA Class Settlement may do so in person at the Final Approval
25 Hearing and/or in writing by submitting a Notice of Objection to the Settlement
26 Administrator, postmarked on or before the Response Deadline. The date of mailing
27 on the envelope transmitting the Notice of Objection shall be deemed the exclusive
28 means for determining that a Notice of Objection was timely received. The Settlement

1 Administrator must provide a copy of written Notices of Objection to the Parties
2 within three (3) business days of receipt. Class Counsel will ensure that any Notices
3 of Objection received by the Settlement Administrator by the Response Deadline are
4 filed with the Court along with the Motion for Final Approval. Either of the Parties
5 may file a responsive document to any objection before the Final Approval Hearing.
6 Any attorney who will represent an individual objecting to the Class Settlement and/or
7 FCRA Class Settlement who has not submitted a written objection must file a notice
8 of appearance with the Court and serve Class Counsel and counsel for Defendant no
9 later than the Response Deadline. Class Counsel will not represent any Settlement
10 Class Members with respect to any such objections.

11 Any Settlement Class Member who fails to submit a timely written Notice of
12 Objection or to present an objection in person at the Final Approval Hearing will be
13 deemed to have waived any objections and will be foreclosed from making any
14 objection to the California Class Settlement and/or FCRA Class Settlement whether
15 by appeal or otherwise.

16 An individual who submits a valid and timely Request for Exclusion from the
17 California Class Settlement may not object to the California Class Settlement. An
18 individual who submits a valid and timely Request for Exclusion from the FCRA Class
19 Settlement may not object to the FCRA Class Settlement.

20 d. **No Encouragement or Solicitation of Objections, Requests for**
21 **Exclusion, or Appeals.** The Parties agree to use their best efforts to carry out the terms
22 of this Settlement. At no time shall any of the Parties or their counsel seek to solicit or
23 otherwise encourage members of the Class to file claims, submit written objections to
24 the settlement, Requests for Exclusion, or appeal from the Court's Final Approval
25 Order and Final Judgment.

26 e. **Effect of Settlement.** Except for persons who properly elect to opt
27 out of the California Class Settlement and/or the Settlement FCRA Class and/or both
28 in the manner and within the time limits specified above and in the Class Notice, all

1 Class Members shall be deemed to be within the California Class Settlement and/or
2 the Settlement FCRA Class, as applicable, for all purposes under this Settlement
3 Agreement, and shall be bound by the terms and conditions of this Settlement
4 Agreement (including the release and waiver provisions herein), including all orders
5 issued pursuant thereto, and shall be deemed to have waived all unstated objections
6 and opposition to the fairness, reasonableness, and adequacy of this Settlement
7 Agreement, and any of its terms. All PAGA Group Members shall be bound by the
8 terms and conditions of this Settlement Agreement (including the release and waiver
9 provisions herein), including all orders issued pursuant thereto.

10 **9. Reports by the Settlement Administrator**

11 a. **Weekly Reports.** Starting on the date that the Settlement
12 Administrator receives the California Class Information and FCRA Class Information,
13 the Settlement Administrator shall provide weekly reports to counsel for the Parties
14 detailing the progress of the claims process outlined above.

15 b. **Interim Report by the Settlement Administrator.** No later than
16 seven (7) days prior to the date of the Final Approval Hearing, the Settlement
17 Administrator will provide counsel for the Parties with a declaration setting forth: (a)
18 due diligence and proof of mailing of the Class Notice; and (b) the total number of
19 Class Members who filed timely requests for exclusion or objections to the settlement,
20 along with the complete copies of all requests for exclusion and objections received,
21 including the postmark dates for each request for exclusion or objection.

22 **10. Disputes Regarding Administration of Settlement**

23 Any disputes not resolved by the Settlement Administrator concerning the
24 administration of the Settlement will be resolved by the Court, under the laws of the
25 State of California. Prior to any such involvement of the Court, counsel for the Parties
26 will confer in good faith to resolve the disputes without the necessity of involving the
27 Court.

1 **11. Nullification of Settlement Agreement**

2 In the event: (a) the Court denies preliminary approval of the Settlement; (b) the
3 Court denies final approval of the Settlement; (c) the Court refuses to enter the
4 contemplated Final Approval Order and Final Judgment as provided herein; or (d) the
5 Settlement does not become final for any other reason, this Settlement Agreement shall
6 be null and void and any order or judgment entered by the Court in furtherance of this
7 Settlement shall be treated as void from the beginning. In the event the total number
8 of valid and timely Requests for Exclusion from California Class Members exceed ten
9 percent (10%), or Plaintiff opts out of the Settlement, Defendant has the option to
10 cancel or nullify this Settlement prior to the Final Approval Hearing via a written
11 notice to Class Counsel within fourteen (14) calendar days of the Settlement
12 Administrator providing Defendant's Counsel a report specifying the number of valid
13 and timely Requests for Exclusion. If one or more of such events occur causing the
14 Settlement Agreement to become null and void, the Parties shall proceed in all respects
15 as if this Agreement had not been executed, except that any fees already incurred by
16 the Settlement Administrator shall be paid by the Party terminating the Settlement, or
17 Defendant will be solely responsible for the costs incurred for the Settlement
18 administration should it exercise its option to nullify this Agreement due to the number
19 of opt-outs. If the Settlement is terminated by Defendant due to Plaintiff requesting
20 exclusion from or objecting to the Settlement, Plaintiff will be solely responsible for
21 the costs incurred for the Settlement administration. In the event an appeal is filed from
22 the Court's Final Approval Order and/or Final Judgment, or any other appellate review
23 is sought, administration of the Settlement shall be stayed pending final resolution of
24 the appeal or other appellate review, but any fees incurred by the Settlement
25 Administrator prior to it being notified of the filing of an appeal from the Court's Final
26 Approval Order and/or Final Judgment, or any other appellate review, shall be split
27 equally by Defendant and Plaintiff and paid to the Settlement Administrator by each
28 party within thirty (30) calendar days of said notification.

1 12. **Motion for Final Approval and Judgment.**

2 No later than 28 calendar days before the Final Approval Hearing, Plaintiff will
3 file a Motion for Final Approval. Class Counsel will only file said Motion following
4 review and approval of the Motion by Defendants' Counsel, after providing
5 Defendant's Counsel at least five (5) business days to review and provide feedback
6 regarding said Motion and the accompanying documents. All Parties agree to work
7 diligently and cooperatively to have this Settlement presented to the Court for final
8 approval.

9 a. **Final Approval Hearing and Entry of Final Judgment**

10 Upon expiration of the Response Deadline, with the Court's permission, the
11 Final Approval Hearing shall be conducted to determine final approval of the
12 Settlement along with the amounts properly payable for the: (i) Class Counsel Award;
13 (ii) Class Representative Enhancement Payment; (iii) Settlement Administrator Costs;
14 (iv) Individual California Settlement Payments; (v) Individual FCRA Settlement
15 Payments; and (vi) Individual PAGA Settlement Payments. The Final Approval
16 Hearing shall be held at the Court's convenience, but not earlier than one-hundred
17 (100) calendar days after the date the Preliminary Approval Motion is filed with the
18 Court. At the Final Approval Hearing, Plaintiff and Defendant will use their best
19 efforts to urge the Court to confirm the certification of the Class for settlement
20 purposes, to grant final approval of the Settlement in its entirety (including any
21 modification made thereto with the consent of the Parties as provided herein), and to
22 enter a Final Approval Order and Judgment. To the extent that the requisite CAFA
23 period has not expired by the date of the Final Approval Hearing, the Court will go
24 forward with the Final Approval Hearing but shall hold its final approval order until
25 the expiration of the CAFA notice period.

1 **b. Final Approval Order**

2 Plaintiff will request that the Court enter, after the Final Approval
3 Hearing, a Final Approval Order, jointly agreed to by the Parties, which will provide
4 for, in substantial part, the following:

5 (i) Approval of the Settlement as fair, reasonable, and adequate
6 and binding on all PAGA Group Members to the maximum extent applicable by law;

7 (ii) Direct consummation of the terms and provisions of the
8 Settlement;

9 (iii) Certification of the Settlement California Class and
10 Settlement FCRA Class;

11 (iv) Finding that the dissemination of the Class Notice in the
12 form and manner ordered by the Court was accomplished as directed, met the
13 requirements of due process, was the best notice practicable under the circumstances,
14 and constituted due and sufficient notice to all persons entitled thereto;
15

16 (v) Awarding reasonable attorneys' fees and costs to Class
17 Counsel , subject to the terms herein;

18 (vi) Approval of a Class Representative Enhancement Payment
19 to Plaintiff, subject to the terms herein;
20

21 (vii) Directing Defendant to fund all amounts due under the
22 Settlement Agreement and ordered by the Court;
23

24 (viii) Releasing and discharging the Released Parties from any
25 and all liability with respect to the Released Claims as provided herein after all
26 payments have been made as set forth above;
27

(ix) Ordering that the Settlement Agreement shall operate as a full, complete, and final release of all the Released Claims of all Class Members who do not submit a valid exclusion request, and to all PAGA Group Members; and

(x) Entering judgment in the Action, while maintaining continuing jurisdiction.

13. **Submission of Final Order to LWDA**

Within ten (10) days of the Court entering a Final Approval Order, Plaintiff shall submit to the LWDA a copy of the Final Approval Order pursuant to the requirements set forth in Labor Code section 2699(l)(3).

VI. FUNDING OF SETTLEMENT

No later than fourteen (14) calendar days after the Effective Date, Defendant will deliver the Gross Settlement Amount to the Settlement Administrator to fund the Settlement, as set forth in this Agreement. Defendant will not be obligated to make any payments contemplated by this Agreement unless and until the Court enters the Final Approval Order and Final Judgment, and after the Effective Date of the Agreement. Within seven (7) calendar days of the receipt of the Gross Settlement Amount, the Settlement Administrator will make the payments as specified in this Settlement Agreement.

1. The payment of Court-approved Class Counsel Award to Class Counsel and Class Representative Enhancement Payment to Plaintiff will be transmitted within fifteen (15) calendar days after Defendant pays the Gross Settlement Amount to the Settlement Administrator. The payment of \$208,125.00 to the LWDA (i.e., LWDA Payment), representing 75% of the PAGA Payment, will be paid to the LWDA within fifteen (15) calendar days after Defendant pay the Gross Settlement Amount to the Settlement Administrator. The payment of Settlement Administrator Costs will be made directly to the Settlement Administrator within fifteen (15) calendar days after the Settlement Administrator receives the Gross Settlement Amount.

2. Within fifteen (15) calendar days after Defendants pay the Gross Settlement Amount to the Settlement Administrator, the Settlement Administrator will distribute the Individual California Settlement Payments, the Individual FCRA Settlement Payments and the Individual PAGA Settlement Payments to each Settlement Class Member and PAGA Group Member, respectively. When issuing payments, the Settlement Administrator may combine the Individual Class Settlement Payment, Individual FCRA Settlement Payment, and Individual PAGA Payment into one check if the intended recipient for both payments is one individual. All checks issued shall indicate on their face that, consistent with standard bank procedures, they are void if not negotiated within one-hundred and eighty (180) calendar days of their issuance. The date of mailing of the settlement checks to the eligible Settlement Class Members and PAGA Group Members shall be conclusively determined according to the records of the Settlement Administrator. Any Settlement Class Member or PAGA Group Member who fails to cash the settlement check within the one-hundred and eighty (180) calendar day period provided herein will nonetheless remain a member of the Settlement Class and shall be bound by the terms and conditions of this Settlement Agreement. The Settlement Administrator shall provide Class Counsel and Defendant's Counsel with a complete, de-identified list of all Settlement Class Members and PAGA Group Members who did not cash their settlement checks within fourteen (14) calendar days after the expiration of the one hundred and eighty (180) days provided for in this paragraph.

