

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

Subject to final approval by the Court, it is stipulated, by and between Plaintiffs Jarid Gomez, Miguel Cortez, and Jacqueline Ulloa (“Plaintiffs”), individually and on behalf of the Participating Class Members and Eligible Aggrieved Employees, the California Labor Workforce and Development Agency and Defendant Parker-Hannifin Corporation (“Defendant”) that the Action is hereby compromised and settled pursuant to the terms and conditions set forth in this Joint Stipulation of Class Action and PAGA Settlement and Release of Claims (“Settlement Agreement”) and that the Court shall make and enter judgment subject to the definitions, recitals, and terms set forth herein, which by this reference become an integral part of the Settlement Agreement. Plaintiffs and Defendant collectively are referred to in this Settlement Agreement as the “Parties.”

I. DEFINITIONS

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

- A. **Administration Costs**: The costs incurred by the Settlement Administrator to administer this Settlement, which is currently estimated at \$31,000, shall not exceed \$35,000. All Administration Costs shall be paid from the Qualified Settlement Fund, or “QSF”, as that term is defined below. If the costs incurred by the Settlement Administrator exceed \$35,000, such costs will be paid from the QSF. Under no circumstances will Defendant owe any amount above the payment to the QSF as outlined in this Settlement Agreement, except as provided in Section III(Q)(21) below.
- B. **Agreement, Settlement Agreement, Joint Stipulation, or Settlement**: The settlement agreement reflected in this document, titled “Joint Stipulation of Class Action and PAGA Settlement.”
- C. **Attorney Fee Award**: The amount, not to exceed 35% of the Gross Settlement Amount (as that term is defined below), in the event it is finally approved by the Court and awarded to Class Counsel. The Attorney Fee Award shall be paid from the Qualified Settlement Fund and will not be opposed by Defendant. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members and Eligible Aggrieved Employees. The Court’s reduction or failure to approve Class Representative Enhancement Payments is not a condition of settlement and will not be grounds for terminating this Settlement Agreement.
- D. **Action or Case**: The lawsuit filed by Plaintiffs Jarid Gomez, Miguel Cortez, and Jacqueline Ulloa entitled *Jarid Gomez, et al. v. Parker-Hannifin Corporation*, Case No. 56-2022-00563952-CU-OE-VTA in Ventura County Superior Court. The Action or Case is intended to include all claims, demands,

rights, liabilities, causes of action, and factual or legal theories alleged in a predecessor lawsuit entitled *Miguel Cortez, et al. v. Parker-Hannifin Corporation*, Case No. CV-06430-AB- KK, Central District of California, which was subsequently dismissed and consolidated with *Jarid Gomez, et al. v. Parker-Hannifin Corporation*, Case No. 56-2022-00563952-CU-OE-VTA in Ventura County Superior Court. The Action or Case includes all factual and legal theories alleged in any exhaustion notice(s) filed by Plaintiffs Jarid Gomez, Miguel Cortez, or Jacqueline Ulloa with the Labor and Workforce Development Agency (LWDA) as a prerequisite to suit.

- E. **Class**: All current and former hourly-paid or non-exempt employees of Defendant who worked for Defendant within the State of California during the Class Period.
- F. **Class Counsel**: Douglas Han, Shunt Tatavos-Gharajeh, Phillip Song, and John M. Bickford of Justice Law Corporation.
- G. **Class Data**: means information regarding Class Members and Eligible Aggrieved Employees that Defendant will compile from its available, existing, electronic records and provide only to the Settlement Administrator, subject to a Highly Confidential Attorneys' Eyes Only designation under a protective order to be entered in the Action. It shall be formatted as a Microsoft Excel spreadsheet and shall include: (i) each Class Member's full name; (ii) each Class Member's and Eligible Aggrieved Employee's last known address; (iii) each Class Member's and Eligible Aggrieved Employee's last known telephone number; (iv) each Class Member's and Eligible Aggrieved Employee's Social Security number; and (v) number of weeks worked by each Class Member and Eligible Aggrieved Employee during, respectively, the Class Period and PAGA Timeframe.
- H. **Class Member**: Each person eligible to participate in this Settlement who is a member of the Class as defined above.
- I. **Class Notice or Notice**: The Notice of Class Action Settlement, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval.
- J. **Class Period**: The time period from April 4, 2016 through June 15, 2022.
- K. **Class Representatives or Plaintiffs**: Jarid Gomez, Miguel Cortez, and Jacqueline Ulloa.
- L. **Class Representative Enhancement Payment**: The amount the Court awards to Plaintiffs Jarid Gomez, Miguel Cortez and Jacqueline Ulloa for their services as Class or PAGA Representatives, which will not exceed \$10,000 each. These payments shall be paid from the Qualified Settlement Fund and will not be opposed by Defendant. This enhancement is subject to approval of the Court.

If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members. The Court's reduction or failure to approve Class Representative Enhancement Payments is not a condition of settlement and will not be grounds for terminating this Settlement Agreement.

- M. **Cost Award**: The amount that the Court awards Class Counsel for payment of actual litigation costs, which shall not exceed \$30,000. The Cost Award will be paid from the Qualified Settlement Fund and will not be opposed by Defendant. The Cost Award is subject to Court approval. If the Court awards less than the amount request, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
- N. **Counsel for Defendant or Defense Counsel**: Attorney Douglas J. Farmer and Christopher W. Decker of Ogletree, Deakins, Nash, Smoak & Stewart, P.C.
- O. **Court**: The State of California, Ventura County Superior Court.
- P. **Defendant**: Parker-Hannifin Corporation.
- Q. **Effective Final Settlement Date**: The Effective Final Settlement Date shall be either: (i) in the event that the Settlement has received Final Approval by the Court, and regardless of whether any timely objections thereto have been filed or withdrawn, then sixty-five (65) calendar days after the Court's issuance of the Final Approval Order without a timely appeal being filed; or, (ii) in the event that a timely appeal of the Court's Final Approval Order has been filed, then the Settlement Agreement shall be final when the applicable appellate court has rendered a final decision or opinion affirming the Court's Final Approval Order without material modification, and the applicable date for seeking further appellate review has passed without further appellate review being sought.
- R. **Eligible Aggrieved Employees**: The aggrieved employees eligible to recover settlement funds from the PAGA payment shall consist of all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California from January 10, 2020 through June 15, 2022 ("PAGA Timeframe").
- S. **Exclusion Request**: An election not to participate or a request to opt-out of the settlement that is made by a Participating Class Member.
- T. **Second Amended Complaint**: The Second Amended Complaint filed by Plaintiffs Jarid Gomez, Miguel Cortez, and Jacqueline Ulloa by amending the PAGA complaint to incorporate all claims asserted in the Action. The term "Second Amended Complaint" includes all claims, demands, rights, liabilities, causes of action, and factual or legal theories that were alleged in a predecessor

lawsuit filed by Plaintiff Miguel Cortez, entitled *Miguel Cortez, et al. v. Parker-Hannifin Corporation*, Case No. CV-06430-AB- KK, Central District of California, which was subsequently dismissed and consolidated with *Jarid Gomez, et al. v. Parker-Hannifin Corporation*, Case No. 56-2022-00563952-CU-OE-VTA in Ventura County Superior Court. The term “Second Amended Complaint” includes all factual and legal theories alleged in any exhaustion notice(s) filed by Plaintiffs Jarid Gomez, Miguel Cortez, or Jacqueline Ulloa with the Labor and Workforce Development Agency (LWDA) as a prerequisite to suit.

- U. **Judgment or Final Approval:** The final order entered by the Court finally approving this Agreement.
- V. **Gross Settlement Amount or GSA:** The total value of the Settlement is a non-reversionary Six Million Dollars and Zero Cents (\$6,000,000). This is the gross amount Defendant can be required to pay under this Settlement Agreement, which includes without limitation: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) Attorney Fee Award and Cost Award to Class Counsel for attorneys’ fees and costs, as approved by the Court; (3) the Class Representative Enhancement payment paid to the Class Representatives, as approved by the Court; (4) Administration Costs, as approved by the Court; and (5) the PAGA Payment to the LWDA and to Eligible Aggrieved Employees, as approved by the Court. Defendant’s portion of payroll taxes on wages distributed to Class Members, as the Class Members’ current or former employer, is not included in the GSA and will be a separate obligation of Defendant. No portion of the GSA will revert to Defendant for any reason.
- W. **Individual Settlement Share(s):** The amount payable to each Participating Class Member or Eligible Aggrieved Employees under the terms of this Settlement Agreement. Class Members are not required to submit a claim form to receive their Individual Settlement Shares pursuant to this Agreement. Rather, Participating Class Members will receive an Individual Settlement Share automatically, without the return of a claim form, unless the Class Member timely requests to be excluded from the Class.
- X. **LWDA:** California Labor and Workforce Development Agency.
- Y. **Net Settlement Amount or NSA:** The total amount of money available for payout to Participating Class Members, which is the GSA less the Attorney Fee Award, Cost Award, Class Representative Enhancements, the portion of the PAGA Payment paid to the LWDA and Eligible Aggrieved Employees, and Administration Costs. In other words, the NSA is the portion of the GSA that will be distributed to Class Members who do not request exclusion from the Settlement.

