

Douglas Han (SBN 232858)
Shunt Tatavos-Gharajeh (SBN 272164)
JUSTICE LAW CORPORATION
751 N. Fair Oaks Avenue, Suite 101
Pasadena, California 91103
Telephone: (818) 230-7502
Facsimile: (818) 230-7259

Attorneys for Plaintiffs Sean Hammond and Jesus Valdovinos

Shawn M. Krogh (SBN 227116)
Richard Shoemaker-Moyle (SBN 265859)
KROGH & DECKER, LLP
555 Capitol Mall, Suite 700
Sacramento, California 95814
Telephone: (916) 498-9000
Facsimile: (916) 498-9005

Attorneys for Defendant Paul Durham Electric, Inc. f/k/a Harold E. Nutter & Son, Inc.

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO**

SEAN HAMMOND and JESUS VALDOVINOS,)
individually, and on behalf of other members of)
the general public similarly situated;)

Plaintiffs,)

v.)

PAUL DURHAM ELECTRIC, INC. f/k/a)
HAROLD E. NUTTER & SON, INC., a)
California corporation; and DOES 1 through 100,)
inclusive;)

Defendants.)

CASE NO.: 34-2020-00291142-CU-OE-GDS

Assigned for All Purposes to:
Hon. Emily E. Vasquez
Department 32

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

Complaint Filed: December 22, 2020

JOINT STIPULATION OF CLASS ACTION SETTLEMENT

This Joint Stipulation of Class Action Settlement and Release (“Agreement” or “Stipulation of Settlement” or “Settlement”) is made and entered into by and between Plaintiffs Sean Hammond and Jesus Valdovinos (“Plaintiffs,” “Plaintiff Hammond,” “Plaintiff Valdovinos,” or “Class Representatives”), individually and on behalf of other aggrieved employees and/or members of the general public similarly situated, on the one hand, and Defendant Paul Durham Electric, Inc. f/k/a Harold E. Nutter & Son, Inc. (“Defendant”), on the other hand (collectively with Plaintiffs, the “Parties”).

Subject to approval of the Court pursuant to the California Rules of Court, this Stipulation of Settlement shall be binding on Plaintiffs, Class Counsel, the Class, aggrieved employees (including the State of California as their representative), and Defendant, along with the other Released Parties, subject to the terms and conditions hereof and the approval of the Court.

RECITALS

1. On December 22, 2020, Plaintiffs, individuals who previously worked for Defendant, filed a Class Action Complaint against Defendant in the Superior Court of California, County of Sacramento, entitled *Hammond, et al., v. Paul Durham Electric, Inc. f/k/a Harold E. Nutter & Son, Inc.*, Case No. 34-2020-00291142-CU-OE-GDS. The Class Action Complaint alleged violation of: (1) California Labor Code sections section 510 and 1198 (unpaid overtime); (2) California Labor Code sections 226.7 and 512(a) (unpaid meal period premiums); (3) California Labor Code section 226.7 (unpaid rest period premiums); (4) California Labor Code sections 1194 and 1197 (unpaid minimum wages); (5) California Labor Code sections 201 and 202 (final wages not timely paid); (6) California Labor Code section 226(a) (non-compliant wage statements); (7) California Labor Code sections 2800 and 2802; and (8) California Business & Professions Code sections 17200, *et seq.*

2. After engaging in formal and informal discovery, the Parties participated in mediation before Paul Grossman (the “Mediator”), a respected mediator of wage and hour class actions on August 27, 2021. After a full day of negotiations and considering the Mediator’s proposal, the Parties agreed to settle and stipulated to the material terms of this Stipulation of Settlement now before this

1 Court on August 27, 2021. The Mediator's supervision of the mediation and negotiations was critical
2 in managing the expectations of the Parties and providing a useful and neutral analysis of the issues
3 and risks to both sides.

4 3. In line with the Parties' decision to enter a settlement, the Parties stipulated to Plaintiffs
5 filing a First Amended Complaint that added the following causes of action: (a) failure to timely pay
6 wages to employees pursuant to California Labor Code section 204; (b) failure to keep proper payroll
7 records pursuant to California Labor Code section 1174(d); and (c) violation of California Labor Code
8 section 2698, *et seq.*, the Private Attorneys General Act of 2004 ("PAGA").