3. After one hundred eighty (180) calendar days of issuance, uncashed checks will be deposited with the State of California Controller's Office of Unclaimed Funds in the name of the individual to whom the check had been addressed. The Parties agree to coordinate their efforts to seek Court approval for such an escheatment process of uncashed funds. If, for some reason, the Court does not approve the escheatment of uncashed funds, the Parties agree to meet and confer to identify a mutually-agreeable *cy pres* recipient(s). The failure by any Class Member/PAGA

1 Group Member to claim or deposit any check issued by the Settlement Administrator
2 shall have no effect on that Class Member's/ PAGA Group Member's release of all
3 Released Claims.

4 4. The Settlement Administrator will also remit all amounts withheld from
5 Individual Class Settlement Payments and all Employer Taxes to the Internal Revenue
6 Service and California E.D.D., and/or any other proper entity to whom withholdings
7 and employer-related payroll taxes attributed to Individual Class Settlement Payments
8 are due, no later than one hundred and eighty (180) days after issuance of Individual
9 Class Settlement Payments.

10 5. No person shall have any claim against the Settlement Administrator,
11 Defendant or any of the Released Parties, the Class Representative, the Class
12 Members, Defendant's Counsel or Class Counsel based on payments made
13 substantially in accordance with this Settlement, or further Orders of this Court.

14 **VII. ADDITIONAL TERMS OF SETTLEMENT**

15 1. **No Effect on Employee Benefits**

16 Amounts paid to Plaintiff, Settlement Class Members, and PAGA Group
17 Members pursuant to this Agreement shall not be deemed pensionable earnings and
18 shall not have any effect on the eligibility for, or calculation of, any of the employee
19 benefits (e.g., vacations, holiday pay, retirement plans, etc.) of Plaintiff, Settlement
20 Class Members, and PAGA Group Members.

21 2. **No Admission by Defendant**

22 Defendant denies any and all claims alleged in the Lawsuit and denies all
23 wrongdoing whatsoever. Nothing contained in this Settlement Agreement, nor the
24 consummation of thereof, shall constitute, be construed or deemed an admission by or
25 on behalf of Defendant, or any of the other Released Parties, of any form of liability,
26 culpability, negligence or wrongdoing, or of the accuracy of any allegation made by
27 Plaintiff or his counsel. Each of the Parties hereto has entered into this Settlement
28 Agreement with the intention of avoiding further disputes and litigation with the

1 attendant inconvenience and expense. This Settlement Agreement is a settlement
2 document and shall, pursuant to California Evidence Code section 1152 and/or Rule
3 408 of the Federal Rules of Evidence, be inadmissible in evidence in any proceeding,
4 except an action or proceeding to approve the Settlement and/or interpret this
5 Agreement. The stipulation for class certification as part of this Settlement Agreement
6 is for settlement purposes only and if, for any reason the Settlement is not approved,
7 the stipulation will be of no force and effect. Defendants specifically does not admit
8 that this Action could or should be certified as a class action.

9 3. **Exhibits and Headings**

10 The terms of this Agreement include the terms set forth in any attached exhibits,
11 which are incorporated by this reference as though fully set forth herein. Any exhibits
12 to this Agreement are an integral part of the Settlement. The descriptive headings of
13 any paragraphs or sections of this Agreement are inserted for convenience of reference
14 only and do not constitute a part of this Agreement.

15 4. **Interim Stay of Proceedings**

16 The Parties agree to stay all proceedings in the Action, except such proceedings
17 necessary to implement and complete the Settlement, pending the Final Approval
18 Hearing to be conducted by the Court.

19 5. **Amendment or Modification**

20 This Agreement may be amended or modified only by a written instrument
21 signed by counsel for all Parties or their successors-in-interest, subject to Court
22 approval.

23 6. **Entire Agreement**

24 This Agreement and any attached exhibits constitute the entire Agreement
25 among the Parties, and no oral or written representations, warranties, or inducements
26 have been made to any Party concerning this Agreement or its exhibits other than the
27 representations, warranties, and covenants contained and memorialized in the
28 Agreement and its exhibits. The Parties are entering into this Agreement based solely

1 on the representations and warranties herein and not based on any promises,
2 representation, and/or warranties not found herein.

3 7. **Material Terms and Voiding the Stipulation of Settlement**

4 The release and waiver provisions of this Settlement Agreement are material
5 terms. A failure of the Court to approve any material term of this Settlement
6 Agreement shall render the entire Settlement Agreement voidable and unenforceable
7 as to all Parties herein at the option of either Party. Additionally, if the Judgment is
8 reversed or modified as to any material term or declared or rendered void as to any
9 material term, then (a) at the option of either Party, this Settlement Agreement shall
10 be considered null and void, and (b) neither this Settlement Agreement nor any of the
11 released negotiations or proceedings will be of any force or effect. The parties agree
12 that Section III, paragraphs 3 through 8 of this Settlement Agreement are severable
13 from the remainder of the Settlement Agreement only in the sense that any reduction
14 in amount by the Court of the Class Counsel Award, the Class Representative
15 Enhancement Payment, the Settlement Administration expenses, or the PAGA
16 Payment, or a change by the Court with respect to the tax treatment of the Individual
17 Settlement Payments shall in no way affect the validity and effect of the remainder of
18 this Settlement Agreement..

19 8. **Use of Defendant's Confidential Information**

20 Class Counsel represent that they have received Defendant's confidential
21 information during the course of discovery/information discovery in this Action.
22 Plaintiff and Class Counsel agree not to disclose or use any information related to this
23 Action for any purpose other than the settlement of this Action, including any
24 information learned during this Action, the documents or discovery responses
25 provided to Class Counsel by Defendant, and/or any information in those documents
26 or responses, except for use of such confidential information to enforce this Settlement
27 Agreement or any of its terms or provisions, or in the event Preliminary or Final
28 Approval is not granted (to the extent the information is not protected by the mediation

1 or settlement privilege). This section does not apply to any information disclosed or
2 provided in formal discovery responses or any information that was not designated as
3 confidential, provided, however, that nothing in this section modifies or supersedes
4 the Parties' rights and obligations under the May 16, 2022 Protective Order (including
5 the provisions of Section 15, governing the final disposition of Protected Material).

6 9. **Authorization to Enter into Settlement Agreement and Cooperation**

7 Counsel for all Parties warrant and represent they are expressly authorized by
8 the Parties whom they represent to negotiate this Agreement and to take all appropriate
9 actions required or permitted to be taken by such Parties pursuant to this Agreement
10 to effectuate its terms, and to execute any other documents required to effectuate the
11 terms of this Agreement. The Parties and their counsel will cooperate with each other
12 and use their best efforts to finalize and affect the implementation of the Settlement.
13 This includes Defendant's agreement to cooperate with Plaintiff in requesting
14 additional information or documents pertaining to California Class Members who
15 were employed by Temporary Staffing Agencies, if required by the Court. This also
16 includes Defendant's agreement to cooperate with Plaintiff to support that a two-year
17 statute of limitations applies to the FCRA claims such that it is appropriate for the
18 FCRA Class Period to encompass the time period from November 17, 2019 through
19 August 31, 2020, if required by the Court. The Parties further agree to fully cooperate
20 in the drafting and/or filing of any further documents or filings reasonably necessary
21 to be prepared or filed, shall take all steps that may be requested by the Court or that
22 are otherwise necessary to the approval and implementation of this Settlement, and
23 shall otherwise use their respective best efforts to obtain Court approval of this
24 Settlement. In the event the Parties are unable to reach agreement on the form or
25 content of any document needed to implement the Settlement, or on any supplemental
26 provisions that may become necessary to effectuate the terms of this Settlement, the
27 Parties may seek the assistance of the Court or Mediator to resolve such disagreement.
28 The persons signing this Agreement on behalf of Defendant represent and warrant that

1 they are authorized to sign this Agreement on behalf of Defendant. Plaintiff represents
2 and warrants that he is authorized to sign this Agreement and that he has not assigned
3 any claim, or part of a claim, covered by this Settlement to a third-party.

4 10. **Deadlines**

5 Unless required by the Court to obtain Court approval, the Parties hereto may
6 agree in writing to reasonable extensions of time to carry out any of the provisions of
7 the Settlement without further order of the Court. In addition, to the extent that any
8 deadline set forth in this Settlement Agreement falls on a Saturday, Sunday, or legal
9 holiday, that deadline shall be continued until the following business day.

10 11. **Representations**

11 The Parties represent and agree that they have been advised to discuss this
12 Settlement Agreement with an attorney of their choosing, that they have carefully read
13 and fully understand all provisions of this Settlement Agreement, that they are
14 voluntarily entering into it and that they have the capacity to enter into this Settlement
15 Agreement. Further, the Parties represent and acknowledge that, in executing this
16 Settlement Agreement, they do not rely and have not relied upon any representation
17 or statement not set forth herein made by any of the Parties or any of the Parties'
18 agents, representatives or attorneys with regard to the subject matter, basis or effect of
19 this Settlement Agreement or otherwise.

20 12. **Binding on Successors and Assigns**

21 This Agreement shall be binding upon, and inure to the benefit of, the successors
22 or assigns of the Parties hereto, as previously defined.

23 13. **California Law Governs**

24 All terms of this Agreement and the exhibits hereto shall be governed by and
25 interpreted according to the laws of the State of California.

26 14. **Counterparts**

27 This Agreement may be executed in one or more counterparts. All executed
28 counterparts and each of them shall be deemed to be one and the same instrument.

1 15. **Jurisdiction of the Court**

2 The Parties agree that the Court shall retain jurisdiction with respect to the
3 interpretation, implementation, and enforcement of the terms of this Agreement and
4 all orders and judgments entered in connection therewith, and the Parties and their
5 counsel hereto submit to the jurisdiction of the Court for purposes of interpreting,
6 implementing, and enforcing the settlement embodied in this Agreement and all orders
7 and judgments entered in connection therewith.

8 16. **Invalidity of Any Provision**

9 Before declaring any provision of this Agreement invalid, the Court shall first
10 attempt to construe the provisions valid to the fullest extent possible consistent with
11 applicable precedents so as to define all provisions of this Agreement valid and
12 enforceable.

13 17. **Construction of This Settlement Agreement**

14 The Parties hereto agree that the terms and conditions of this Settlement
15 Agreement are the result of lengthy, intensive, arms-length negotiations between the
16 Parties and that this Agreement shall not be construed in favor of or against any Party
17 by reason of the extent to which any Party or his, her or its counsel participated in the
18 drafting of this Settlement Agreement.

19 18. **Publicity**

20 Plaintiff and Class Counsel agree not to engage in publicity regarding this
21 Settlement, including the fact of the Settlement, its terms or contents, and the
22 negotiations underlying the Settlement, in any manner or form, directly or indirectly,
23 to any person or entity. For the avoidance of doubt, this Paragraph means Plaintiff and
24 Class Counsel agree not to issue press releases, communicate with, or respond to any
25 media or publication entities, publish information in manner or form, whether printed
26 or electronic, on any medium or otherwise communicate, whether by print, video,
27 recording or any other medium, with any person or entity concerning the Settlement,
28 including the fact of the Settlement, its terms or contents and the negotiations

underlying the Settlement, except as shall be contractually required to effectuate the terms of the Settlement. However, this will not prohibit Class Counsel from responding to inquiries from Class Members regarding the Settlement. Also, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the name of the Parties in the Action and the venues and case number of the Action for such purposes. Nothing herein will restrict Class Counsel from including publicly available information regarding the Action and Settlement in future judicial submissions regarding Class Counsel's qualifications and experience. Furthermore, Plaintiff and Class Counsel will undertake any and all disclosures required to be made to the LWDA in conformity with PAGA. Furthermore, nothing herein will restrict Class Counsel from fulfilling its ethical obligations and fiduciary duties to Class Members.