- Z. PAGA:** The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*).
- AA. PAGA Payment:** The PAGA Payment consists of \$300,000 of the Gross Settlement Amount allocated for the settlement and release of claims for civil penalties under the PAGA. Seventy-five percent (75%) of the PAGA Payment (\$225,000) shall be paid to the LWDA, and twenty-five percent (25%) (\$75,000) of the PAGA Payment shall be distributed to Eligible Aggrieved Employees, on a pro rata basis, as set forth below.
- BB. Participating Class Members:** All Class Members who do not submit a valid and timely request to exclude themselves from this Settlement. Participating Class Members will release all of the Released Claims and will be bound by all terms of the Settlement and any final judgment entered in the Action.
- CC. Parties:** Plaintiffs Jarid Gomez, Miguel Cortez, and Jacqueline Ulloa as individuals and as Class and PAGA Representatives, and Defendant Parker-Hannifin Corporation.
- DD. Preliminary Approval or Preliminary Approval Order:** The Court's order preliminarily approving the proposed Settlement.
- EE. Qualified Settlement Fund or QSF:** A fund within the meaning of Treasury Regulation § 1.468B-1, 26 C.F.R. § 1.468B-1 *et seq.*, that is established by the Settlement Administrator for the benefit of Participating Class Members, Plaintiffs and Class Counsel.
- FF. Released Claims:** Upon Defendant's fulfillment of its payment obligations under Section III(J)(2) below, the claims that Plaintiffs and the other Participating Class Members are releasing in exchange for the consideration provided for by this Agreement are defined as all claims, demands, rights, liabilities causes of action, and factual or legal theories that were alleged in the Second Amended Complaint or that could have been alleged in the Second Amended Complaint against Defendant (and its past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and its respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys) [collectively, the "Released Parties"] based on the facts contained in the Second Amended Complaint, in addition to other claims released in this Agreement, including the following claims for relief: (a) failure to pay all regular wages, minimum wages and overtime wages due; (b) failure to provide proper meal periods and rest breaks, and to properly provide premium pay in lieu thereof; (c) failure to provide complete, accurate or properly formatted wage statements; (d) failure to properly calculate the regular rate of pay for overtime and sick pay, and pay overtime and sick pay at the correct regular rate of pay; (e) waiting time penalties; (f) failure to reimburse necessary business expenses under Labor

Code § 2802; (g) failure to pay vacation pay; (h) failure to pay sick pay; (i) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative amended complaint; (j) all that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the operative amended complaint; (k) any other claims or penalties under the wage and hour laws pleaded or that could have been pleaded in the Action, including, but not limited to, sections 218.5, 221, 226 et seq., 226.3, 246, 510 and 512 et seq., 204, 210, and 1174(d); and (m) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief, (collectively, the “Released Claims”). The Released Parties shall be entitled to a release of Released Claims which occurred during the Class Period only during such time that the Class Member was classified as non-exempt, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, claims while classified as exempt.

GG. Released PAGA Claims Upon Defendant’s fulfillment of its payment obligations under Section III(J)(2) below, the claims that Plaintiffs, The California Labor Workforce Development Agency, and any person acting on its behalf, including but not limited to all Eligible Aggrieved Employees are releasing in exchange for the consideration provided for by this Agreement are defined as all claims, demands, rights, liabilities causes of action, and factual or legal theories for civil penalties under PAGA that were alleged in the Second Amended Complaint or that could have been alleged in the Second Amended Complaint against the Released Parties based on the facts contained in the Second Amended Complaint, in addition to other claims released in this Agreement, including the following alleged violations of the California Labor Code: (a) failure to pay all regular wages, minimum wages and overtime wages due; (b) failure to provide proper meal periods and rest breaks, and to properly provide premium pay in lieu thereof; (c) failure to provide complete, accurate or properly formatted wage statements; (d) failure to properly calculate the regular rate of pay for overtime and sick pay, and pay overtime and sick pay at the correct regular rate of pay; (e) waiting time penalties; (f) failure to reimburse necessary business expenses under Labor Code § 2802; (g) failure to pay vacation pay; (h) failure to pay sick pay; (j) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative amended complaint; (k) all that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the operative amended complaint; (l) any other claims or penalties under the wage and hour laws pleaded or that could have been pleaded in the Action, including, but not limited to, sections 218.5, 221, 226 et seq., 226.3, 246, 510 and 512 et

seq., 204, 210, and 1174(d); and (m) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief, (collectively, the “Released PAGA Claims”). The Released Parties shall be entitled to a release of Released PAGA Claims which occurred during the PAGA Timeframe only during such time that the Eligible Aggrieved Employee was classified as non-exempt, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, claims while classified as exempt.

HH. Released Parties: Defendant and its past or present officers, directors, shareholders, employees, investors, assigns, agents, principals, heirs, representatives, accountants, auditors, consultants, and insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys.

II. Response Deadline: Forty-five (45) calendar days from the initial mailing of the Notice and the last date on which Class Members may request exclusion or object to the Settlement.

JJ. Settlement Administration: The Settlement Administrator will mail the Notice by first class U.S. mail to all Class Members. The Notice will inform Class Members that they have until the Response Deadline to either object to the Settlement or to opt-out of the Settlement. Any Class Member who does not receive Notice after the steps outlined above have been taken will still be bound by the Settlement and/or Judgment.

KK. Settlement Administrator: The third-party administrator agreed upon by Parties to administer this Settlement is CPT Group, Inc.

LL. Superior Court: The State of California, Ventura County Superior Court.

II. RECITALS

A. Procedural History. On June 4, 2020, Plaintiff Miguel Cortez filed a class action lawsuit against Defendant in Los Angeles County Superior Court, case No. 20STCV21661. The matter was removed to federal court on July 20, 2020 where it was litigated and remained until the Parties reached settlement. On March 31, 2021, Plaintiff Jarid Gomez filed a PAGA case against Defendant in Ventura County Superior Court Case No. 56-2022-00563952-CU-OE-VTA. Pursuant to the mediator’s proposal the parties dismissed the federal action and amended the Gomez complaint to include all claims alleged and negotiated between the parties. Plaintiffs’ operative complaint alleges, without limitation, the following causes of action: Violation of California Labor Code sections 510 and 1198 (Unpaid Overtime), Violation of California Labor Code sections 226.7 and 512(a) (Unpaid Meal Period Premiums), Violation of California

Labor Code section 226.7(Unpaid Rest Period Premiums), Violation of California Labor Code sections 1194 and 1197 (Unpaid Minimum Wages), Violation of California Labor Code sections 201, 202 and 203 (Final Wages Not Paid Timely), Violation of California Labor Code section 227.3 (Unpaid Accrued and Vested Vacation), Violation of California Labor Code section 226(a) (Non-Compliant Wage Statements), Violation of California Labor Code sections 2800 and 2802 (Unreimbursed Vehicle Expenses), Violation of California Labor Code sections 2698, *et seq.* (California Labor Code Attorneys General Act of 2004), and Violation of California Business and Professions Code sections 17200, *et seq.*.

- B. Investigation and Discovery:** The Parties conducted significant investigation and discovery of the facts and law both before and after the Case was filed. Prior to mediation, Defendant produced documents relating to its policies, practices, and procedures regarding paying non-exempt employees for all hours worked and meal and rest period policies. Defendant also produced statements, time records, pay records, and information relating to the size and scope of the Class and Eligible Aggrieved Employees, as well as data permitting Plaintiffs to understand the number of workweeks in the Class Period and PAGA Timeframe. Plaintiffs closely analyzed all information that was produced by Defendant. Plaintiffs also interviewed several Class Members and Eligible Aggrieved Employees who worked for Defendant throughout the Class Period and PAGA Timeframe. The Parties agree that the above-described investigation and evaluation, as well as the information exchanged during the settlement negotiations, are more than sufficient to assess the merits of the respective Parties' positions and to compromise the issues on a fair and equitable basis.
- C. Mediation.** On November 4, 2021, the Parties participated in a private mediation with Mark S. Rudy, a well-respected mediator with considerable experience mediating wage and hour class actions. This took place only after the Parties exchanged extensive informal mediation data. The mediation did not result in settlement; however, subsequent negotiations resulted in a mediator's proposal that resulted in the Settlement described herein to resolve the Action in its entirety, including any prior actions between the Parties now consolidated with this Action.
- D. Benefits of Settlement to Class Members.** Plaintiffs and Class Counsel recognize the expense and length of continued proceedings necessary to continue the litigation against Defendant through trial and through any possible appeals. Plaintiffs and Class Counsel also have taken into account the uncertainty and risk of further litigation, the potential outcome, and the difficulties and delays inherent in such litigation. Plaintiffs and Class Counsel engaged in multiple pre-mediation discussions regarding the merits of the respective claims and defenses asserted and have conducted extensive settlement negotiations, including a full day of formal mediations on November

4, 2021, and numerous subsequent discussions. Based on the foregoing, Plaintiffs and Class Counsel believe the Settlement set forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Class Members.

- E. Defendant's Reasons for Settlement.** Defendant recognizes that the defense of this litigation will be protracted and expensive for all Parties. Substantial amounts of Defendant's time, energy, and resources have been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiffs. Defendant has also taken into account the risks of further litigation in reaching its decision to enter into this Settlement. Despite continuing to contend that it is not liable for any of the claims set forth by Plaintiffs, Defendant has, nonetheless, agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the claims as set forth in the Actions.
- F. Defendant's Denial of Wrongdoing.** Defendant generally and specifically denies any and all liability or wrongdoing of any sort with regard to any of the claims alleged, makes no concessions or admissions of liability of any sort, and contends that for any purpose other than settlement, the Case are not appropriate for class or representative treatment. Defendant asserts a number of defenses to the claims, and has denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Case. The monies being paid as part of the settlement are genuinely disputed and the Parties agree that the provisions of Labor Code section 206.5 are not applicable to this Settlement. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. Nor should the Agreement be construed as an admission that Plaintiffs can serve as adequate Class Representatives. There has been no final determination by any court as to the merits of the claims asserted by Plaintiffs against Defendant or as to whether a class or classes should be certified, other than for settlement purposes only.
- G. Plaintiffs' Claims.** Plaintiffs assert that Defendant's defenses are without merit. Neither this Agreement nor any documents referred to or contemplated herein, nor any action taken to carry out this Agreement, may be construed as, or may be used as an admission, concession or indication by or against Plaintiffs, Class Members, or Class Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the Case. However, in the event that this Settlement is finally approved by the Court, none of Plaintiffs, Class Members, or Class Counsel will oppose Defendant's efforts to use this Agreement to prove that Plaintiffs and Class Members have resolved and are forever barred from re-litigating the Released Claims.