9 4. On October 22, 2021, Plaintiffs provided written notice to the California Labor and
10 Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the Labor
11 Code they contend were violated, and the theories supporting their contentions. Afterwards, Plaintiffs
12 filed their First Amended Complaint in the Superior Court of California, County of Sacramento that
13 added the aforementioned causes of action.

14 5. Defendant denies all material allegations set forth in this action and has asserted
15 numerous affirmative defenses. However, in the interest of avoiding further litigation, Defendant
16 desires to settle all actual or potential claims fully and finally by the Class and aggrieved employees.

17 6. Plaintiffs' counsel in the Action, Justice Law Corporation ("Class Counsel"), diligently
18 investigated the proposed Class's claims against Defendant, including all applicable defenses and the
19 applicable law. The investigation included, *inter alia*, the exchange of information pursuant to
20 informal discovery methods, review of numerous corporate policies and practices, and the time and
21 wage data of numerous employees in the putative class.

22 7. The settlement discussions during and after mediation were conducted at arm's-length
23 and this Stipulation of Settlement is the result of an informed and detailed analysis of Defendant's
24 total potential liability exposure in relation to the costs and risks associated with continued litigation.

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8. Based on the data produced pursuant to informal discovery, as well as Class Counsel's own independent investigation and evaluation, and the Mediator's efforts, Class Counsel believes that the settlement with Defendant for the consideration and on the terms set forth in this Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the Class and aggrieved employees considering all known facts and circumstances.

9. This Stipulation of Settlement is made and entered into by and between Plaintiffs individually, and on behalf of all other members of the general public similarly situated, aggrieved employees, and Defendant, and is subject to the terms and conditions hereof, and to the Court's approval. The Parties expressly acknowledge that this Stipulation of Settlement is entered solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant. If for any reason this Stipulation of Settlement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

DEFINITIONS

The following definitions are applicable to this Stipulation of Settlement. Definitions contained elsewhere in this Stipulation of Settlement will also be effective:

10. "Action" means the lawsuit in the matter entitled *Hammond, et al., v. Paul Durham Electric, Inc. f/k/a Harold E. Nutter & Son, Inc., Case No. 34-2020-00291142-CU-OE-GDS*, filed on December 22, 2021, in the Sacramento County Superior Court and the First Amended Complaint.

11. "Attorneys' Fees and Costs" means attorneys' fees agreed upon by the Parties and approved by the Court for Class Counsel's litigation and resolution of this Action, and all litigation costs and expenses incurred and to be incurred by Class Counsel in the Action, including, but not limited to, costs and expenses associated with mediation, documenting the Settlement, securing the Court's approval of the Settlement, obtaining entry of a Judgment terminating this Action, and expenses for any experts. Class Counsel will collectively request attorneys' fees not to exceed thirty-eight percent (38%) of the Maximum Settlement Amount, or up to eighty-five thousand five hundred dollars (\$85,500). Class Counsel will also request reimbursement of Class Counsel's litigation costs and expenses, not to exceed twenty-five thousand dollars (\$25,000). For any Attorneys' Fees and

Costs approved by the Court, the Claims Administrator may purchase an annuity to utilize US treasuries and bonds or other attorney fee deferral vehicles for Class Counsel. Defendant has agreed not to oppose Class Counsel's request for fees and reimbursement of costs and expenses as set forth above. Any portion of the Attorneys' Fees and Costs not awarded to Class Counsel will be a part of the Net Settlement Amount, for distribution in conformity with this Agreement.

12. "Claimants" means all Class Members who submit timely and valid Claim Forms for participation in the Class Action Settlement.

13. "Claim Form" means the document, substantially in the form attached as **Exhibit B**, that Class Members must complete and postmark by the Response Deadline (as defined below) to receive a proportional share of the Net Settlement Amount as their Individual Settlement Payment.

14. "Claims Administrator" means any third-party class action settlement claims administrator agreed to by the Parties and approved by the Court for purposes of administering this Settlement. The Parties each represent that they do not have any financial interest in the Claims Administrator or otherwise have a relationship with the Claims Administrator that could create a conflict of interest. The Claims Administrator mutually chosen by the Parties is Simpluris, Inc.