WHEREFORE, the Parties have executed this Agreement as of the dates set forth below.

IT IS SO AGREED:

Plaintiff Cruz Perez Jr.

By:

Electronically Signed: 2023-11-29 01:56:55 UTC - 172.56.232.224
 15cb44d0-51d3-4620-8355-b0c9001b27e0

11/28/2023

Dated: _____

Bodycote Thermal Processing, Inc.

Dated: _____

By: _____

Name: _____

Title: _____

underlying the Settlement, except as shall be contractually required to effectuate the terms of the Settlement. However, this will not prohibit Class Counsel from responding to inquiries from Class Members regarding the Settlement. Also, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the name of the Parties in the Action and the venues and case number of the Action for such purposes. Nothing herein will restrict Class Counsel from including publicly available information regarding the Action and Settlement in future judicial submissions regarding Class Counsel's qualifications and experience. Furthermore, Plaintiff and Class Counsel will undertake any and all disclosures required to be made to the LWDA in conformity with PAGA. Furthermore, nothing herein will restrict Class Counsel from fulfilling its ethical obligations and fiduciary duties to Class Members.

WHEREFORE, the Parties have executed this Agreement as of the dates set forth below.

IT IS SO AGREED:

Plaintiff Cruz Perez Jr.

By: _____

Dated: _____

Bodycote Thermal Processing, Inc.

Dated: Nov. 29, 2023

By: Stephanie Edgar

Name: Stephanie Edgar

Title: Chief Admin. Officer

APPROVED AS TO FORM:

DATED: _____ **MAYER BROWN**

By: _____
Ruth Zadikany
Attorneys for Defendant
BODYCOTE THERMAL
PROCESSING, INC.

DATED: November 29, 2023 **LAWYERS *for* JUSTICE, PC**

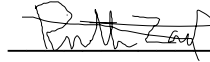
By:  _____
Arby Aiwazian
Joanna Ghosh
Vartan Madoyan
Selena Matavosian
Attorneys for Plaintiff
CRUZ PEREZ JR.

APPROVED AS TO FORM:

DATED: _____

MAYER BROWN

By: _____



Ruth Zadikany
Attorneys for Defendant
BODYCOTE THERMAL
PROCESSING, INC.

DATED: _____

LAWYERS *for* JUSTICE, PC

By: _____

Arby Aiwazian
Joanna Ghosh
Vartan Madoyan
Selena Matavosian
Attorneys for Plaintiff
CRUZ PEREZ JR.

EXHIBIT A

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

In the Matter of
Cruz Perez Jr. v. Bodycote Thermal Processing, Inc.
United States District Court for the Central District of California,
Case No. 2:22-CV-00145-RAO

*A court authorized this notice. This is not a solicitation.
This is not a lawsuit against you, and you are not being sued.
However, your legal rights may be affected.*

**YOU MAY BE ENTITLED TO MONEY IF THE COURT APPROVES THE
SETTLEMENT DESCRIBED IN THIS NOTICE**

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT,
YOUR RIGHTS AND OPTIONS FOR YOU TO CONSIDER

This Notice is to inform you of a proposed settlement of the alleged class action lawsuit entitled *Cruz Perez Jr. v. Bodycote Thermal Processing, Inc.* (Case No. 2:22-CV-00145-RAO), that is currently pending in the United States District Court for the Central District of California (the “Lawsuit”). The Lawsuit was filed by Plaintiff Cruz Perez Jr. against Bodycote Thermal Processing, Inc. (“Bodycote”) on behalf of the following groups of employees: (1) all current and former hourly-paid or non-exempt employees who worked for Bodycote within the State of California at any time during the period from November 17, 2017 through **[insert date of preliminary approval or date Qualifying Threshold is met]** (“California Class Period”), whether employed directly by Defendant or indirectly through Temporary Staffing Agencies (“California Class Members”); and (2) all individuals in the United States who applied for employment with Bodycote and with respect to whom Bodycote procured a background check during the period from November 17, 2019 through August 31, 2020 (“FCRA Class Period”) (“FCRA Class Members”), referred to together regardless of whether persons are members of one or both of the defined classes (“Class Members”).

You have received this notice because employment records show that you were employed at one of Bodycote’s facilities in California by Bodycote or one of the staffing agencies with whom it contracts in an hourly-paid or non-exempt position during the California Class Period.

PLEASE READ THIS NOTICE CAREFULLY

I. WHAT IS THE PURPOSE OF THIS NOTICE?

This Notice is to let you know that there is a class action pending in the United States District Court for the Central District of California, that you may be a California Class Member for purposes of the Settlement, and that you may be entitled to a payment as a result of the Settlement.

This Notice advises you of the benefits that may be available to you under the proposed Settlement and your rights and options as a California Class Member and notifies you that court hearings will be held to approve the Settlement.

II. WHAT IS THE LAWSUIT ABOUT?

On November 17, 2021, Plaintiff Cruz Perez Jr., on behalf of himself and all others similarly situated, filed a Class Action Complaint for Damages in the Los Angeles County Superior Court, Case No. 21STCV42312, thereby commencing the lawsuit entitled “*Cruz Perez Jr. v. Bodycote Thermal Processing, Inc.*” On January 7, 2022, Bodycote removed the Lawsuit to the United States District Court for the Central District of California (“Court”), Case No. 2:22-CV-00145-RAO. On February 18, 2022, Plaintiff filed a First Amended Class Action Complaint for Damages (“Operative Complaint”) in the Court, in which it added an additional claim for civil penalties under California’s Private Attorneys General Act, California Labor Code section 2698, *et seq.* (“PAGA”).

This Operative Complaint alleges claims for (1) failure to pay overtime wages (Labor Code sections 510 and 1198); (2) failure to provide meal periods and associated premiums (Labor Code sections 226.7 and 512(a)); (3) failure to provide rest breaks and associated premiums (Labor Code section 226.7); (4) failure to pay minimum wages (Labor Code sections 1194, 1197, and 1197.1); (5) failure to timely pay wages at Termination/Resignation (Labor Code sections 201 and 202); (6) failure to timely pay wages during employment (Labor Code section 204); (7) failure to provide compliant wage statements (Labor Code section 226(a)); (8) failure to keep requisite payroll records (Labor Code section 1174(d)); (9) Failure to Reimburse Business Expenses (Labor Code sections 2800 and 2802); (10) violation of California Business and Professions Code (Labor Code section 17200); (11) violation of the Fair Credit Reporting Act (United States Code section 1681b); and (12) representative claims for civil penalties under PAGA based on the above-referenced alleged violations.

Bodycote denies all of the allegations in the Lawsuit, denies all liability and contends that Plaintiff’s claims do not have merit and do not meet the requirements for class certification. There has been no finding in the Lawsuit that Bodycote did anything wrong and, by settling, Bodycote does not admit that it has any liability with respect to Plaintiff’s or any Class Members’ claims.

After years of litigation, Plaintiff and Bodycote entered into a Joint Stipulation of Settlement and Release of Class Action and PAGA Claims (the “Settlement Agreement”) that resolves the claims on behalf of the Class Members.

On [insert date of preliminary approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Simpluris, Inc. as the administrator of the Settlement (“Settlement Administrator”), named Plaintiff Cruz Perez Jr. as a representative of the Class (“Class Representative”), and counsel for Plaintiff, Lawyers for Justice, PC, as counsel for the Class (“Class Counsel”) for settlement purposes only.

Considering the risks, uncertainties, inconvenience, and expense associated with this Lawsuit, the parties have concluded that it is in the best interests of the parties and the Class Members to settle the Lawsuit on the terms summarized in this Notice.

Counsel for the Plaintiff has determined that the Settlement is fair, reasonable, and adequate and is in the best interests of the members of the Class, subject to a final fairness hearing discussed below.

Bodycote will not fire, punish, retaliate, or otherwise discriminate against any current or former employee because he or she chooses to participate in the Settlement, chooses not to participate, or objects to the Settlement.

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

III. WHERE DO I GET ADDITIONAL INFORMATION?

The information contained in this Notice is only a summary of the litigation and the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you should consult the detailed Settlement Agreement and Preliminary Approval Order thereon, which are available at the Settlement Administrator's website at <<SETTLEMENT ADMINISTRATOR'S WEBSITE>> and are also on file with the Office of the Clerk of the United States District Court for the Central District of California, 255 East Temple Street, Los Angeles, California 90012. The pleadings and other records in this litigation may also be examined during regular business hours at the same location.

IV. WHY DID I GET THIS NOTICE?

You received this Notice because Bodycote's records identify you as a California Class Member.

V. WHO ARE THE PARTIES IN THIS CLASS ACTION?

The Plaintiff and Class Representative is Cruz Perez Jr., who used to work as an employee at Bodycote in California. The Class Representative is pursuing the Lawsuit on behalf of all other similarly situated current and former hourly-paid or non-exempt employees who worked at Bodycote in California. The Defendant is Bodycote.

VI. WHO ARE THE ATTORNEYS FOR THE PARTIES?

Attorneys for Plaintiff

Arby Aiwazian (SBN 269827)
Joanna Ghosh (SBN 272479)
Vartan Madoyan (SBN 279015)
Selena Matavosian (SBN 348044)
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Defendant

Ruth Zadikany (SBN 260288)
C. Mitchell Hendy (SBN 382036)
MAYER BROWN, LLP
333 South Grand Avenue, 47th Floor
Los Angeles, California 90071-1503
Tel: (213) 229-9500 / Fax: (213) 625-0248

VII. HOW MUCH WILL CLASS COUNSEL BE PAID?

Class Counsel will seek attorneys' fees in an amount not to exceed 33% of the Gross Settlement Amount (i.e., \$610,500.00) and reimbursement of litigation costs and expenses, in an amount not to exceed \$25,000.00), subject to approval by the Court. All attorneys' fees, costs, and expenses awarded by the Court will be paid from the Gross Settlement Amount. Class Counsel have been prosecuting the Lawsuit on behalf of the named Plaintiff and Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.

VIII. WHAT IS THE PROPOSED SETTLEMENT?

The parties have agreed to the Settlement generally described below:

Without admitting any wrongdoing, Bodycote has agreed to pay **\$1,850,000.00** (the “Gross Settlement Amount”) to resolve the Lawsuit, which amount will be fully funded by Bodycote and includes: (i) Net California Settlement Fund (for payments to the California Class Members who do not opt out); (ii) reasonable Settlement Administrator Costs not to exceed **\$45,000.00**, to be approved by the Court; (iii) payment of attorneys’ fees not to exceed **\$610,500.00** and reasonable litigation costs and expenses not to exceed **\$25,000.00** (together “Class Counsel Award”), each to be approved by the Court; (iv) **\$277,500.00** allocated to PAGA penalties (“PAGA Settlement Amount”), of which 75% or \$208,125.00 will be paid to the California Labor & Workforce Development Agency and 25% or \$69,375.00 will be distributed to PAGA Group Members, to be approved by the Court; (v) enhancement payment to the Class Representative in an amount not to exceed **\$5,000.00** (“Class Representative Service Award”), to be approved by the Court; and (vi) FCRA Settlement Amount of **\$11,660.00** to FCRA Class Members who do not opt out, to be approved by the Court.