III. SETTLEMENT TERMS AND CONDITIONS

- A. Settlement Consideration by Defendant - Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the maximum Gross Settlement Amount, excluding employer-side payroll taxes, that Defendant is obligated to pay under this Settlement Agreement is Six Million Dollars and Zero Cents (\$6,000,000). In no event shall Defendant be required to pay more than the Gross Settlement Amount, other than its share of employer-side payroll taxes or as specifically described in Paragraph III(Q)(21).
- B. Notice to the Labor and Workforce Development Agency (“LWDA”).** On September 21, 2021, Plaintiff Jarid Gomez filed and served his Notice of Labor Code Violations Pursuant to Labor Code Section 2699.3. Thus, Plaintiff maintains that he has satisfied their notice obligations under the PAGA.
- C. Class Certification:** Solely for the purposes of this Settlement, and subject to Subsections D and E below, the Parties stipulate and agree to certification of the claims asserted on behalf of Class Members. As such, the Parties stipulate and agree that in order for this Settlement to occur, the Court should certify the Class as defined in this Agreement.
- D. Conditional Nature of Stipulation for Certification.** The Parties stipulate and agree to the certification of the claims asserted on behalf of Plaintiffs and Class Members for purposes of this Settlement only. If the Settlement does not become effective, the fact that the Parties were willing to stipulate to certification as part of the Settlement shall not be admissible or used in any way in connection with, the question of whether the Court should certify any claims in a non-settlement context in these Case or in any other lawsuit. If the Settlement does not become effective, Defendant reserves the right to contest any issues relating to class certification and liability.
- E. Nullification of Settlement Agreement.** In the event that this Settlement Agreement is not preliminarily or finally approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendant from obtaining a complete resolution of the claims as described herein:
1. This Settlement Agreement shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural;
 2. The conditional class certification (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural; and

3. None of the Parties to this Settlement will be deemed to have waived any claims, objections, defenses or arguments in the Actions, including with respect to the issue of class certification.

An award by the Court of a lesser amount than sought by Plaintiffs and Class Counsel for the Class Representative Enhancement, the Attorney Fee Award, and/or the Cost Award, will not constitute a material modification to the Settlement within the meaning of this paragraph.

If, after a notice of appeal, the reviewing court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement, and that court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher court, then this Settlement will become null and void and the Parties will have no further obligations under it. A material modification would include, but not necessarily be limited to, any alteration of the Gross Settlement Amount.

- F. **Appointment of Class Representatives.** Solely for the purposes of this Settlement, the Parties stipulate and agree Plaintiffs shall be appointed as the representatives for the Class.
- G. **Appointment of Class Counsel.** Solely for the purpose of this Settlement, the Parties stipulate and agree that the Court appoint Class Counsel to represent the Class.
- H. **PAGA Payment:** Three hundred thousand dollars (\$300,000) shall be allocated from the Gross Settlement Amount for settlement and release of claims for civil penalties under the Private Attorneys General Act of 2004. The Settlement Administrator shall pay seventy-five percent (75%) of the of that \$300,000 payment, or \$225,000 to the California Labor and Workforce Development Agency (the "PAGA Payment"). Twenty-five (25%) of the remaining amount of the \$300,000 payment, or \$75,000, will be distributed to the Eligible Aggrieved Employees as described in this Agreement. Class Counsel will take all action required by California Labor Code section 2699(l).
- I. **Individual Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual Settlement Share from the Net Settlement Amount to each Participating Class Member.

1. Calculation.

- a. **Individual Settlement Share Calculation.** Each Participating Class Member will receive a proportionate share of the Net Settlement Amount that is equal to (i) the number of weeks he or she worked as a non-exempt employee during the Class Period

based on the data provided by Defendant, divided by (ii) the total number of weeks worked by any and all Participating Class Members collectively, during the Class Period based on the same data, which is then multiplied by the Net Settlement Amount. A Participating Class Member's workweeks will be calculated by counting all days within the Class Period between the Participating Class Member's hire date and termination date, and dividing the total by seven. Therefore, the value of each Participating Class Member's Individual Settlement Share ties directly to the amount of weeks that he or she worked.

b. Individual PAGA Share Calculation. Each Eligible Aggrieved Employee will receive a proportional share of the twenty-five percent (25%) (\$75,000) of the PAGA Payment that will be based on the number of weeks he or she worked as an hourly or non-exempt employee during the PAGA Timeframe. An Eligible Aggrieved Employee's workweeks will be calculated by counting all days within the PAGA Timeframe between the Eligible Aggrieved Employee's hire date and termination date, and dividing the total by seven. The individual share will be calculated by determining the total number of weeks the Eligible Aggrieved Employees worked as non-exempt employees during the PAGA Timeframe (i.e., the sum of all weeks of employment with hours worked for each eligible aggrieved employee), and dividing that number into the \$75,000.00 amount allocated to Eligible Aggrieved Employees to determine the monetary value assigned to each week. That number will then be multiplied by the individual eligible aggrieved employee's total number of weeks worked during the PAGA Timeframe to determine that individual's proportional share.

2. Tax Withholdings. Each Participating Class Member's Individual Settlement Share will be apportioned as follows: 20% for unpaid wages and 80% for civil or statutory penalties, for statutory or other non-wage damages, and for interest. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms by the Settlement Administrator. Payment of all amounts will be made subject to backup withholding unless a duly executed W-2 or W-9 form is received from the payee(s) by the Settlement Administrator. The amounts paid as penalties, statutory and other non-wage damages, and interest shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms. The employees' share of payroll tax withholdings shall be withheld from each persons' Individual Settlement Share. The Settlement Administrator will be responsible for preparing all

tax forms timely and correctly. The Parties acknowledge and agree that neither Defendant nor Defendant's attorneys have made any representations regarding the tax consequences of the settlement payments made under this Settlement Agreement. Participating Class Members and Eligible Aggrieved Employees will be required to pay all federal, state or local employee-side taxes, if any, which are required by law to be paid with respect to their Individual Settlement Shares. The Parties further agree that Defendant shall have no legal obligation to pay, on behalf of Participating Class Members or Eligible Aggrieved Employees, any taxes, deficiencies, levies, assessments, fines, penalties, interest or costs, which may be required to be paid with respect to the settlement payments other than as provided for in this Settlement Agreement.

J. Settlement Disbursement.

- 1. Shares and Payments:** Subject to the Court finally approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Superior Court's Final Approval Order and Judgment. The maximum amount Defendant can be required to pay under this Settlement for any purpose is the Gross Settlement Amount, subject to Paragraph III(Q)(21). The Settlement Administrator shall keep Defendant's Counsel and Class Counsel apprised of all distributions from the Gross Settlement Amount. The Settlement Administrator shall respond to questions from Defendant's Counsel and Class Counsel. No person shall have any claim against Defendant, Defendant's Counsel, Plaintiffs, Class Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Agreement.
- 2. Funding the Settlement:** No later than seven (7) calendar days after the Effective Final Settlement Date and upon the Administrator performing its necessary duties to establish the QSF as required by Section III(K)(4) below, Defendant shall deposit the Gross Settlement Amount of Six Million Dollars and Zero Cents (\$6,000,000) into the QSF (as defined below). No funds will be payable by Defendant prior to that time.
- 3. Disbursement:** Within seven (7) calendar days after the Funding of the Settlement, the Settlement Administrator shall calculate and pay all payments due under the Settlement Agreement, including all Individual Settlement Shares, the Attorney Fee Award, the Cost Award, the Class Representative Enhancements, the PAGA Payment, and the Administration Costs. The Settlement Administrator will forward a check for 75% of the PAGA Payment to the LWDA for settlement of the PAGA claim. After such disbursement of said payment, Defendant shall have no further liability (financial or otherwise) for any of the claims by or on behalf of Plaintiffs and the Participating Class Members during the Class Period, or Eligible

Aggrieved Employees during the PAGA Timeframe, which are released under this Agreement.

4. **QSF:** With the Preliminary Approval Order, the Superior Court approves the establishment of a “Qualified Settlement Fund” as that term is defined in Treasury Regulations § 1.468B-1(a), 26 C.F.R. § 1.468B-1(a), to resolve or satisfy contested claims that have resulted from a series of events that have occurred and that have given rise to claims asserting liability arising out of a violation of law. The Superior Court shall retain continuing jurisdiction over the QSF sufficient to satisfy the requirements of Treasury Regulation Section 1.468B-1(c)(1). The Parties and Settlement Administrator shall treat the QSF as coming into existence as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. § 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law. The Settlement Administrator shall at all times seek to have the QSF treated as a “qualified settlement fund” as that term is defined in Treasury Regulation Section 1.468B-1(a). The Settlement Administrator will not elect to have the QSF treated as a grantor trust. The QSF will be treated as a separate taxable entity. The Settlement Administrator shall cause any taxes imposed on the earnings of the QSF to be paid out of such earnings and shall comply with all tax reporting and withholding requirements imposed on the QSF under applicable laws. The Settlement Administrator shall be the “administrator” of the QSF pursuant to Treasury Regulation Section 1.468B-2(k)(3).
5. **Uncashed Checks.** Participating Class Members and Eligible Aggrieved Employees must cash or deposit their Individual Settlement Share checks within one hundred eighty (180) calendar days after the checks are mailed to them. If any checks are not redeemed or deposited within ninety (90) calendar days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) calendar days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced. If any checks remain uncashed or not deposited by the expiration of the 90-day period after mailing the reminder postcard, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, pay the amount of the Individual Settlement Share to the California State Controller’s Unclaimed Property Division in accordance with California Unclaimed Property Law so that the Participating Class Member or Eligible Aggrieved Employee will have his or her Individual Settlement Share available to him or her per the applicable claim procedure to request that money from the State of California.
6. **Final Report by Settlement Administrator.** Within twenty-one (21) calendar days after the check cashing deadline, the Settlement

Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds.