The Net California Settlement Fund (subpart (i) above) shall be the amount remaining after deduction of the amounts approved by the Court for Settlement Administrator Costs, Class Counsel Award, PAGA Settlement Amount, FCRA Settlement Amount, and the Class Representative Enhancement Payment (as set forth in subparts (ii) — (vi) above). After the deduction of these amounts, the Net California Settlement Fund is estimated to be approximately **\$875,340.00**.

The foregoing and following is a summary of the Settlement provisions. The specific and complete terms of the proposed settlement are stated in the Settlement Agreement, a copy of which is available at the Settlement Administrator’s website at <<SETTLEMENT ADMINISTRATOR’S WEBSITE>> and has also been filed with the Clerk of the Court.

Individual California Settlement Payment to Settlement California Class Members:

Each member of the California Class who does not opt out of the California Class Settlement as described in Section XI below (“Settlement California Class Member”) will receive an Individual California Settlement Payment from the Net California Settlement Fund. **Your Individual California Settlement Payment will depend upon the number of workweeks you worked at Bodycote during the California Class Period. The average Individual California Settlement Payment is anticipated to be \$ _____. This is just an estimate of the average payment to California Class Members.** Your payment could be higher or lower depending on various factors including the number of California Class Members who choose to opt out and the number of workweeks you worked at Bodycote.

The calculation of Individual California Settlement Payments is based on data provided by Bodycote and/or any relevant staffing agencies. Such employment records will be determinative with respect to the number of workweeks California Class Members worked.

Individual PAGA Settlement Payment to PAGA Group Members:

Twenty-five percent (25%) of the PAGA Settlement Amount or \$69,375.00 (the “PAGA Group Member Amount”) will be distributed to all current and former hourly-paid or non-exempt employees who worked for Bodycote in California at any time during the period April 4, 2020 through [insert date of preliminary approval or date Qualifying Threshold is met] (“PAGA Period”) (“PAGA Group Members”) on a pro rata basis based on the total number of pay periods worked by each current and former hourly-paid or non-exempt employee of Bodycote in California during the PAGA Period.

Your Compensable Work Weeks and Compensable Pay Periods Based on Bodycote’s Records:

According to Bodycote’s records:

From November 17, 2017 through [insert date of preliminary approval or date Qualifying Threshold is met] (i.e., California Class Period), you were employed by Bodycote as an hourly-paid or non-exempt employee in California either directly or through a staffing agency for [] Compensable Work Weeks.

From April 4, 2020 through [insert date of preliminary approval or date Qualifying Threshold is met] (i.e., PAGA Period), you were employed by Bodycote as a hourly-paid or non-exempt employee in California for [] Compensable Pay Periods.

If you wish to dispute the workweeks credited to you, you must submit your dispute in writing to the Settlement Administrator. The written dispute must: (1) contain the case name and number of the Action; (2) contain your full name, signature, address, telephone number, and last four digits of your Social Security number; (3) clearly state that you dispute the number of Compensable Work Weeks credited to you for the California Class Period, and what you contend is the correct number to be credited to you; (4) attach any documentation that you have to support the dispute; and (5) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before [insert Response Deadline].

Your Estimated Individual California Settlement Payment and Individual PAGA Settlement Payment:

Payments will be made to Settlement California Class Members and PAGA Group Members pursuant to the Court-approved plan of distribution as described in the Settlement, based on the number of Compensable Work Weeks worked by each Settlement California Class Member during the California Class Period and based on the number of Compensable Pay Periods worked by each PAGA Group Member during the PAGA Period.

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

Under the terms of the Settlement, your Individual PAGA Settlement Payment is estimated to be

\$ [REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Your Individual California Settlement Payment and Individual PAGA Settlement Payment (if applicable) reflected in this Notice are only estimates. Your actual Individual California Settlement Payment and Individual PAGA Settlement Payment (if applicable) may be higher or lower.

Once the settlement checks are mailed, Settlement California Class Members and PAGA Group Members will have one hundred and eighty (180) calendar days to cash their settlement checks. Any checks which remain uncashed after that date shall be transferred to the State of California Controller's Office of Unclaimed Funds in the name of the individual to whom the check had been addressed. None of the parties or attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

IX. RELEASE OF CLAIMS.

"Released California Class Claims" means any and all causes of action, claims, rights, demands, debts, obligations, guarantees, liabilities, costs, expenses, attorneys' fees and costs, experts' fees and costs, damages, and action of every nature and description, whether known or unknown, actual or potential, that were alleged in or reasonably arise out of the same set of operative facts in the initial complaints filed by Plaintiff in the Action, and Plaintiff's Operative Complaint, and that could have been alleged based on the factual allegations contained in such complaint, arising during the California Class Period, including claims for unpaid, miscalculated or untimely payment of wages due (including, without limitation, minimum, regular, overtime, double-time, and reporting time wages), off-the-clock work, rounding, failure to provide legally-compliant meal periods and to properly provide associated premium pay, failure to authorize and permit legally-compliant rest periods and associated premium pay, failure to pay all wages timely at the time of termination, failure to pay all wages timely during employment, failure to provide compliant wage statements, failure to keep requisite payroll records, and failure to indemnify/reimburse for necessary business expenses, in violation of California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802 and Industrial Welfare Commission Wage Orders Nos. 1-2001, 4-2001, and 7-2001, unfair business practices in violation of California Business & Professions Code § 17200 *et seq.* based on the aforementioned, and all pre- and post-judgment interest, compensatory and statutory compensation, general damages, disgorgement, declaratory relief, statutory damages, accounting of all minimum wages and sums allegedly unlawfully withheld as a result thereof, injunctive relief, restitution, statutory or civil penalties, interest and/or attorneys' fees as a result thereof, and other amounts recoverable under the aforementioned claims, causes of action, or legal theories of relief.

"Released PAGA Claims" means any and all causes of action claims, rights, demands, debts, obligations, guarantees, liabilities, costs, expenses, attorneys' fees and costs, experts' fees and costs, damages, and action of every nature and description, whether known or unknown, actual or potential, that were alleged in or reasonably arising out of the same set of operative facts in the initial complaints filed by Plaintiff in the Action, Plaintiff's Operative Complaint and Plaintiff's PAGA Notice, and all claims that could have been alleged based on the factual allegations contained in such complaints and/or in the PAGA Notice,

arising during the PAGA Period, for civil penalties pursuant to the Private Attorneys General Act, California Labor Code § 2698, *et seq.*, for claims for unpaid, miscalculated or untimely payment of wages due (including, without limitation, minimum, regular, overtime, double-time, and reporting time wages), off-the-clock work, rounding, failure to provide legally-compliant meal periods and to properly provide associated premium pay, failure to authorize and permit legally-compliant rest periods and associated premium pay, failure to pay all wages timely at the time of termination, failure to pay all wages timely during employment, failure to provide compliant wage statements, failure to keep requisite payroll records, failure to provide requisite written notice of material terms of employment (including regarding rate of pay, allowances, payday, name of employer, employer's physical address, employer's telephone number, employer's workers' compensation insurance carrier, and accrual and use of sick leave) at the time of hire and during employment, and failure to indemnify/reimburse for necessary business expenses, in violation of California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, 2810.5 and Industrial Welfare Commission Wage Orders Nos. 1-2001, 4-2001, and 7-2001.

"California Class Released Parties" means Bodycote, the Temporary Staffing Agencies, and their past, present and future parent companies, subsidiaries, predecessors, successors, affiliates, divisions, joint employers, co-employers and related companies and joint venturers, and all of their respective present or former officers, directors, executive-level employees, agents, registered representatives, attorneys, insurers, successors, and assigns.

"PAGA Released Parties" means Bodycote, the Temporary Staffing Agencies, and their past, present and future parent companies, subsidiaries, predecessors, successors, affiliates, divisions, joint employers, co-employers and related companies and joint venturers, and all of their respective present or former officers, directors, executive-level employees, agents, registered representatives, attorneys, insurers, successors, and assigns.

Effective upon final approval by the Court of the Settlement and full funding of the Gross Settlement Amount by Bodycote, all Settlement California Class Members and PAGA Group Members shall fully and irrevocably release, acquit, and forever discharge all of the California Class Released Parties of and from the Released California Class Claims and all of the PAGA Released Parties of and from the Released PAGA Claims.

X. WHEN IS THE FINAL FAIRNESS HEARING?

A final hearing will be held before the Honorable Rozella A. Oliver on [final approval date], at [time a.m./p.m.], to determine whether the proposed Settlement is fair, reasonable and adequate and should be finally approved by the Court. The hearing will take place in Courtroom 590 of the United States District Court for the Central District of California, located at the Edward R. Roybal Federal Building and United States Courthouse, 255 East Temple Street, 5th Floor, Los Angeles, California 90012. **You are not required to attend the hearing in order to participate in the Settlement.** If the Court finally approves the Settlement as fair, reasonable and adequate, a Final Judgment will be posted on the Settlement Administrator's website at <<SETTLEMENT ADMINISTRATOR'S WEB SITE>>.

XI. WHAT ARE MY RIGHTS WITH REGARD TO THIS MATTER?

If you fit the description of a California Class Member as set forth in this Notice, you have three options. Each option has its own consequences, which you should understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, follow.

A. Option One: Do Nothing, Release Your Claims as Stated Above and Receive an Individual California Settlement Payment.

Class Counsel, appointed and approved by the Court for Settlement purposes only, will represent your interests. You will receive a settlement payment from the Net California Settlement Fund and from the PAGA Settlement Amount after the settlement has been finally approved by the Court. The judgment will bind all California Class Members who do not request exclusion (Option Two below). Any California Class Member who does not request exclusion may, if the California Class Member so desires, enter an appearance through his or her own lawyer.

B. Option Two: You Can Exclude Yourself from the Settlement.

If you do not wish to participate in or be bound by the California Class Settlement, you must submit a written statement requesting to be excluded from the California Class Settlement **postmarked no later than [Response Deadline]** (“Request for Exclusion”). Such a written Request for Exclusion must: (1) contain the case name and number of the Action; (2) contain your full name, signature, address, telephone number, and last four digits of your Social Security number; (3) contain a simple statement electing to be excluded from the California Class Settlement; and (4) be submitted by mail to the Settlement Administrator at the specified address, **postmarked on or before [Response Deadline]**.

If you request exclusion, you will not receive any money from the Net California Settlement Fund, nor will you be considered to have released your claims alleged in this Lawsuit.

If you request exclusion from the California Class Settlement, you may not pursue any recovery under the California Class Settlement. You may, however, pursue other remedies separate and apart from the California Class Settlement that may be available to you.

If you exclude yourself from the California Class Settlement, you will still receive your share of the PAGA Settlement Amount and will still release your Released PAGA Claims.

C. Option Three: You May Object to the Settlement.

If you are a California Class Member, and you do not exclude yourself from the California Class, you may object to the California Class Settlement before final approval of the Settlement by the Court. If you choose to object to the California Class Settlement, you may enter an appearance *in propria persona* (meaning you choose to represent yourself), or through an attorney that you hire and pay for yourself.

In order to object to the California Class Settlement, or any portion of it, you must submit any such written objection **postmarked no later than [Response Deadline]**. Settlement California Class Members who wish to object to the California Class Settlement must send to the Settlement Administrator or the Court a written statement objecting to the California Class Settlement (“Notice of Objection”). Such Notice of Objection must: (1) contain the case name and number of the Action; (2) contain your full name, signature, address, telephone number, and last four digits of your Social Security number; (3) contain a

written statement of all grounds for the objection accompanied by any legal support for such objection; (4) contain copies of any papers, briefs, or other documents upon which the objection is based; and (5) be submitted by mail to the Settlement Administrator at the specified address, **postmarked on or before [Response Deadline]**.

XII. WHO CAN I CONTACT IF I HAVE FURTHER QUESTIONS?

The court-appointed Administrator for this Settlement is as follows:

Cruz Perez Jr. v. Bodycote Thermal Processing, Inc. Class Settlement
Simpluris, Inc.
[ADDRESS]

If you have questions, you may call the Settlement Administrator, toll free at [Number]. Ask about the *Cruz Perez Jr. v. Bodycote Thermal Processing, Inc.* Class Settlement. You may also call or e-mail the attorneys for Plaintiff listed in Section VI above. **PLEASE DO NOT CALL THE COURT OR BODYCOTE.**

This notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, you may contact Class Counsel at the contact information above, access the Settlement Administrator's website at <<SETTLEMENT ADMINISTRATOR'S WEBSITE>>, access the Court docket in this case through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or visit the office of the Clerk of the Court for the United States District Court for the Central District of California, 255 East Temple Street, Suite TS-134 Los Angeles, CA 90012, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

EXHIBIT B

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

In the Matter of
Cruz Perez Jr. v. Bodycote Thermal Processing, Inc.
United States District Court for the Central District of California,
Case No. 2:22-CV-00145-RAO

*A court authorized this notice. This is not a solicitation.
This is not a lawsuit against you, and you are not being sued.
However, your legal rights MAY BE affected.*

**YOU MAY BE ENTITLED TO MONEY IF THE COURT APPROVES THE
SETTLEMENT DESCRIBED IN THIS NOTICE**

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT,
YOUR RIGHTS AND OPTIONS FOR YOU TO CONSIDER

This Notice is to inform you of a proposed settlement of the alleged class action lawsuit entitled *Cruz Perez Jr. v. Bodycote Thermal Processing, Inc.* (Case No. 2:22-CV-00145-RAO), that is currently pending in the United States District Court for the Central District of California (the “Lawsuit”). The Lawsuit was filed by Plaintiff Cruz Perez Jr. against Bodycote Thermal Processing, Inc. (“Bodycote”) on behalf of the following groups of employees: (1) all current and former hourly-paid or non-exempt employees who worked for Bodycote within the State of California at any time during the period from November 17, 2017 through [insert date of preliminary approval or date Qualifying Threshold is met] (“California Class Period”), whether employed directly by Defendant or indirectly through Temporary Staffing Agencies (“California Class Members”); and (2) all individuals in the United States who applied for employment with Bodycote and with respect to whom Bodycote procured a background check during the period from November 17, 2019 through August 31, 2020 (“FCRA Class Period”) (“FCRA Class Members”), referred to together regardless of whether persons are members of one or both of the defined classes (“Class Members”).

You have received this notice because employment records indicate that you applied for employment with Bodycote and Bodycote procured a background check during the FCRA Class Period.

PLEASE READ THIS NOTICE CAREFULLY

I. WHAT IS THE PURPOSE OF THIS NOTICE?

This Notice is to let you know that there is a class action pending in the United States District Court for the Central District of California, that you may be a FCRA Class Member for purposes of the Settlement, and that you may be entitled to a payment as a result of the Settlement.

This Notice advises you of the benefits that may be available to you under the proposed Settlement and your rights and options as a FCRA Class Member and notifies you that court hearings will be held to approve the Settlement.

II. WHAT IS THE LAWSUIT ABOUT?

On November 17, 2021, Plaintiff Cruz Perez Jr., on behalf of himself and all others similarly situated, filed a Class Action Complaint for Damages in the Los Angeles County Superior Court, Case No. 21STCV42312, thereby commencing the lawsuit entitled “*Cruz Perez Jr. v. Bodycote Thermal Processing, Inc.*” On January 7, 2022, Bodycote removed the Lawsuit to the United States District Court for the Central District of California (“Court”), Case No. 2:22-CV-00145-RAO. On February 18, 2022, Plaintiff filed a First Amended Class Action Complaint for Damages (“Operative Complaint”) in the Court, in which it added an additional claim for civil penalties under California’s Private Attorneys General Act, California Labor Code section 2698, *et seq.* (“PAGA”).

This Operative Complaint alleges claims for (1) failure to pay overtime wages (Labor Code sections 510 and 1198); (2) failure to provide meal periods and associated premiums (Labor Code sections 226.7 and 512(a)); (3) failure to provide rest breaks and associated premiums (Labor Code section 226.7); (4) failure to pay minimum wages (Labor Code sections 1194, 1197, and 1197.1); (5) failure to timely pay wages at Termination/Resignation (Labor Code sections 201 and 202); (6) failure to timely pay wages during employment (Labor Code section 204); (7) failure to provide compliant wage statements (Labor Code section 226(a)); (8) failure to keep requisite payroll records (Labor Code section 1174(d)); (9) Failure to Reimburse Business Expenses (Labor Code sections 2800 and 2802); (10) violation of California Business and Professions Code (Labor Code section 17200); (11) violation of the Fair Credit Reporting Act (United States Code section 1681b); and (12) representative claims for civil penalties under PAGA based on the above-referenced alleged violations.

Bodycote denies all of the allegations in the Lawsuit, denies all liability and contends that Plaintiff’s claims do not have merit and do not meet the requirements for class certification. There has been no finding in the Lawsuit that Bodycote did anything wrong and, by settling, Bodycote does not admit that it has any liability with respect to Plaintiff’s or any Class Members’ claims

After years of litigation, Plaintiff and Bodycote entered into a Joint Stipulation of Settlement and Release of Class Action and PAGA Claims (the “Settlement Agreement”) that resolves the claims on behalf of the Class Members.

On [insert date of preliminary approval] the Court entered an order preliminarily approving the Settlement. The Court has appointed Simpluris, Inc. as the administrator of the Settlement (“Settlement Administrator”), named Plaintiff Cruz Perez Jr. as a representative of the Class (“Class Representative”), and counsel for Plaintiff, Lawyers for Justice, PC, as counsel for the Class (“Class Counsel”) for settlement purposes only.

Considering the risks, uncertainties, inconvenience, and expense associated with this Lawsuit, the parties have concluded that it is in the best interests of the parties and the Class Members to settle the Lawsuit on the terms summarized in this Notice.

Counsel for the Plaintiff has determined that the Settlement is fair, reasonable, and adequate and is in the best interests of the members of the Class, subject to a final fairness hearing discussed below.

Bodycote will not fire, punish, retaliate, or otherwise discriminate against any current or former employee because he or she chooses to participate in the Settlement, chooses not to participate, or objects to the Settlement.

If you are a FCRA Class Member, you do not need to take any action to receive an Individual FCRA Settlement Payment, but you have the opportunity to request exclusion from the FCRA Class Settlement (in which case you will not receive an Individual FCRA Settlement Payment) or object to the FCRA Class Settlement, if you so choose, as explained more fully in Section XI below.

III. WHERE DO I GET ADDITIONAL INFORMATION?

The information contained in this Notice is only a summary of the litigation and the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you should consult the detailed Settlement Agreement and Preliminary Approval Order thereon, which are available at the Settlement Administrator's website at <<SETTLEMENT ADMINISTRATOR'S WEBSITE>> and are also on file with the Office of the Clerk of the United States District Court for the Central District of California, 255 East Temple Street, Los Angeles, California 90012. The pleadings and other records in this litigation may also be examined during regular business hours at the same location.

IV. WHY DID I GET THIS NOTICE?

You received this Notice because Bodycote's records identify you as a FCRA Class Member.

V. WHO ARE THE PARTIES IN THIS CLASS ACTION?

The Plaintiff and Class Representative is Cruz Perez Jr., who used to work as an employee at Bodycote in California. The Class Representative is pursuing the Lawsuit on behalf of all individuals in the United States who applied for employment with Bodycote and with respect to whom Bodycote procured a background check during the FCRA Class Period. The Defendant is Bodycote.

VI. WHO ARE THE ATTORNEYS FOR THE PARTIES?

Attorneys for Plaintiff

Arby Aiwazian (SBN 269827)
Joanna Ghosh (SBN 272479)
Vartan Madoyan (SBN 279015)
Selena Matavosian (SBN 348044)
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Defendant

Ruth Zadikany (SBN 260288)
C. Mitchell Hendy (SBN 382036)
MAYER BROWN, LLP
333 South Grand Avenue, 47th Floor
Los Angeles, California 90071-1503
Tel: (213) 229-9500 / Fax: (213) 625-0248

VII. HOW MUCH WILL CLASS COUNSEL BE PAID?

Class Counsel will seek attorneys' fees in an amount not to exceed 33% of the Gross Settlement Amount (i.e., \$610,500.00) and reimbursement of litigation costs and expenses, in an amount not to exceed \$25,000.00), subject to approval by the Court. All attorneys' fees, costs, and expenses awarded by the Court will be paid from the Gross Settlement Amount. Class Counsel have been prosecuting the Lawsuit

on behalf of the named Plaintiff and Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.

VIII. WHAT IS THE PROPOSED SETTLEMENT?

The parties have agreed to the Settlement generally described below:

Without admitting any wrongdoing, Bodycote has agreed to pay **\$1,850,000.00** (the “Gross Settlement Amount”) to resolve the Lawsuit, which amount will be fully funded by Bodycote and includes: (i) Net California Settlement Fund (for payments to the California Class Members who do not opt out); (ii) reasonable Settlement Administrator Costs not to exceed **\$45,000.00**, to be approved by the Court; (iii) payment of attorneys’ fees not to exceed **\$610,500.00** and reasonable litigation costs and expenses not to exceed **\$25,000.00** (together “Class Counsel Award”), each to be approved by the Court; (iv) **\$277,500.00** allocated to PAGA penalties (“PAGA Settlement Amount”), of which 75% or \$208,125.00 will be paid to the California Labor & Workforce Development Agency and 25% or \$69,375.00 will be distributed to PAGA Group Members, to be approved by the Court; (v) enhancement payment to the Class Representative in an amount not to exceed **\$5,000.00** (“Class Representative Service Award”), to be approved by the Court; and (vi) FCRA Settlement Amount of **\$11,660.00** to FCRA Class Members who do not opt out, to be approved by the Court.

The Net California Settlement Fund (subpart (i) above) shall be the amount remaining after deduction of the amounts approved by the Court for Settlement Administrator Costs, Class Counsel Award, PAGA Settlement Amount, FCRA Settlement Amount, and the Class Representative Enhancement Payment (as set forth in subparts (ii) — (vi) above). After the deduction of these amounts, the Net California Settlement Fund is estimated to be approximately **\$875,340.00**.

The foregoing and following is a summary of the Settlement provisions. The specific and complete terms of the proposed settlement are stated in the Settlement Agreement, a copy of which is available at the Settlement Administrator’s website at **<<SETTLEMENT ADMINISTRATOR’S WEBSITE>>** and has also been filed with the Clerk of the Court.

Individual FCRA Settlement Payment to Settlement FCRA Class Members

Each member of the FCRA Class who does not opt out of the FCRA Class Settlement as described in Section XI below (“Settlement FCRA Class Member”) will receive an Individual FCRA Settlement Payment. Individual FCRA Settlement Payments will be issued on an equal *pro rata* basis of the FCRA Settlement Amount, or \$11,660.00.

Under the terms of the Settlement, your Individual FCRA Settlement Payment is estimated to be \$**_____** and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Your Individual FCRA Settlement Payment reflected in this Notice is only an estimate. Your actual Individual FCRA Settlement Payment may be higher or lower.