7. **Payments.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will make the following payments out of the Gross Settlement Amount:

a. To the Plaintiffs, Jarid Gomez, Miguel Cortez, and Jacqueline

Ulloa: In addition to their respective Individual Settlement Shares, and subject to the Court's approval, Plaintiffs will each receive Ten Thousand Dollars and Zero Cents (\$10,000.00) as a Class Representative Enhancement Payment in exchange for the Released Claims and a General Release and for their time, effort, and risk in bringing and prosecuting this matter. The Settlement Administrator will pay the Class Representative Enhancement Payment out of the Qualified Settlement Fund. Payroll tax withholdings and deductions will not be taken from the Class Representative Enhancement Payments. The Settlement Administrator shall issue an IRS Form 1099-MISC to Plaintiffs for their Class Representative Enhancement Payments. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on their Enhancement Payments and shall hold harmless Defendant and Released Parties from any claim or liability for taxes, penalties, or interest arising as a result of the Class Representative Enhancement Payments. In the event the Court does not approve the entirety of the application for the Class Representative Enhancement Payments, Plaintiffs shall not have the right to revoke the settlement and it will remain binding. In the event the Court does not approve the entirety of the application for the Class Representative Enhancement payments, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendant nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Plaintiffs, the difference shall become part of the NSA and be available for distribution to Participating Class Members and Eligible Aggrieved Employees.

- b. To Class Counsel.** Class Counsel will apply to the Court for, and Defendant agrees not to oppose, a total Attorney Fee Award not to exceed thirty-five percent (35%) of the GSA and a Cost Award not to exceed \$30,000. Class Counsel, Plaintiffs, the Participating Class Members and Eligible Aggrieved Employees will not apply to the Court for any payment of attorneys' fees and costs that are in addition to the foregoing or that exceed the GSA. The Parties agree that, over and above the Court-approved Class Counsel

Award, each of the Parties, including all Participating Class Members and Eligible Aggrieved Employees, shall bear their own fees and costs, including, but not limited to, those related to the investigation, filing, prosecution, or settlement of the Actions; the negotiation, execution, or implementation of this Agreement; and/or the process of obtaining, administering, or challenging an Order Granting Preliminary Approval and/or Final Approval. The Settlement Administrator will pay the court-approved amounts for the Attorney Fee Award and Cost Award out of the Gross Settlement Fund. Payroll tax withholding and deductions will not be taken from the Attorney Fee Award or the Cost Award. IRS Forms 1099 will be issued to Class Counsel with respect to these payments. In the event the Court does not approve the entirety of the application for the Attorney Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendant nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. Neither Plaintiffs nor their Counsel shall have the right to revoke the settlement if a lesser Attorney Fee Award and/or Cost Award is awarded by the Court. If the amount awarded is less than the amount requested by Class Counsel for the Attorney Fee Award and/or Cost Award, the difference shall become part of the NSA and be available for distribution to Participating Class Members or Eligible Aggrieved Employees.

- c. **To the Responsible Tax Authorities.** The Settlement Administrator will pay the amount of the Participating Class Members' portion of normal payroll withholding taxes out of each person's Individual Settlement Share. The Settlement Administrator will calculate the amount of the Participating Class Members' payroll withholdings and Defendant's employer-side payroll taxes. The Settlement Administrator will submit Defendant's portion of employer-side payroll tax calculation to Defendant for additional funding and forward those amounts along with each person's Individual Settlement Share withholdings to the appropriate taxing authorities.
- d. **To the Settlement Administrator.** The Settlement Administrator - CPT Group, Inc. - will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court not to exceed \$35,000. This will be paid out of the Qualified Settlement Fund. If the actual amount of Administration Costs is less than the amount estimated and/or requested, the difference shall become part of the NSA and be available for distribution to Participating Class Members and Eligible Aggrieved Employees.

- e. **To Participating Class Members.** The Settlement Administrator will pay Participating Class Members according to the Individual Settlement Share calculations set forth above. All payments to Participating Class Members shall be made from the Qualified Settlement Fund. Individual Settlement Payments shall be mailed by regular First Class U.S. Mail to Participating Class Members' last known mailing address no later than twenty-one (21) calendar days after the funding date. Any checks issued to Participating Class Members shall remain valid and negotiable for one hundred and eighty (180) days from the date of their issuance. The Settlement Administrator shall skip trace any checks issued to Participating Class Members that are returned as undeliverable.
- f. **To Eligible Aggrieved Employees.** Individual Settlement Payments to Eligible Aggrieved Employees shall be mailed by regular First Class U.S. Mail to Eligible Aggrieved Employees' last known mailing address no later than seven (7) calendar days after the funding of the settlement. Settlement checks issued to the Eligible Aggrieved Employees pursuant to this Joint Stipulation and Settlement Agreement shall expire 180 days from the date they are issued by the Settlement Administrator. Any unclaimed funds after the 180 days shall be remitted to the State Controller's Office.

K. Appointment of Settlement Administrator. Solely for the purposes of this Settlement, the Parties stipulate and agree that CPT Group, Inc. shall be retained to serve as Settlement Administrator. By accepting the role as Settlement Administrator, the Settlement Administrator is bound to all of the terms, conditions and obligations described in this Settlement Agreement. The Settlement Administrator shall be responsible for, among other things, receiving and updating through normal and customary procedures the list of Class Members and Eligible Aggrieved Employees, and their contact information prior to mailing of the Notice, preparing, printing, and mailing the Notice to the Class Members; keeping track of any objections or requests for exclusion from Class Members; performing skip traces and remailing Notices and Individual Settlement Shares to Class Members; calculating any and all payroll tax deductions as required by law; calculating each Class Member's and Eligible Aggrieved Employee's Individual Settlement Share; providing weekly status reports to Defendant's Counsel and Class Counsel, which is to include updates on any objections or Exclusion Requests that have been received; providing a due diligence declaration for submission to the Court prior to the Final Approval hearing; mailing Individual Settlement Shares to Participating Class Members; calculating and mailing the PAGA payment to the LWDA and Eligible Aggrieved Employees; distributing the Attorney Fee Award and Cost Award to Class Counsel; printing and providing Class Members, Eligible Aggrieved Employees and Plaintiffs with W-2s and 1099 forms as required under

this Agreement and applicable law; preparing any appropriate tax forms required by any governmental taxing authority or agency in connection with the settlement payments and remitting those forms and any required payments to the appropriate governmental agencies; responding to Class Member inquiries as appropriate; providing a due diligence declaration for submission to the Superior Court upon the completion of the Settlement; providing any funds remaining in the QSF as a result of uncashed checks to the California State Controller in accordance with California Unclaimed Property Law, including the administration of related tax reimbursements, generally performing all other normal and customary duties associated with the administration of such class action and PAGA settlements; and for such other tasks as the Parties mutually agree. The Parties each represent that they do not have any financial interest in CPT Group, Inc. or otherwise have a relationship with CPT Group, Inc. that could create a conflict of interest. Defendant and Defense Counsel shall have no responsibility for validating or ensuring the accuracy of the Settlement Administrator's work. Plaintiffs, Class Counsel, Defendant and Defense Counsel shall not bear any responsibility for errors or omissions in the calculation or distribution of the Individual Settlement Payments or any other distribution of monies contemplated by this Settlement Agreement.

L. CIRCULAR 230 DISCLAIMER. Each Party to this Agreement (for purposes of this section, the "Acknowledging Party" and each Party to this Agreement other than the Acknowledging Party, an "Other Party") acknowledges and agrees that:

- (1) No provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisors, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, written advice within the meaning of U.S. Treasury Dept. Circular 230 (31 C.F.R. Part 10, as amended);
- (2) The Acknowledging Party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, and (b) has not entered into this Agreement based upon the recommendation of any Other Party or any attorney or advisor to any Other Party; and
- (3) No attorney or advisor 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.

M. Procedure for Approving Settlement.

1. Motion for Preliminary Approval and Conditional Certification.

- a. Plaintiffs shall move for an order conditionally certifying the Class for settlement purposes only, giving Preliminary Approval of the Settlement, setting a date for the Final Approval hearing, and

approving the Class Notice. Plaintiffs' Motion for Order Granting Preliminary Approval shall include this Settlement Agreement.

- b. At the Preliminary Approval hearing, the Plaintiffs will appear, support the granting of the motion, and submit a proposed order granting conditional certification of the Class and Preliminary Approval of the Settlement; appointing the Class Representatives, Class Counsel, and Settlement Administrator; approving the Class Notice; and setting the Final Approval hearing.
 - c. Plaintiffs will include with their motion for Preliminary Approval a motion for entry of an order approving the PAGA Payment to Eligible Aggrieved Employees and the State of California, as provided for in this Agreement.
- 2. **Notice to Class Members.** After the Court enters its Preliminary Approval Order, every Class Member will be provided with the Class Notice in accordance with the following procedure:
 - a. Within fourteen (14) calendar days of the Preliminary Approval, Defendant shall deliver to the Settlement Administrator the Class Data. If any or all of the Class Data is unavailable to Defendant, Defendant will so inform Class Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon how to deal with the unavailable information. The Settlement Administrator will conduct National Change of Address Database search for all Class Members. The Class Data shall be based on Defendant's payroll, personnel, and other business records. The Class Data will be designated as Highly Confidential Attorneys' Eyes Only under a protective order to be entered in the Action and, as a condition precedent to it being provided by Defendant, the Settlement Administrator will be required to sign and provide to Defendant the Acknowledgment of being bound by the protective order as entered by the Court. The Settlement Class Data shall be used only by the Settlement Administrator, and only for purposes of administering the settlement.
 - b. Within fourteen (14) calendar days from receipt of the Class Data, the Settlement Administrator will mail the Class Notice to all identified Class Members via first-class regular U.S. Mail, using the mailing address information provided by Defendant and the results of National Change of Address Database search for Class Members.
 - c. If a Class Notice is returned because of an incorrect address, within ten (10) days from receipt of the returned Notice, the

Settlement Administrator will conduct a search for a more current address for the Class Member and re-mail the Class Notice to the Class Member. The Settlement Administrator will use skip traces to attempt to find the current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Class Notice is returned by U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address; and promptly re-mailing to Class Members for whom new addresses are found. If the Settlement Administrator is unable to locate a better address, the Class Notice shall be re-mailed to the original address. If the Class Notice is re-mailed, the Settlement Administrator will note for its own records the date and address of each re-mailing. Those Class Members who receive a re-mailed Class Notice, whether by skip-trace or forwarded mail, will have an additional ten (10) days to postmark an Exclusion Request or serve an objection to the Settlement. The Settlement Administrator shall mark on the envelope whether the Class Notice is a re-mailed notice.