Once the settlement checks are mailed, Settlement FCRA Class Members will have one hundred and eighty (180) days to cash their settlement checks. Any checks which remain uncashed after that date shall be transferred to the State of California Controller's Office of Unclaimed Funds in the name of the individual to whom the check had been addressed. None of the parties or attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

IX. RELEASE OF CLAIMS.

"Released FCRA Class Claims" means any and all causes of action, claims, rights, demands, debts, obligations, guarantees, liabilities, costs, expenses, attorneys' fees and costs, experts' fees and costs, damages, and action of every nature and description, whether known or unknown, actual or potential, that were alleged in or reasonably arising out of the same set of operative facts in the initial complaints filed by Plaintiff in the Action, Plaintiff's Operative Complaint and Plaintiff's PAGA Notice, and that could have been alleged based on the factual allegations contained in such complaint and/or PAGA Notice, arising during the FCRA Class Period, relating to background checks procured by Defendant with respect to individuals who applied for employment with Defendant, including, but not limited to, claims under the Fair Credit Reporting Act, 15 U.S.C. §§ 1681 *et seq.*, and similar state laws, including the Investigative Consumer Reporting Agencies Act, Cal. Civ. Code § 1786 *et seq.*, the Consumer Credit Reporting Agencies Act, Cal. Civ. Code § 1785 *et seq.*, California Business & Professions Code § 17200 *et seq.*, and similar claims under other state laws, including all damages, punitive damages, declaratory relief, penalties, interest, and other amounts recoverable under said claims, causes of action, or legal theories of relief.

"FCRA Released Parties" means Bodycote, and its past, present and future parent companies, subsidiaries, predecessors, successors, affiliates, divisions, joint employers, co-employers and related companies and joint venturers, and all of their respective present or former officers, directors, executive-level employees, agents, registered representatives, attorneys, insurers, successors, and assigns.

Effective upon final approval by the Court of the Settlement and full funding of the Gross Settlement Amount by Bodycote, all Settlement FCRA Class Members shall fully and irrevocably release, acquit, and forever discharge all of the FCRA Released Parties of and from the Released FCRA Class Claims.

X. WHEN IS THE FINAL FAIRNESS HEARING?

A final hearing will be held before the Honorable Rozella A. Oliver on [final approval date], at [time a.m./p.m.], to determine whether the proposed Settlement is fair, reasonable and adequate and should be finally approved by the Court. The hearing will take place in Courtroom 590 of the United States District Court for the Central District of California, located at the Edward R. Roybal Federal Building and United States Courthouse, 255 East Temple Street, 5th Floor, Los Angeles, California 90012. **You are not required to attend the hearing in order to participate in the Settlement.**

XI. WHAT ARE MY RIGHTS WITH REGARD TO THIS MATTER?

If you fit the description of a FCRA Class Member as set forth in this Notice, you have three options. Each option has its own consequences, which you should understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, follow.

A. Option One: Do Nothing, Release Your Claims as Stated Above and Receive an Individual FCRA Settlement Payment.

Class Counsel, appointed and approved by the Court for Settlement purposes only, will represent your interests. You will receive a settlement payment from the FCRA Settlement Amount after the settlement has been finally approved by the Court. The judgment will bind all FCRA Class Members who do not request exclusion (Option Two below). Any FCRA Class Member who does not request exclusion may, if the FCRA Class Member so desires, enter an appearance through his or her own lawyer.

B. Option Two: You Can Exclude Yourself from the Settlement.

If you do not wish to participate in or be bound by the FCRA Class Settlement, you must submit a written statement requesting to be excluded from the FCRA Class **postmarked no later than [Response Deadline]** (“Request for Exclusion”). Such a written Request for Exclusion must: (1) contain the case name and number of the Action; (2) contain your full name, signature, address, telephone number, and last four digits of your Social Security number; (3) contain a simple statement electing to be excluded from the FCRA Class Settlement; and (4) be submitted by mail to the Settlement Administrator at the specified address, **postmarked on or before [Response Deadline]**.

If you request exclusion, you will not receive any money from the FCRA Settlement Amount, nor will you be considered to have released your claims alleged in this Lawsuit.

If you request exclusion from the FCRA Class Settlement, you may not pursue any recovery under the FCRA Class Settlement. You may, however, pursue other remedies separate and apart from the FCRA Class Settlement that may be available to you.

C. Option Three: You May Object to the Settlement.

If you are a FCRA Class Member, and you do not exclude yourself from the FCRA Class, you may object to the FCRA Class Settlement before final approval of the Settlement by the Court. If you choose to object to the FCRA Class Settlement, you may enter an appearance *in propria persona* (meaning you choose to represent yourself), or through an attorney that you hire and pay for yourself.

In order to object to the FCRA Class Settlement, or any portion of it, you must submit any such written objection **postmarked no later than [Response Deadline]**. Settlement FCRA Class Members who wish to object to the FCRA Class Settlement must send to the Settlement Administrator or the Court a written statement objecting to the FCRA Class Settlement (“Notice of Objection”). A Notice of Objection must: (1) contain the case name and number of the Action; (2) contain your full name, signature, address, telephone number, and last four digits of your Social Security number; (3) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (4) contain copies of any papers, briefs, or other documents upon which the objection is based; and (5) be submitted by mail to the Settlement Administrator at the specified address, **postmarked on or before [Response Deadline]**.

XII. WHO CAN I CONTACT IF I HAVE FURTHER QUESTIONS?

The court-appointed Administrator for this Settlement is as follows:

Cruz Perez Jr. v. Bodycote Thermal Processing, Inc. Class Settlement
Simpluris, Inc.
[ADDRESS]

If you have questions, you may call the Settlement Administrator, toll free at [Number]. Ask about the *Cruz Perez Jr. v. Bodycote Thermal Processing, Inc.* Class Settlement. You may also call or e-mail the attorneys for Plaintiff listed in Section VI above. **PLEASE DO NOT CALL THE COURT OR BODYCOTE.**

This notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, you may contact Class Counsel at the contact information above, access the Court docket in this case through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or visit the office of the Clerk of the Court for the United States District Court for the Central District of California, 255 East Temple Street, Suite TS-134 Los Angeles, CA 90012, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

EXHIBIT C

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

In the Matter of
Cruz Perez Jr. v. Bodycote Thermal Processing, Inc.
United States District Court for the Central District of California,
Case No. 2:22-CV-00145-RAO

*A court authorized this notice. This is not a solicitation.
This is not a lawsuit against you, and you are not being sued.
However, your legal rights may be affected.*

**YOU MAY BE ENTITLED TO MONEY IF THE COURT APPROVES THE
SETTLEMENT DESCRIBED IN THIS NOTICE**

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT,
YOUR RIGHTS AND OPTIONS FOR YOU TO CONSIDER

This Notice is to inform you of a proposed settlement of the alleged class action lawsuit entitled *Cruz Perez Jr. v. Bodycote Thermal Processing, Inc.* (Case No. 2:22-CV-00145-RAO), that is currently pending in the United States District Court for the Central District of California (the “Lawsuit”). The Lawsuit was filed by Plaintiff Cruz Perez Jr. against Bodycote Thermal Processing, Inc. (“Bodycote”) on behalf of the following groups of employees: (1) all current and former hourly-paid or non-exempt employees who worked for Bodycote within the State of California at any time during the period from November 17, 2017 through [insert date of preliminary approval or date Qualifying Threshold is met] (“California Class Period”), whether employed directly by Defendant or indirectly through Temporary Staffing Agencies (“California Class Members”); and (2) all individuals in the United States who applied for employment with Bodycote and with respect to whom Bodycote procured a background check during the period from November 17, 2019 through August 31, 2020 (“FCRA Class Period”) (“FCRA Class Members”), referred to together regardless of whether persons are members of one or both of the defined classes (“Class Members”).

You have received this notice because employment records show that you were employed at one of Bodycote’s facilities in California by Bodycote or one of the staffing agencies with whom it contracts in an hourly-paid or non-exempt position during the California Class Period, and you applied for employment with Bodycote and Bodycote procured a background check during the FCRA Class Period.

PLEASE READ THIS NOTICE CAREFULLY

I. WHAT IS THE PURPOSE OF THIS NOTICE?

This Notice is to let you know that there is a class action pending in the United States District Court for the Central District of California, that you may be a California Class Member and FCRA Class Member for purposes of the Settlement, and that you may be entitled to a payment as a result of the Settlement.

This Notice advises you of the benefits that may be available to you under the proposed Settlement and your rights and options as a Class Member and notifies you that court hearings will be held to approve the Settlement.

II. WHAT IS THE LAWSUIT ABOUT?

On November 17, 2021, Plaintiff Cruz Perez Jr., on behalf of himself and all others similarly situated, filed a Class Action Complaint for Damages in the Los Angeles County Superior Court, Case No. 21STCV42312, thereby commencing the action entitled “*Cruz Perez Jr. v. Bodycote Thermal Processing, Inc.*” On January 7, 2022, Defendant Bodycote Thermal removed the action to the United States District Court for the Central District of California (“Court”), Case No. 2:22-CV-00145-RAO (the “Lawsuit”). On February 18, 2022, Plaintiff Cruz Perez Jr. filed a First Amended Class Action Complaint for Damages (“Operative Complaint”) in the Court, thereby adding claims alleged under the Private Attorneys General Act, California Labor Code section 2698, et seq. (“PAGA”).

This Operative Complaint alleges claims for (1) failure to pay overtime wages (Labor Code sections 510 and 1198); (2) failure to provide meal periods and associated premiums (Labor Code sections 226.7 and 512(a)); (3) failure to provide rest breaks and associated premiums (Labor Code section 226.7); (4) failure to pay minimum wages (Labor Code sections 1194, 1197, and 1197.1); (5) failure to timely pay wages at Termination/Resignation (Labor Code sections 201 and 202); (6) failure to timely pay wages during employment (Labor Code section 204); (7) failure to provide compliant wage statements (Labor Code section 226(a)); (8) failure to keep requisite payroll records (Labor Code section 1174(d)); (9) Failure to Reimburse Business Expenses (Labor Code sections 2800 and 2802); (10) violation of California Business and Professions Code (Labor Code section 17200); (11) violation of the Fair Credit Reporting Act (United States Code section 1681b); and (12) representative claims for civil penalties under PAGA based on the above-referenced alleged violations.

Bodycote denies all of the allegations in the Lawsuit, denies all liability and contends that Plaintiff’s claims do not have merit and do not meet the requirements for class certification. There has been no finding in the Lawsuit that Bodycote did anything wrong and, by settling, Bodycote does not admit that it has any liability with respect to Plaintiff’s or any Class Members’ claims.

After years of litigation, Plaintiff and Bodycote entered into a Joint Stipulation of Settlement and Release of Class Action and PAGA Claims (the “Settlement Agreement”) that resolves the claims on behalf of the Class Members.

On [insert date of preliminary approval] the Court entered an order preliminarily approving the Settlement. The Court has appointed Simpluris, Inc. as the administrator of the Settlement (“Settlement Administrator”), named Plaintiff Cruz Perez Jr. as a representative of the Class (“Class Representative”), and counsel for Plaintiff, Lawyers for Justice, PC, as counsel for the Class (“Class Counsel”) for settlement purposes only.

Considering the risks, uncertainties, inconvenience, and expense associated with this Lawsuit, the parties have concluded that it is in the best interests of the parties and the Class Members to settle the Lawsuit on the terms summarized in this Notice.

Counsel for the Plaintiff has determined that the Settlement is fair, reasonable, and adequate and is in the best interests of the members of the Class, subject to a final fairness hearing discussed below.