- d. Class Members will have the opportunity, should they disagree with the dates of employment and/or the number of workweeks stated on their Notice of Class Action and PAGA settlement, to provide documentation to show contrary employment dates. All such disputes must be in writing, via first class mail, and it must be postmarked by the Response Deadline. To the extent Class Members dispute the number of weeks to which they have been credited or the amount of their Individual Settlement Share or PAGA payment, Class Members must produce evidence to the Settlement Administrator showing that such information is inaccurate. If a Class Member produces such evidence, the Settlement Administrator will evaluate the evidence submitted by the Class Member and will make the initial decision as to the number of eligible weeks that should be applied and/or the Individual Settlement Share to which the Class Member may be entitled. The Court shall have the right to review any decision made by the Settlement Administrator regarding a claim dispute and will make the final determination.
- e. If any class member submits an Exclusion Request that is incomplete or deficient, the Settlement Administrator shall send a letter informing the Class Member of the deficiency and allow fourteen (14) days to cure the deficiency. If after the cure period the Class Member's Exclusion Request is not adequately cured, it

- f. The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendant's Counsel of the number of Notice Packets mailed, the number of Notice Packets returned as undeliverable, the number of Notice Packets re-mailed, and the number of Exclusion Requests received.
- g. No later than fourteen (14) calendar days after the Response Deadline, the Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Agreement. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel no later than ten (10) calendar days before the Final Approval hearing. Before the Final Approval hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.
- h. No later than fourteen (14) calendar days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Notices mailed to Class Members, the number of Notices returned as undeliverable, the number of Notices re-mailed to Class Members, the number of re-mailed Notices returned as undeliverable, the number of Class Members who objected to the Settlement and copies of their submitted objections, the number of Class Members who returned valid Exclusion Requests, and the number of Class Members who returned invalid Exclusion Requests.

a. Format. Any Objections must be signed by the Class Member and state: (a) the case name and number; (b) the objecting person's full name, address, telephone number, and last four digits of the Class Member's Social Security Number and/or Employee ID Number; (c) the words "Notice of Objection" or "Formal Objection;" and (d) a statement of his or her reasons for objecting.

- b. **Appearance.** Class Members who file objections to the Settlement may (though are not required to) appear at the Final Approval Hearing, either in person or through the objector's own counsel.
 - c. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to file or serve written objections to the Settlement or appeal from the Order and Final Judgment.
 - d. Class Members who submit a written Exclusion Request are not entitled to object to the Settlement. In the event that a Class Member submits both an Exclusion Request and a Notice of Objection, the Request for Exclusion will remain valid, while the Notice of Objection will be invalid.
 - e. The Settlement Administrator shall send all objections to Class Counsel and Defense Counsel. Class Counsel will be responsible for filing the Notices of Objection with the Court in advance of the Final Approval Hearing, but no later than 21 court days before the Final Approval Hearing. Plaintiffs and/or Defendant may file oppositions to any properly submitted Notices of Objection no later than nine (9) court days prior to the date of the Final Approval/Settlement Fairness Hearing.
 - f. Defendant shall not be responsible for the fees, costs, or expenses incurred by Plaintiffs, Class Counsel or Class Members arising from or related to any objection to the Settlement Agreement or related to any appeals thereof.
4. **Exclusion Request from the Settlement ("Opt-Out").** The Class Notice will provide that Class Members who wish to exclude themselves from the Settlement must mail to the Settlement Administrator an Exclusion Request by the Response Deadline. The written request for exclusion must unambiguously state that the Class Member wishes to exclude himself or herself from the Settlement and must also: (a) include the Class Member's name, address, and last four digits of the social security number; (b) be addressed to the Settlement Administrator at the specified address; (c) be signed by the Class Member or his or her lawful representative; (d) be postmarked no later than the Response Deadline. Class Members that are also Eligible Aggrieved Employees may opt-out of the class action settlement but may not opt-out of the PAGA portion of the settlement and will receive their portion of the PAGA payment and will be bound by the Release of PAGA Claims in this Settlement.

- a. The Exclusion Request will not be valid if it is not timely submitted, if it does not clearly request exclusion from the Settlement, if it is not signed by the Class Member, or if it does not contain the name and address of the Class Member. The date of the postmark on the return mailing envelope for the Request for Exclusion shall be the exclusive means used to determine whether the Exclusion Request was timely submitted. Class Members who fail to submit a valid and timely written Exclusion Request on or before the Response Deadline shall be Participating Class Members who are bound by all terms of the Settlement and any final judgment entered in the Action if the Settlement is approved by the Court
- b. Any Class Member who requests to be excluded from the Settlement Class will not be entitled to any recovery under the Settlement and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon, as it relates to the settlement of the class action claims. Nothing in this Settlement or Settlement Agreement will constitute or be construed as a waiver of any defense that Defendant or the Released Parties have or could assert against anyone who timely serves a Request for Exclusion.
- c. **Confirmation of Authenticity.** If there is a question about the authenticity of a signed request for exclusion, the Settlement Administrator may demand additional proof of the Class Member's identity. Any Class Member who returns a timely, valid, and executed Exclusion Request will not participate in or be bound by the Settlement and Judgment and will not receive an Individual Settlement Share. Class Members that are also Eligible Aggrieved Employees may not opt-out of the PAGA portion of the settlement and will receive their portion of the PAGA payment and will be bound by the PAGA release in this Settlement. Any Class Member who does not complete and mail a timely Exclusion Request will automatically be included in the Settlement, will receive an Individual Settlement Share, and be bound by all terms and conditions of the Settlement, if the Settlement is approved by the Court, and by the Judgment, regardless of whether he or she has objected to the Settlement.
- d. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage members of the Settlement Class to submit Exclusion Requests from the Settlement.
- e. **Defendant's Option to Terminate.** If Class Members submit valid, timely Exclusion Requests that consists of more than ten

percent (10%) of the Class workweeks, Defendant, at its sole option, may withdraw from the Settlement and this Settlement Agreement is null and void. If Defendant exercises the option to terminate this Settlement, Defendant shall: (a) provide written notice to Class Counsel within ten (10) calendar days after the Response Deadline and (b) pay all Settlement Administration Costs actually incurred up to the date or as a result of the termination (not to exceed \$35,000); and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed.

5. Motion for Final Approval.

- a.** Class Counsel will file motions and memoranda in support thereof for Final Approval of the Settlement and the following payments in accord with the terms of the Settlement: (1) the Net Settlement Amount to be paid to Participating Class Members and the Individual Settlement Share Calculation; (2) the Attorney Fee Award; (3) the Cost Award; (4) Administrative Costs; (5) the Class Representative Enhancement; and (6) PAGA Payment. Class Counsel will also move the Court for an order of Final Approval (and associated entry of Judgment) releasing and barring any Released Claims of the Class Members who do not opt out of the Settlement and Eligible Aggrieved Employees.
- b.** Declaration by Settlement Administrator. The Settlement Administrator shall submit a declaration in support of Plaintiffs' motion for final approval of this Settlement detailing the number of Notice Packets mailed and re-mailed to Class Members, the number of undeliverable Notice Packets, the number of timely Exclusion Requests, the number of Notices of Objections received, the amount of the average Individual Settlement Payment, the Settlement Administration Costs, and any other information as the Parties mutually agree or the Court orders the Settlement Administrator to provide.
- c.** Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving the Settlement and entering Judgment in accordance therewith. After entry of Judgment, the Court shall have continuing jurisdiction over the Case for purposes of: (1) enforcing this Settlement Agreement; (2) addressing settlement administration matters, and (3) addressing such post-Judgment matters as may be appropriate under Court rules and applicable law.

6. Defendant's Legal Fees. Defendant is responsible for paying for all of Defendant's own legal fees, costs, and expenses incurred in these Case outside of the Gross Settlement Fund.

N. Release of Claims by all Participating Class Members. As of the Effective Final Settlement Date and upon fully funding the settlement, all Class Members who do not submit a timely and valid Exclusion Request, will be bound by a release of all claims and causes of action falling under the definition of Released Claims for the Class Period. Participating Class Members agree not to sue or otherwise make a claim against any of the Released Parties for any of the Released Claims. The scope of this release covers all of the Released Claims irrespective of the possibility that Class Members may discover new facts, legal theories or legal arguments not alleged in the Second Amended Complaint.

O. Release of PAGA Claims by California Labor Workforce Development Agency and Eligible Aggrieved Employees. As of the Effective Final Settlement Date and upon fully funding the settlement, The California Labor Workforce Development Agency, and any person acting on its behalf, including but not limited to all Eligible Aggrieved Employees will be bound by a release of all claims and causes of action falling within the definition of "Released PAGA Claims", for the PAGA Timeframe. The California Labor Workforce Development Agency, and any person acting on its behalf, including but not limited to all Eligible Aggrieved Employees are barred from suing or otherwise making a claim against any of the Released Parties for any of the Released PAGA Claims. The scope of this release covers all of the Released PAGA Claims irrespective of the possibility that The California Labor Workforce Development Agency, and any person acting on its behalf, including but not limited to all Eligible Aggrieved Employees may discover new facts, legal theories or legal arguments not alleged in the Second Amended Complaint.

P. Plaintiffs' General Release of Claims: As of the Effective Final Settlement Date, and in exchange for the Class Representative Enhancement Payment to the Plaintiffs in an amount not to exceed \$10,000 (Ten Thousand Dollars and No Cents), in recognition of their work and efforts in obtaining the benefits for the Class, and undertaking the risk for the payment of costs in the event this matter had not successfully resolved, Plaintiffs hereby provide a general release of claims for themselves and their spouse(s), heirs, successors and assigns, and forever releases, remises, and discharges the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any nature whatsoever, arising from the beginning of time through the date of preliminary approval, known or unknown, suspected or unsuspected, whether in tort, contract, equity, or otherwise, for violation of any federal, state or local statute, rule, ordinance or regulation, including but not limited to all claims arising out of, based upon, or relating to their employment with Defendant or the remuneration for, or termination of, such employment, including but not limited to

any and all tort claims, contract claims, wage claims, wrongful termination claims, disability claims, benefit claims, public policy claims, retaliation claims, statutory claims, personal injury claims, emotional distress claims, invasion of privacy claims, defamation claims, fraud claims, quantum meruit claims, and any and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance, including, but not limited to claims for violation of the Fair Labor Standards Act, the California Labor Code, the Wage Orders of California's Industrial Welfare Commission, other state wage and hour laws, the Americans with Disabilities Act, the Age Discrimination in Employment Act (ADEA), the Employee Retirement Income Security Act, Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Family Rights Act, the Family Medical Leave Act, California's Whistleblower Protection Act, California Business & Professions Code Section 17200 et seq., and any and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance. Plaintiffs' Release of Claims also includes a waiver of California Civil Code section 1542, which provides as follows:

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

Plaintiffs may hereafter discover claims or facts in addition to, or different from, those which they now know or believe to exist, but they expressly agree to fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist on behalf of or against the other at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiffs' employment with Defendant. The Parties further acknowledge, understand and agree that this representation and commitment is essential to the Agreement and that this Agreement would not have been entered into were it not for this representation and commitment.

Q. Miscellaneous Terms

- 1. No Admission of Liability.** Defendant makes no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendant reserves the right to contest any issues relating to class certification and liability if the Settlement is not approved. Defendant denies that it has engaged in any unlawful activity, has failed to comply with the law in any respect, has any liability to anyone under the claims asserted in these Case, or that but for the Settlement, a Class should be certified in the Case. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant of liability or wrongdoing. This Settlement and Plaintiffs' and Defendant's willingness to

settle the Case will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this Settlement).

- 2. No Effect on Employee Benefits.** The Class Representative Enhancement Payments and/or Individual Settlement Shares paid to Plaintiffs and Participating Class Members and Eligible Aggrieved Employees shall not be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (*e.g.*, vacation, holiday pay, retirement plans, etc.) of Plaintiffs, Participating Class Members or Eligible Aggrieved Employees. The Parties agree that any Class Representative Enhancements and/or Individual Settlement Shares paid to Plaintiffs, Participating Class Members or Eligible Aggrieved Employees under the terms of this Agreement do not represent any modification of Plaintiff's, Participating Class Members' or Aggrieved Eligible Employees' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendant. Further, any Class Representative Enhancement Payments shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendant.
- 3. No Solicitation of Individual Settlements.** Defendant and its Counsel agree that until and unless the Court does not grant Final Approval of the Settlement and/or the Settlement Agreement becomes null and void, Defendant and its Counsel will not affirmatively attempt to procure any individual settlements from the Class Members who are former employees of Defendant. Should this clause be violated, Plaintiffs reserve the right to terminate the Settlement Agreement. This provision does not apply if any current or former employee initiates in the first instance an actual or threatened claim which raises the same or similar issues (in whole or in part) while the Parties are seeking preliminary and/or final approval of this Settlement, and it does not apply to anyone who experiences an employment separation from Defendant while the Parties are seeking preliminary and/or final approval of this Settlement. In those circumstances, any effort by Defendant and its Counsel to procure an individual settlement and/or release from that person (or persons) shall not be deemed to be a violation of this Agreement. Plaintiffs and their counsel agree that until and unless the Court does not grant Final Approval of the Settlement and/or the Settlement Agreement becomes null and void, Plaintiffs and their counsel shall not attempt to procure from Class Members any Exclusion Requests. Should this clause be violated, Defendant reserves the right to terminate the Settlement Agreement.

- 4. Publicity.** Plaintiffs and Class Counsel agree not to disclose or publicize the Settlement, including the fact of the Settlement, its terms or contents, and the negotiations underlying the Settlement, in any manner or form, directly or indirectly, to any person or entity, except potential class members and as shall be contractually required to effectuate the terms of the Settlement as set forth herein. For the avoidance of doubt, this section means Plaintiffs and Class Counsel agree not to issue press releases or press statements, post any internet disclosures, have any communications with the press or media, publish information in manner or form, whether printed or electronic, on any medium, or otherwise communicate, whether by print, video, website, recording or any other medium, with any person or entity concerning the Settlement or the Action, 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 as set forth herein. However, for the limited purpose of allowing Class Counsel to prove adequacy to serve as class counsel, Class Counsel may disclose the name of the Parties in this action, the venue/case number of this action, and the fact that this action settled on a class-wide basis (but not any other settlement details) for such purposes.
- 5. Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Settlement Agreement and its exhibits will constitute the entire agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Settlement Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Settlement Agreement and its exhibits.
- 6. Authorization to Enter Into Settlement Agreement.** Class Counsel and Defendant's Counsel warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Settlement Agreement.
- 7. Class Counsel Signatories.** It is agreed that because of the large number of Class Members, it is impossible or impractical to have each Class

Member execute this Settlement Agreement. As such, Class Counsel is signing on behalf of the Class Members. In addition, the Notice of Class Action Settlement, **Exhibit A**, will advise all Class Members of the binding nature of the Release and such shall have the same force and effect as if this Settlement Agreement were executed by each Settlement Class Member.

- 8. Exhibits and Headings.** The terms of this Settlement Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Settlement Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Settlement Agreement are inserted for convenience of reference only and do not constitute a part of this Settlement Agreement.
- 9. Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Case in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Court.
- 10. Amendment or Modification of Agreement.** This Settlement Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument: (1) signed by counsel for all Parties or their successors-in-interest; (2) signed by the Parties or their successors-in-interest; or (3) as may be approved by the Court.
- 11. Notice of Settlement to LWDA.** Plaintiffs hereby represent that at the same time they file the Motion for Preliminary Approval, Plaintiffs will provide notice of this Settlement Agreement and proposed settlement to the Labor Workforce Development Agency ("LWDA") as required by Labor Code Section 2699(1)(2)
- 12. Agreement Binding on Successors and Assigns.** This Settlement Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.
- 13. No Prior Assignment.** Plaintiffs hereby represents, covenants, and warrants that he has not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.
- 14. Applicable Law.** All terms and conditions of this Settlement Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

- 15. Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Settlement Agreement reflects a fair, reasonable, and adequate settlement of the Case and have arrived at this Settlement Agreement through arms-length negotiations, taking into account all relevant factors, current and potential. The Parties further agree that this Settlement Agreement shall not be construed in favor of or against any party by reason of the extent to which any party or his or its counsel participated in the drafting of this Settlement Agreement.
- 16. No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Class Members will assume any such tax obligations or consequences that may arise from this Agreement, and that Class Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any Class Member, such Class Member assumes all responsibility for the payment of such taxes.
- 17. Jurisdiction of the Superior Court.** The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Settlement Agreement and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Superior Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Settlement Agreement and all orders and judgments in connection therewith.
- 18. Court's Challenges to Settlement Agreement.** The Parties agree that if the Court challenges any provision of this Settlement Agreement or finds it invalid, the Parties will meet and confer in good faith to determine whether it is appropriate or necessary to amend the Settlement Agreement to address the challenged or invalid provision, and will thereafter amend the Settlement Agreement in a manner necessary to obtain Court approval, and which most closely effectuates the Parties' original intent in entering into the Settlement Agreement.
- 19. Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Settlement Agreement. This Settlement Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 20. Execution in Counterpart.** This Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart

will be admissible in evidence to prove the existence and contents of this Settlement Agreement.

- 21. Work Week Escalator.** The Class is estimated to be 3,404 individuals who have worked approximately 515,887 work weeks from April 4, 2016 to of May 4, 2022. Should the class list for settlement administration reveal that the Class Members worked more than 567,476 workweeks between April 4, 2016 and June 15, 2022 then the Gross Fund Value shall be increased by 1% for every 1% increase in workweeks over 567,476.
- 22. Deadlines.** The Parties recognize from time to time unforeseen events, including but not limited to, exigent business circumstances, labor disputes, natural disasters, personnel issues, and negotiations with third parties, cause delays in the accomplishment of objectives, no matter how well-intentioned and diligent the Parties may be. Accordingly, with regard to the provisions of this Agreement that require that certain acts be taken within specified periods, the Parties understand and agree that Court approval shall not be required for reasonable extensions of deadlines. In the event that any Party determines that an action required by this Agreement cannot be taken within the specified time period that Party shall promptly notify the other Parties that it anticipates a delay, the reasons for the delay, and proposed alternative deadline. The Parties shall endeavor to cooperate in reasonably rescheduling such deadlines.
- 23.** Plaintiffs' Counsel are not currently aware of any: (a) unalleged claims in addition to, or different from, those which are finally and forever settled and released against the Released Parties by this Settlement; and (b) unalleged facts or legal theories upon which any claims or causes of action could be brought against Defendants, except such facts and theories specifically alleged in the operative complaint in this Action. Plaintiffs and Plaintiffs' Counsel will further represent that, other than the instant Action, they have no current intention of asserting any other claims against Defendant in any judicial or administrative forum. Plaintiffs and Plaintiffs' Counsel will further represent that they do not currently know of or represent any persons who have expressed any interest in pursuing litigation or seeking any recovery against Defendant. The Parties acknowledge, understand and agree that the representations described in this paragraph are essential to the Agreement and that this Agreement would not have been entered into were it not for this representation
- 24. Mutual Full Cooperation.** The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to execution of such documents and to take such other actions as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may

become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Class Counsel shall, with the assistance and cooperation of Defendant and its counsel, take all necessary steps to secure the Court's preliminary approval of this Settlement Agreement and, following the Effective Date, take all necessary steps to secure the dismissal with prejudice of the Case.

25. Plaintiffs Less Than 40 Years Old. Each of Plaintiffs represents that, as of the date he or she last performed services for Defendant, he or she was less than 40 years old. Each of Plaintiffs acknowledges that this representation is a material element of this Agreement and that, had each of them not given this representation, the Company would have required additional terms in this Agreement in order to secure an enforceable release of any claim any of Plaintiffs may have against Defendant under the Age Discrimination in Employment Act, 29 U.S.C. §§ 621 et seq., and/or Older Workers Benefit Protection Act.