Bodycote will not fire, punish, retaliate, or otherwise discriminate against any current or former employee because he or she chooses to participate in the Settlement, chooses not to participate, or objects to the Settlement.

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

III. WHERE DO I GET ADDITIONAL INFORMATION?

The information contained in this Notice is only a summary of the litigation and the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you should consult the detailed Settlement Agreement and Preliminary Approval Order thereon, which are available at the Settlement Administrator's website at <<SETTLEMENT ADMINISTRATOR'S WEBSITE>> and are also on file with the Office of the Clerk of the United States District Court for the Central District of California, 255 East Temple Street, Los Angeles, California 90012. The pleadings and other records in this litigation may also be examined during regular business hours at the same location.

IV. WHY DID I GET THIS NOTICE?

You received this Notice because Bodycote's records identify you as a member of the California Class and the FCRA Class.

V. WHO ARE THE PARTIES IN THIS CLASS ACTION?

The Plaintiff and Class Representative is Cruz Perez Jr., who used to work as an employee at Bodycote in California. The Class Representative is pursuing the Lawsuit on behalf of all other similarly situated current and former hourly-paid or non-exempt employees who worked at Bodycote in California. The Defendant is Bodycote.

VI. WHO ARE THE ATTORNEYS FOR THE PARTIES?

Attorneys for Plaintiff

Arby Aiwarzian (SBN 269827)
Joanna Ghosh (SBN 272479)
Vartan Madoyan (SBN 279015)
Selena Matavosian (SBN 348044)
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Defendant

Ruth Zadikany (SBN 260288)
C. Mitchell Hendy (SBN 382036)
MAYER BROWN, LLP
333 South Grand Avenue, 47th Floor
Los Angeles, California 90071-1503
Tel: (213) 229-9500 / Fax: (213) 625-0248

VII. HOW MUCH WILL CLASS COUNSEL BE PAID?

Class Counsel will seek attorneys' fees in an amount not to exceed 33% of the Gross Settlement Amount (i.e., \$610,500.00) and reimbursement of litigation costs and expenses, in an amount not to exceed \$25,000.00), subject to approval by the Court. All attorneys' fees, costs, and expenses awarded by the Court will be paid from the Gross Settlement Amount. Class Counsel have been prosecuting the Lawsuit on behalf of the named Plaintiff and Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.

VIII. WHAT IS THE PROPOSED SETTLEMENT?

The parties have agreed to the Settlement generally described below:

Without admitting any wrongdoing, Bodycote has agreed to pay **\$1,850,000.00** (the "Gross Settlement Amount") to resolve the Lawsuit, which amount will be fully funded by Bodycote and includes: (i) Net California Settlement Fund (for payments to the California Class Members who do not opt out); (ii) reasonable Settlement Administrator Costs not to exceed **\$45,000.00**, to be approved by the Court; (iii) payment of attorneys' fees not to exceed **\$610,500.00** and reasonable litigation costs and expenses not to exceed **\$25,000.00** (together "Class Counsel Award"), each to be approved by the Court; (iv) **\$277,500.00** allocated to PAGA penalties ("PAGA Settlement Amount"), of which 75% or \$208,125.00 will be paid to the California Labor & Workforce Development Agency and 25% or \$69,375.00 will be distributed to PAGA Group Members, to be approved by the Court; (v) enhancement payment to the Class Representative in an amount not to exceed **\$5,000.00** ("Class Representative Service Award"), to be approved by the Court; and (vi) FCRA Settlement Amount of **\$11,660.00** to FCRA Class Members who do not opt out, to be approved by the Court.

The Net California Settlement Fund (subpart (i) above) shall be the amount remaining after deduction of the amounts approved by the Court for Settlement Administrator Costs, Class Counsel Award, PAGA Settlement Amount, FCRA Settlement Amount, and the Class Representative Enhancement Payment (as set forth in subparts (ii) — (vi) above). After the deduction of these amounts, the Net California Settlement Fund is estimated to be approximately **\$875,340.00**.

The foregoing and following is a summary of the Settlement provisions. The specific and complete terms of the proposed settlement are stated in the Settlement Agreement, a copy of which is available at the Settlement Administrator's website at **<<SETTLEMENT ADMINISTRATOR'S WEBSITE>>** and has also been filed with the Clerk of the Court.

Individual California Settlement Payment to Settlement California Class Members:

Each member of the California Class who does not opt out of the California Class Settlement as described in Section XI below ("Settlement California Class Member") will receive an Individual California Settlement Payment from the Net California Settlement Fund. **Your Individual California Settlement Payment will depend upon the number of workweeks you worked at Bodycote during the California Class Period. The average Individual California Settlement Payment is anticipated to be \$ _____. This is just an estimate of the average payment to California Class Members.** Your

payment could be higher or lower depending on various factors including the number of California Class Members who choose to opt out and the number of workweeks you worked at Bodycote.

The calculation of Individual California Settlement Payments is based on data provided by Bodycote and/or any relevant staffing agencies. Such employment records will be determinative with respect to the number of workweeks California Class Members worked.

Individual PAGA Settlement Payment to PAGA Group Members:

Twenty-five percent (25%) of the PAGA Settlement Amount or \$69,375.00 (the “PAGA Group Member Amount”) will be distributed to all current and former hourly-paid or non-exempt employees who worked for Bodycote in California at any time during the period April 4, 2020 through [insert date of preliminary approval or date Qualifying Threshold is met] (“PAGA Period”) (“PAGA Group Members”) on a pro rata basis based on the total number of pay periods worked by each current and former hourly-paid or non-exempt employee of Bodycote in California during the PAGA Period.

Individual FCRA Settlement Payment to Settlement FCRA Class Members

Each member of the FCRA Class who does not opt out of the FCRA Class Settlement as described in Section XI below (“Settlement FCRA Class Member”) will receive an Individual FCRA Settlement Payment. Individual FCRA Settlement Payments will be issued on an equal *pro rata* basis of the FCRA Settlement Amount, or \$11,660.00.

Your Compensable Work Weeks and Compensable Pay Periods Based on Bodycote’s Records:

According Bodycote’s records:

From November 17, 2017 through [insert date of preliminary approval or date Qualifying Threshold is met] (i.e., California Class Period), you were employed by Bodycote as an hourly-paid or non-exempt employee in California either directly or through a staffing agency for [] Compensable Work Weeks.

From April 4, 2020 through [insert date of preliminary approval or date Qualifying Threshold is met] (i.e., PAGA Period), you were employed by Bodycote Thermal as a hourly-paid or non-exempt employee in California for [] Compensable Pay Periods.

If you wish to dispute the workweeks credited to you, you must submit your dispute in writing to the Settlement Administrator. The written dispute must: (1) contain the case name and number of the Action; (2) contain your full name, signature, address, telephone number, and last four digits of your Social Security number; (3) clearly state that you dispute the number of Compensable Work Weeks credited to you for the California Class Period, and what you contend is the correct number to be credited to you; (4) attach any documentation that you have to support the dispute; and (5) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before [insert Response Deadline].

Your Estimated Individual California Settlement Payment, Estimated Individual FCRA Settlement Payment, and Individual PAGA Settlement Payment:

Payments will be made to Settlement California Class Members and PAGA Group Members pursuant to the Court-approved plan of distribution as described in the Settlement, based on the number of Compensable Work Weeks worked by each Settlement California Class Member during the California Class Period and based on the number of Compensable Pay Periods worked by each PAGA Group Member during the PAGA Period.

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

Under the terms of the Settlement, your Individual PAGA Settlement Payment is estimated to be \$[REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Payments will be made to Settlement FCRA Class Members based on an equal *pro rata* basis of the FCRA Settlement Amount.

Under the terms of the Settlement, your Individual FCRA Settlement Payment is estimated to be \$[REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Your Individual California Settlement Payment, Individual FCRA Settlement Payment, Individual PAGA Settlement Payment (if applicable) reflected in this Notice are only estimates. Your actual Individual California Settlement Payment, Individual FCRA Settlement Payment, Individual PAGA Settlement Payment (if applicable) may be higher or lower.

Once the settlement checks are mailed, Settlement California Class Members, Settlement FCRA Class Members, and PAGA Group Members will have one hundred and eighty (180) days to cash their settlement checks. Any checks which remain uncashed after that date shall be transferred to the State of California Controller's Office of Unclaimed Funds in the name of the individual to whom the check had been addressed. None of the parties or attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

IX. RELEASE OF CLAIMS.

"Released California Class Claims" means any and all causes of action, claims, rights, demands, debts, obligations, guarantees, liabilities, costs, expenses, attorneys' fees and costs, experts' fees and costs, damages, and action of every nature and description, whether known or unknown, actual or potential, that were alleged in or reasonably arise out of the same set of operative facts in the initial complaints filed by Plaintiff in the Action, and Plaintiff's Operative Complaint, and that could have been alleged based on the factual allegations contained in such complaint, arising during the California Class Period, including claims for unpaid, miscalculated or untimely payment of wages due (including, without limitation, minimum, regular, overtime, double-time, and reporting time wages), off-the-clock work, rounding,

failure to provide legally-compliant meal periods and to properly provide associated premium pay, failure to authorize and permit legally-compliant rest periods and associated premium pay, failure to pay all wages timely at the time of termination, failure to pay all wages timely during employment, failure to provide compliant wage statements, failure to keep requisite payroll records, and failure to indemnify/reimburse for necessary business expenses, in violation of California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802 and Industrial Welfare Commission Wage Orders Nos. 1-2001, 4-2001, and 7-2001, unfair business practices in violation of California Business & Professions Code § 17200 *et seq.* based on the aforementioned, and all pre- and post-judgment interest, compensatory and statutory compensation, general damages, disgorgement, declaratory relief, statutory damages, accounting of all minimum wages and sums allegedly unlawfully withheld as a result thereof, injunctive relief, restitution, statutory or civil penalties, interest and/or attorneys' fees as a result thereof, and other amounts recoverable under the aforementioned claims, causes of action, or legal theories of relief.

"Released FCRA Class Claims" means any and all causes of action, claims, rights, demands, debts, obligations, guarantees, liabilities, costs, expenses, attorneys' fees and costs, experts' fees and costs, damages, and action of every nature and description, whether known or unknown, actual or potential, that were alleged in or reasonably arising out of the same set of operative facts in the initial complaints filed by Plaintiff in the Action, Plaintiff's Operative Complaint and Plaintiff's PAGA Notice, and that could have been alleged based on the factual allegations contained in such complaint and/or PAGA Notice, arising during the FCRA Class Period, relating to background checks procured by Defendant with respect to individuals who applied for employment with Defendant, including, but not limited to, claims under the Fair Credit Reporting Act, 15 U.S.C. §§ 1681 *et seq.*, and similar state laws, including the Investigative Consumer Reporting Agencies Act, Cal. Civ. Code § 1786 *et seq.*, the Consumer Credit Reporting Agencies Act, Cal. Civ. Code § 1785 *et seq.*, California Business & Professions Code § 17200 *et seq.*, and similar claims under other state laws, including all damages, punitive damages, declaratory relief, penalties, interest, and other amounts recoverable under said claims, causes of action, or legal theories of relief.