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

Dated: 09/02/2022, 2022

JARID GOMEZ



Dated: 09/02/2022, 2022

MIGUEL CORTEZ



Dated: 09/06/2022, 2022

JACQUELINE ULLOA



Dated: _____, 2022

PARKER-HANNIFIN CORPORATION

By: Angela Simmons
ITS: Associate General Counsel

Dated: 9/6/, 2022

JUSTICE LAW CORPORATION



Douglas Han, Esq.

Attorneys for Plaintiffs Jarid Gomez, Miguel Cortez,
and Jacqueline Ulloa, on behalf of themselves and all
others similarly situated

Dated: _____, 2022

**OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.**

By: _____

Douglas J. Famer

Christopher W. Decker

Attorneys for Defendant, Parker-Hannifin
Corporation

EXHIBIT A

CALIFORNIA SUPERIOR COURT, COUNTY OF VENTURA
Jarid Gomez, et al. v. Parker-Hannifin Corporation
Case Nos. 56-2022-00563952-CU-OE-VTA.

NOTICE OF CLASS ACTION SETTLEMENT

*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 are affected by whether you act or don't act.*

TO: All current and former hourly-paid or non-exempt employees of Parker-Hannifin Corporation who worked for Parker Hannifin Corporation within the State of California April 4, 2016, through June 15, 2022.

The California Superior Court, County of Ventura has granted preliminary approval to a proposed settlement ("Settlement") of the above-captioned action ("Class Action"). Because your rights may be affected by this Settlement, it is important that you read this Notice of Class Action Settlement ("Notice") carefully.

The Court has certified the following class for settlement purposes ("Class" or "Class Members"):

All current and former hourly-paid or non-exempt employees of Parker-Hannifin Corporation who worked for Parker Hannifin Corporation within the State of California April 4, 2016, through June 15, 2022.

The purpose of this Notice is to provide a brief description of the claims alleged in the Class Action, the key terms of the Settlement, the scope of the Settlement Release, and your rights and options with respect to the Settlement.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED CLASS ACTION SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

WHAT INFORMATION IS IN THIS NOTICE

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1. Why Have I Received This Notice?

The personnel records of Parker-Hannifin Corporation (“Defendant”) indicate that you may be a Class Member. The Settlement will resolve all Class Members’ Released Claims, as described below, from April 4, 2016, through June 15, 2022 (the “Class Period”).

A Preliminary Approval Hearing was held on October 11, 2022, in the California Superior Court, County of Ventura. The Court conditionally certified the Class for settlement purposes only and directed that you receive this Notice.

The Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the Final Approval Hearing.

The Court will hold a Final Approval Hearing concerning the proposed settlement on [the date of final approval hearing], 2022 at 8:30 a.m., before Benjamin Coates, located at 800 South Victoria Avenue, Ventura, California 93009, Department 43.

2. What Is This Case About?

The Action entitled *Jarid Gomez, et al. v. Parker-Hannifin Corporation* was commenced by Plaintiffs Jarid Gomez, Miguel Cortez, and Jacqueline Ulloa in the Ventura County Superior Court (Case Numbers 56-2022-00563952-CU-OE-VTA) as a class action and representative PAGA action.

Plaintiffs Jarid Gomez, Miguel Cortez, and Jacqueline Ulloa are referred to in this Notice as “Plaintiffs.” Plaintiffs’ action against Defendant sought damages, restitution, penalties, interests, costs and attorney’s fees and other relief based on the following alleged causes of action: Violation of California Labor Code sections 510 and 1198 (Unpaid Overtime), Violation of California Labor Code sections 226.7 and 512(a) (Unpaid Meal Period Premiums), Violation of California Labor Code section 226.7(Unpaid Rest Period Premiums), Violation of California Labor Code sections 1194 and 1197 (Unpaid Minimum Wages), Violation of California Labor Code sections 201 and 202 (Final Wages Not Paid Timely), Violation of California Labor Code section 227.3 (Unpaid Accrued and Vested Vacation), Violation of California Labor Code section 226(a) (Non-Compliant Wage Statements), Violation of California Labor Code sections 2800 and 2802 (Unreimbursed Vehicle Expenses), Violation of California Labor Code sections 2698, *et seq.* (California Labor Code Attorneys General Act of 2004), and Violation of California Business and Professions Code sections 17200, *et seq.*

The Court has not made any determination as to whether the claims advanced by Plaintiffs have any merit.

In other words, the Court has not determined whether any laws have been violated, nor has it decided in favor of Plaintiffs or Defendant; instead, both sides agreed to resolve the lawsuit with no decision or admission of who is right or wrong. By agreeing to resolve the lawsuit, all parties avoid the risks and cost of a trial.

Defendant expressly denies that it did anything wrong or that it violated the law and further denies any liability whatsoever to Plaintiffs or to the Class.

3. *Am I A Class Member?*

You are a Class Member if you are currently or were formerly employed by Defendant as an hourly-paid or non-exempt employee in California at any time from April 4, 2016, through June 15, 2022.

4. *How Does This Class Action Settlement Work?*

In this Action, Plaintiffs sued on behalf of themselves and all other similarly situated employees who were employed by Defendant as non-exempt employees in California at any time during the Class Period. Plaintiffs and these other current and former employees comprise a “Class” and are “Class Members.” The settlement of this Action resolves the Released Claims of all Class Members, except for those who exclude themselves from the Class by requesting to be excluded in the manner set forth below.

Plaintiffs and Class Counsel believe the Settlement is fair and reasonable. The Court must also review the terms of the Settlement and determine if it is fair and reasonable to the Class. The Court file has the Settlement documents, which explain the Settlement in greater detail. If you would like copies of the Settlement documents, you can contact the Settlement Administrator, whose contact information is above, and they will provide you with a copy free of charge.

5. *Who Are the Attorneys Representing the Parties?*

Attorneys for Plaintiffs and the Class	Attorneys for Defendant
JUSTICE LAW CORPORATION Douglas Han Shunt Tatavos-Gharajeh Phillip Song John M. Bickford 751 N. Fair Oaks Avenue, Suite 101 Pasadena, California 91103 Telephone: (818) 230-7502 Facsimile: (818) 230-7259	Ogletree, Deakins, Nash, Smoak & Stewart, P.C. Douglas J. Farmer Christopher W. Decker Steuart Tower, Suite 1300 San Francisco, California 94105 Telephone: (415) 442-4810 Facsimile: (415) 442-4870

The Court has decided that Justice Law Corporation is qualified to represent you and all other Class Members simultaneously.

Plaintiffs’ Counsel is working on your behalf. If you want your own attorney, you may hire one at your own cost.

6. *What Are My Options?*

The purpose of this Notice is to inform you of the proposed Settlement and of your options. Each option has its consequences, which you should understand before making your decision. Your rights regarding each option, and the steps you must take to select each option, are summarized below and explained in more detail in this Notice.

Important Note: *Defendant will not retaliate against you in any way for either participating or not participating in this Settlement.*

- **DO NOTHING:** If you do nothing and the Court grants final approval of the Settlement, you will become part of this lawsuit and will receive an Individual Settlement Payment based on the total number of workweeks you worked as an hourly-paid, non-exempt employee in California during the Class Period. You will release all of the Released Claims, as defined in Section No. 9 below, and you will give up your right to pursue the Released Claims, as defined in Section No. 9 below.
- **OPT OUT:** If you do not want to participate as a Class Member, you may “opt out,” which will remove you from the Class and this Action. If the Court grants final approval of the Settlement, you will not receive an Individual Settlement Payment and you will not give up the right to sue the Released Parties, including Defendant, for any the Released Claims as defined in Section No. 9 below. If you do “opt-out,” you will still receive a portion of the PAGA Settlement (defined below). Your right to pursue a claim pursuant to PAGA will be extinguished, regardless of whether you opt-out.
- **OBJECT:** You may file a legal objection to the proposed settlement. If you would like to object, you may not opt out of this Settlement.

The procedures for opting out and objecting are set forth below in the sections entitled “How Do I Opt Out or Exclude Myself From This Settlement” and “How Do I Object To The Settlement?”

7. *How Do I Opt Out Or Exclude Myself From This Settlement?*

If you do not wish to participate in the Settlement, you may be excluded from the Settlement (*i.e.*, “opt out”) by sending a timely Exclusion Request. If you opt out of the Settlement, you will not be releasing the claims set forth in Section 9. Any Exclusion Request you submit must unambiguously state that you wish to be excluded from the settlement, and it must be signed by you and must include your name, address and the last four digits of your social security number. Your Exclusion Request must be signed, dated, and mailed by First Class U.S. Mail, **postmarked no later than [INSERT DATE] to: Jarid Gomez, et al. v. Parker-Hannifin Corporation C/O CPT GROUP, INC., [INSERT ADDRESS].**

If you received a re-mailed Class Notice, whether by skip-trace or forwarded mail, you will have an additional ten (10) days to postmark an Exclusion Request, or file and serve an objection to the Settlement. The envelope should indicate whether the Class Notice has been forwarded or re-mailed. We encourage you to keep copies of all documents, including the envelope, in the event the deadline is challenged.

The Court will exclude any Class Member who submits a complete and timely Exclusion Request as described in the paragraph above. Exclusion Requests that do not include all required information and/or that are not timely submitted will be deemed null, void, and ineffective. Any Class Member who fails to submit a valid and timely Exclusion Request on or before the above-specified deadline shall be bound by all terms of the Settlement, release, and any Judgment entered in the Action if the Settlement receives final approval from the Court.

If a Class Member submits a Request for Exclusion and a Notice of Objection, the Notice of Objection will be deemed valid, and the Request for Exclusion will be invalid as set forth in the Settlement.

8. *How Do I Object To The Settlement?*

If you are a Class Member who does not opt out of the Settlement, you may object to the Settlement, personally or through an attorney, by mailing it to the Settlement Administrator at [INSERT ADDRESS] by [INSERT DATE]. The written objections must be signed by the Class Member and state: (a) the case name and number; (b) the objecting person's full name, address, telephone number, and last four digits of the Class Member's Social Security Number and/or Employee ID Number; (c) the words "Notice of Objection" or "Formal Objection;" and (d) a statement of his or her reasons for objecting.

Class Members may appear at the Final Approval Hearing, either in person or through the objector's own counsel. Class Members' timely objections to the Settlement will still be considered even if the objector does not appear at the Final Approval Hearing.

Again, to be valid and effective, any objections must be mailed to the Settlement Administrator postmarked on or before [INSERT DATE].

If the Court rejects the Notice of Objection, the Class Member will receive an Individual Settlement Payment and will be bound by the terms of the Settlement.

If a Class Member submits a Request for Exclusion and a Notice of Objection, the Notice of Objection will be deemed valid, and the Request for Exclusion will be invalid as set forth in the Settlement.

9. *How Does This Settlement Affect My Rights? What are the Released Claims?*

If the proposed Settlement is approved by the Court, a Final Judgment will be entered by the Court. All Class Members who do not opt out of the Settlement will be bound by the Court's Final Judgment and will fully release and discharge Defendant and its past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and its respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys. ("Released Parties"). The Released Claims are as follows:

A. Released Claims.

All claims, demands, rights, liabilities causes of action, and factual or legal theories that were alleged in the Second Amended Complaint or that could have been alleged in the Second Amended Complaint against Released Parties based on the facts contained in the Second Amended Complaint, in addition to other claims released in this Agreement, including the following claims for relief: (a) failure to pay all regular wages, minimum wages and overtime wages due; (b) failure to provide proper meal periods and rest breaks, and to properly provide premium pay in lieu thereof; (c) failure to provide complete, accurate or properly formatted wage statements; (d)

failure to properly calculate the regular rate of pay for overtime and sick pay, and pay overtime and sick pay at the correct regular rate of pay; (e) waiting time penalties; (f) failure to reimburse necessary business expenses under Labor Code § 2802; (g) failure to pay vacation pay; (h) failure to pay sick pay; (i) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative amended complaint; (j) all that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the operative amended complaint; (k) any other claims or penalties under the wage and hour laws pleaded or that could have been pleaded in the Action, including, but not limited to, sections 218.5, 221, 226 et seq., 226.3, 246, 510 and 512 et seq., 204, 210, and 1174(d); and (m) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief, (collectively, the “Released Claims”).

The Released Parties shall be entitled to a release of Released Claims which occurred during the Class Period only during such time that the Class Member was classified as non-exempt, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, claims while classified as exempt.

10. How Much Can I Expect to Receive From This Settlement?

The total maximum amount that Defendant could be required to pay under this Agreement shall be up to but no more than \$6,000,000 (“Gross Settlement Amount” or “GSA”).

The “Net Settlement Amount” or “NSA” means the portion of the Gross Settlement Amount available for distribution to Class Members after the deduction of (1) the Class Representative Enhancement Payment to Plaintiffs Jarid Gomez, Miguel Cortez, and Jacqueline Ulloa in an amount up to \$10,000 each for prosecution of the action, risks undertaken for the payment of attorneys’ fees and costs, and a general release of all claims; (2) the Settlement Administration Costs to the Settlement Administrator, CPT Group, Inc., currently estimated at \$31,000 but it is not to exceed \$35,000; (3) PAGA Payment paid to the California Labor Workforce Development Agency (“LWDA”) and aggrieved employees; (4) payment to Class Counsel for Class Counsel fees in an amount not to exceed thirty-five percent (35% of the Gross Settlement Amount) for attorneys’ fees; and (5) payment to Class Counsel of Cost Award in an amount not to exceed \$30,000 for litigation costs. All of these payments are subject to court approval.

After deducting the above-referenced items, the remaining Net Settlement Amount, will be proportionately distributed among all Class Members who have not opted out. The Settlement Administrator will calculate the individual settlement shares for Participating Class Members. Each Participating Class Member will receive a proportionate share of the Net Settlement Amount that is equal to (i) the number of weeks he or she worked in an hourly or non-exempt capacity based on the Class data provided by Defendant, divided by (ii) the total number of weeks worked by all Participating Class Members based on the same Class data, which is then multiplied by the Net Settlement Amount. One day worked in a given week will be credited as a week for purposes of this calculation. Therefore, the value of each Class Member’s Individual Settlement Share ties directly to the amount of weeks that he or she worked.

Although your exact share of the Net Settlement Amount cannot be precisely calculated until after the time during which individuals may object or seek exclusion from the Settlement concludes, based upon the calculation above, your approximate share of the Net Settlement Amount, is as follows: \$ [redacted], less taxes. This is based on Defendant’s records which show you worked [redacted] workweeks during the Class Period.

If you believe the number of eligible workweeks records are incorrect, you may provide documentation and/or an explanation to show contrary information to the Settlement Administrator at [INSERT ADDRESS] on or before [INSERT DATE]. The Parties will file with the Court all disputes submitted by Class Members, the evidence submitted, and the resolution of those disputes. The Settlement Administrator will evaluate the evidence submitted by the Class Member and will make the initial decision as to the number of eligible weeks that should be applied and/or the Individual Settlement Share to which the Class Member may be entitled. The Court shall have the right to review any decision made by the Settlement Administrator regarding a claim dispute and will make the final determination.

Twenty percent (20%) of your Individual Settlement Payment will be treated as unpaid wages. Applicable taxes will be withheld from the wages portion of your Individual Settlement Payment only and reported on an IRS Form W-2. The remaining eighty percent (80%) of your Individual Settlement Payment will be treated as penalties, statutory non-wage damages and interest and will be paid pursuant to an IRS Form 1099.

Defendant is expected to fund the Gross Settlement Amount within seven (7) calendar days after the Effective Final Settlement Date. Your Individual Settlement Share will be distributed within approximately seven (7) calendar days of the funding of the entire Gross Settlement Amount.

It is strongly recommended that upon receipt of your Individual Settlement Payment check, you immediately cash it or cash it before the 180-day void date shown on each check. If any checks remain uncashed or not deposited by the expiration of the 180-day period after mailing, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, pay the amount of the Individual Settlement Share to the California State Controller in accordance with California Unclaimed Property Law.

11. What is the PAGA Payment and Am I Eligible for it?

Under the terms of the settlement, \$300,000 has been set aside as a PAGA payment. This portion is the total amount of civil penalties collected on behalf of the State of California. \$225,000 will be sent to the State of California. Aggrieved employees will share \$75,000 based on the number of weeks they worked.

You are an “aggrieved employee” eligible (“Eligible Aggrieved Employee”) to share the PAGA payment under the settlement, if you are a non-exempt hourly-paid employees who worked for Defendant within the State of California from January 10, 2020 through June 15, 2022 (“PAGA Timeframe”).

The individual share will be calculated by determining the total number of weeks the Eligible Aggrieved Employees were employed during the PAGA Timeframe (i.e., the sum of all weeks of employment with hours worked for each eligible aggrieved employee), and dividing that number into the \$75,000 amount allocated to Eligible Aggrieved Employees to determine the monetary value assigned to each week. That number will then be multiplied by the individual Eligible Aggrieved Employee’s total number of weeks worked during the PAGA Timeframe to determine that individual’s proportional share.

Based on your total number of weeks worked, your individual PAGA settlement payment is \$ [REDACTED]. This is based on Defendant’s records which show you worked [REDACTED] weeks during the PAGA Timeframe. You are responsible for paying any federal, state or local taxes owed as a result of this payment.

Each Eligible Aggrieved Employees’ individual PAGA settlement payment will be considered penalties.

If you believe the number of weeks are incorrect, you may provide documentation and/or an explanation to show contrary information to the Settlement Administrator at [INSERT ADDRESS] on or before [INSERT DATE]. The Court shall have the right to review any decision made by the Settlement Administrator on disputes regarding the amount of a PAGA Payment and will make the final determination.

Because these penalties can only be sought by the State of California, you cannot exclude yourself from the PAGA portion of the settlement if the Court gives final approval, even if you submit an Exclusion Request.

If you are not an Eligible Aggrieved Employee, this Section does not apply to you.

12. How Will the Attorneys for the Class and the Class Representatives Be Paid?

The attorneys for Plaintiffs and the Class will be paid from the Gross Settlement Amount. Subject to Court approval, the attorneys for Plaintiffs and the Class shall be paid an amount not to exceed 35% of the Gross Settlement Amount (or \$2,100,000) for attorney fees and up to \$30,000 for litigation costs.

Defendant has paid all of its own attorneys' fees and costs.

As set forth in Section No. 10 above, the Plaintiffs will also be paid a Class Representative Enhancement Payment, subject to Court approval.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact Class Counsel listed above, or the Settlement Administrator at the telephone number listed below, toll free. Please refer to the "Parker-Hannifin Corporation class action settlement." You may also find more information on [INSERT WEBSITE URL]

You may also contact Plaintiffs' counsel by visiting Justice Law Corporation at 751 North Fair Oaks Avenue, Suite 101, Pasadena, California 91103 during regular business hours from 9:00 a.m. to 6:00 p.m. or by calling (818) 230-7502. Plaintiffs' counsel will provide you with an electronic copy of the Settlement documents or case documents free of charge upon request.

PLEASE DO NOT TELEPHONE THE COURT OR COURT'S CLERK OR DEFENDANT'S COUNSEL FOR INFORMATION ABOUT THIS SETTLEMENT.

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PROOF OF SERVICE
1013A(3) CCP

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

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

On September 14, 2022, I served the foregoing document described as

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

for the following case: **Gomez v. Parker-Hannifin Corporation**
LWDA/Court Case No.: **LWDA Case No.: CM-845406-21**
Court Case No.: 56-2022-00563952-CU-OE-VTA
Ventura County Superior Court

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

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

[X] BY ELECTRONIC SUBMISSION

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

[X] STATE

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

Executed on September 14, 2022, at Pasadena, California.



Mariah Anderson