"Released PAGA Claims" means any and all causes of action claims, rights, demands, debts, obligations, guarantees, liabilities, costs, expenses, attorneys' fees and costs, experts' fees and costs, damages, and action of every nature and description, whether known or unknown, actual or potential, that were alleged in or reasonably arising out of the same set of operative facts in the initial complaints filed by Plaintiff in the Action, Plaintiff's Operative Complaint and Plaintiff's PAGA Notice, and all claims that could have been alleged based on the factual allegations contained in such complaints and/or in the PAGA Notice, arising during the PAGA Period, for civil penalties pursuant to the Private Attorneys General Act, California Labor Code § 2698, *et seq.*, for claims for unpaid, miscalculated or untimely payment of wages due (including, without limitation, minimum, regular, overtime, double-time, and reporting time wages), off-the-clock work, rounding, failure to provide legally-compliant meal periods and to properly provide associated premium pay, failure to authorize and permit legally-compliant rest periods and associated premium pay, failure to pay all wages timely at the time of termination, failure to pay all wages timely during employment, failure to provide compliant wage statements, failure to keep requisite payroll records, failure to provide requisite written notice of material terms of employment (including regarding rate of pay, allowances, payday, name of employer, employer's physical address, employer's telephone number, employer's workers' compensation insurance carrier, and accrual and use of sick leave) at the time of hire and during employment, and failure to indemnify/reimburse for necessary business expenses, in violation of California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558,

1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, 2810.5 and Industrial Welfare Commission Wage Orders Nos. 1-2001, 4-2001, and 7-2001.

“California Class Released Parties” means Bodycote, the Temporary Staffing Agencies, and their past, present and future parent companies, subsidiaries, predecessors, successors, affiliates, divisions, joint employers, co-employers and related companies and joint venturers, and all of their respective present or former officers, directors, executive-level employees, agents, registered representatives, attorneys, insurers, successors, and assigns.

“FCRA Released Parties” means Bodycote, and its past, present and future parent companies, subsidiaries, predecessors, successors, affiliates, divisions, joint employers, co-employers and related companies and joint venturers, and all of their respective present or former officers, directors, executive-level employees, agents, registered representatives, attorneys, insurers, successors, and assigns.

“PAGA Released Parties” means Bodycote, the Temporary Staffing Agencies, and their past, present and future parent companies, subsidiaries, predecessors, successors, affiliates, divisions, joint employers, co-employers and related companies and joint venturers, and all of their respective present or former officers, directors, executive-level employees, agents, registered representatives, attorneys, insurers, successors, and assigns.

Effective upon final approval by the Court of the Settlement and full funding of the Gross Settlement Amount by Bodycote, all Settlement California Class Members, Settlement FCRA Class Members, and PAGA Group Members shall fully and irrevocably release, acquit, and forever discharge all of the California Class Released Parties, FCRA Released Parties, and PAGA Released Parties of and from the Released California Class Claims, Released FCRA Class Claims, and Released PAGA Claims.

X. WHEN IS THE FINAL FAIRNESS HEARING?

A final hearing will be held before the Honorable Rozella A. Oliver on [final approval date], at [time a.m./p.m.], to determine whether the proposed Settlement is fair, reasonable and adequate and should be finally approved by the Court. The hearing will take place in Courtroom 590 of the United States District Court for the Central District of California, located at the Edward R. Roybal Federal Building and United States Courthouse, 255 East Temple Street, 5th Floor, Los Angeles, California 90012. **You are not required to attend the hearing in order to participate in the Settlement.** If the Court finally approves the Settlement as fair, reasonable and adequate, a Final Judgment will be posted on the Settlement Administrator’s website at <<SETTLEMENT ADMINSTRATOR’S WEB SITE>>.

XI. WHAT ARE MY RIGHTS WITH REGARD TO THIS MATTER?

If you fit the description of a Class Member as set forth in this Notice, you have three options. Each option has its own consequences, which you should understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, follow.

- A. Option One: Do Nothing, Release Your Claims as Stated Above and Receive an Individual California Settlement Payment and/or Individual FCRA Settlement Payment.

Class Counsel, appointed and approved by the Court for Settlement purposes only, will represent your interests. You will receive a settlement payment from the Net California Settlement Fund, the FCRA Settlement Amount, and/or the PAGA Settlement Amount after the settlement has been finally approved by the Court. The judgment will bind all Class Members who do not request exclusion (Option Two below). Any Class Member who does not request exclusion may, if the Class Member so desires, enter an appearance through his or her own lawyer.

B. Option Two: You Can Exclude Yourself from the Settlement.

If you do not wish to participate in or be bound by the California Class Settlement and/or FCRA Class Settlement, you must submit a written statement requesting to be excluded from the California Class and/or FCRA Class **postmarked no later than [Response Deadline]** (“Request for Exclusion”). Such a written Request for Exclusion must: (1) contain the case name and number of the Action; (2) contain your full name, signature, address, telephone number, and last four digits of your Social Security number; (3) contain a simple statement electing to be excluded from the California Class Settlement; and (4) be submitted by mail to the Settlement Administrator at the specified address, **postmarked on or before [Response Deadline]**.

If you request exclusion, you will not receive any money from the Net California Settlement Fund and/or FCRA Settlement Amount, nor will you be considered to have released your claims alleged in this Lawsuit.

If you request exclusion from the California Class Settlement and/or FCRA Class Settlement, you may not pursue any recovery under the California Class Settlement and/or FCRA Class Settlement. You may, however, pursue other remedies separate and apart from the Settlement that may be available to you.

If you exclude yourself from the California Class Settlement and/or FCRA Class Settlement, you will still receive your share of the PAGA Settlement and will still release your Released PAGA Claims.

C. Option Three: You May Object to the Settlement.

If you are a California Class Member, and you do not exclude yourself from the California Class Settlement, you may object to the California Class Settlement, and if you are a FCRA Class Member, and you do not exclude yourself from the FCRA Class Settlement, you may object to the FCRA Class Settlement before final approval of the Settlement by the Court. If you choose to object to the California Class Settlement and/or FCRA Class Settlement, you may enter an appearance *in propria persona* (meaning you choose to represent yourself), or through an attorney that you hire and pay for yourself.

In order to object to the California Class Settlement and/or FCRA Class Settlement, or any portion of it, you must submit any such written objection **postmarked no later than [Response Deadline]**. Settlement California Class Members who wish to object to the California Class Settlement and/or Settlement FCRA Class Members who wish to object to the FCRA Class Settlement must send to the Settlement Administrator or the Court a written statement objecting to the Settlement (“Notice of Objection”). Such Notice of Objection must: (1) contain the case name and number of the Action; (2) contain your full name, signature, address, telephone number, and last four digits of your Social Security number; (3) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (4) contain copies of any papers, briefs, or other documents upon which the objection is based; and (5) be

submitted by mail to the Settlement Administrator at the specified address, **postmarked on or before [Response Deadline]**.

XII. WHO CAN I CONTACT IF I HAVE FURTHER QUESTIONS?

The court-appointed Administrator for this Settlement is as follows:

Cruz Perez Jr. v. Bodycote Thermal Processing, Inc. Class Settlement
Simpluris, Inc.
[ADDRESS]

If you have questions, you may call the Settlement Administrator, toll free at [Number]. Ask about the *Cruz Perez Jr. v. Bodycote Thermal Processing, Inc.* Class Settlement. You may also call or e-mail the attorneys for Plaintiff listed in Section VI above. **PLEASE DO NOT CALL THE COURT OR BODYCOTE.**

This notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, you may contact Class Counsel at the contact information above, access the Court docket in this case through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or visit the office of the Clerk of the Court for the United States District Court for the Central District of California, 255 East Temple Street, Suite TS-134 Los Angeles, CA 90012, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

EXHIBIT 2

LAWYERS FOR JUSTICE[®]

September 29, 2021

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfilings@dir.ca.gov

Re: *BODYCOTE THERMAL PROCESSING, INC.*

Dear Representative:

We have been retained to represent Cruz Perez Jr. against Bodycote Thermal Processing, Inc. (including any and all affiliates, subsidiaries, parents, directors, officers, agents, and executive employees) (collectively referred to as “Bodycote Thermal Processing”) for violations of California wage-and-hour laws. Mr. Perez Jr. seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 (“PAGA”) and all other remedies available under PAGA.

Mr. Perez Jr. seeks these remedies on behalf of the State of California and “aggrieved employees,” as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Bodycote Thermal Processing employed Mr. Perez Jr. as an hourly-paid, non-exempt employee from approximately September 2019 to approximately September 2020, in the State of California. Pursuant to the Emergency Rules Related to COVID-19, Rule 9(a), “the statutes of limitation and repose for civil causes of action that exceed 180 days are tolled from April 6, 2020, until October 1, 2020.”

The “aggrieved employees” that Mr. Perez Jr. may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California, including, but not limited to all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California who earned shift differentials/non-discretionary bonuses/non-discretionary performance pay which was not used to calculate the correct regular rate of pay used to calculate the overtime rate.

Based on the following facts and theories, Bodycote Thermal Processing has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 1-2001, 4-2001, and 7-2001.

Bodycote Thermal Processing required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time. Such work included, but was not limited to, responding to work-related inquiries and complying with Covid protocols. Bodycote Thermal Processing rounded the work time recorded by aggrieved employees in a manner that was not fair and neutral on its face and/or that favored Bodycote Thermal Processing over time, resulting in aggrieved employees being underpaid for their time worked.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Mr. Perez Jr. and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Mr. Perez Jr. and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, Bodycote Thermal Processing required Mr. Perez Jr. and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods. Bodycote Thermal Processing also required aggrieved employees to stay on work premises during rest periods.

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. During the relevant time period, Bodycote Thermal Processing failed to pay Mr. Perez Jr. and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Bodycote Thermal Processing failed to pay Mr. Perez Jr. and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, Bodycote Thermal Processing did not provide Mr. Perez Jr. and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from Bodycote Thermal Processing were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Mr. Perez Jr. and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars (\$50) for each aggrieved employee per pay period for the initial violation and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Mr. Perez Jr. and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Mr. Perez Jr. and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Mr. Perez Jr. and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Mr. Perez Jr. and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, Bodycote Thermal Processing failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Mr. Perez Jr. and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 2810.5 requires an employer to provide written notice to an employee, at the time of hiring, containing the following information:

The rate or rates of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, as applicable. Allowances, if any, claimed as part of the minimum wage, including meal or lodging allowances. The regular payday designated by the employer in accordance with the requirements of this code. The name of the employer, including any "doing business as" names used by the employer. The physical address of the employer's main office or principal place of business, and a mailing address, if different. The telephone number of the

employer. The name, address, and telephone number of the employer's workers' compensation insurance carrier. That an employee: may accrue and use sick leave; has a right to request and use accrued paid sick leave; may not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and has the right to file a complaint against an employer who retaliates. Any other information the Labor Commissioner deems material and necessary.

Bodycote Thermal Processing failed to accurately provide aggrieved employees with the requisite notice in violation of California Labor Code section 2810.5.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, Bodycote Thermal Processing did not provide Mr. Perez Jr. and other aggrieved employees with the minimum wages to which they were entitled for work performed "off-the-clock."

California Labor Code section 1198 provides that "The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 1-2001, 4-2001, and 7-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, Bodycote Thermal Processing failed to pay Mr. Perez Jr. and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Mr. Perez Jr. and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, Bodycote Thermal Processing failed to pay Mr. Perez Jr. and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Mr. Perez Jr. and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Mr. Perez Jr. and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Bodycote Thermal Processing. These costs include, but are not limited to, the use of personal phones for work-related purposes, the purchase and maintenance of clothing in compliance with the dress code, the purchase and maintenance of shoes in compliance with the dress code, and the purchase and maintenance of tools and supplies, including but not limited to masks.

Therefore, on behalf of all aggrieved employees, all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA, including civil penalties pursuant to Labor Code section 558.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,

A handwritten signature in blue ink, appearing to read "Edwin Aiwazian".

Edwin Aiwazian, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

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