15. "Claims Administration Costs" means the costs payable from the Maximum Settlement Amount to the Claims Administrator for administering this Settlement, including, but not limited to, (a) printing, distributing, and tracking documents for this Settlement; (b) calculating estimated amounts per Class Member; (b) tax reporting; (c) distributing the appropriate settlement amounts; and (d) providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. The Claims Administration Costs are currently estimated not to exceed ten thousand dollars (\$10,000). Any portion of the Claims Administration Costs that are not awarded to the Claims Administrator will flow through to the Net Settlement Amount.

16. "Class Counsel" means Justice Law Corporation, which will seek to be appointed counsel for the Class.

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1 17. “Class Lists” mean a complete list of all Class Members within the Class that
2 Defendant will diligently and in good faith compile from its records and provide only to the Claims
3 Administrator within twenty (20) business days of the Court’s Preliminary Approval of this
4 Stipulation of Settlement. Defendant will diligently and in good faith request records from third party
5 staffing agencies, to compile the Class List but cannot warrant the timeliness or accuracy of third-
6 party data. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will
7 include each Class Member’s: (a) full name; (b) most recent mailing address and telephone number
8 known to Defendant; (c) Social Security Number; dates of employment as hourly-paid or non-exempt
9 employee within the State of California; and (d) any other relevant information needed to calculate
10 their payments.

11 18. “Class Member(s)” or “Class” collectively refer to: all current and former hourly-paid
12 or non-exempt employees of Defendant within the State of California at any time during the period
13 from June 26, 2016 to November 25, 2021 or the date of preliminary approval, whichever date is
14 earlier.

15 19. “Class Period” means the period from June 26, 2016 to November 25, 2021 or the date
16 of preliminary approval, whichever date is earlier.

17 20. “Class Representatives” mean Sean Hammond and Jesus Valdovinos, who will seek to
18 be appointed as the representatives for the Class.

19 21. “Class Representative Enhancement Payment” means the amounts to be paid to the
20 Class Representatives in recognition of their efforts and work in prosecuting the Action on behalf of
21 Class Members. The Parties agree that the Class Representatives will each be paid up to ten thousand
22 dollars (\$10,000) subject to Court approval, from the Maximum Settlement Amount for their services
23 on behalf of the Class, including their assistance as the Plaintiffs and Class Representatives, subject to
24 the Court granting final approval of this Stipulation of Settlement and subject to the exhaustion of any
25 and all appeals. Any portion of the Class Representative Enhancement Payment not awarded to the
26 Class Representatives will be a part of the Net Settlement Amount, for distribution in conformity with
27 this Agreement.

22. "Court" means the Superior Court of the State of California for the County of Sacramento or any other court taking jurisdiction of the Action.

23. "Defendant" means Paul Durham Electric, Inc. f/k/a Harold E. Nutter & Son, Inc., a California corporation.

24. "Defendant's Counsel" means counsel for Defendant who are:

SHAWN M. KROGH (SBN 227116)
RICHARD SHOEMAKER-MOYLE (SBN 265859)
KROGH & DECKER, LLP
555 Capitol Mall, Suite 700
Sacramento, California 95814
Telephone: (916) 498-9000
Facsimile: (916) 498-9005

25. "Effective Date" means the date on which the settlement embodied in this Stipulation of Settlement shall become effective after all of the following events have occurred: (i) this Stipulation of Settlement has been executed by all Parties and by counsel for the Class and Defendant; (ii) the Court has given preliminary approval to the Settlement; (iii) the notice has been given to the Class Members, providing them with an opportunity to object to the terms of the Stipulation of Settlement or to opt out of the Stipulation of Settlement by filing a Request for Exclusion (as defined below); and (iv) (a) in the event the Court has held a formal fairness hearing and, having heard no objections to the Settlement, entered a final order and judgment certifying the Class, and approving this Stipulation of Settlement or (b) only in the event that there are written objections filed prior to the formal fairness hearing that are not later withdrawn or denied, the later of the following events: five (5) business days after the period for filing any appeal, writ or other appellate proceeding opposing the Court's final Order approving the Stipulation of Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; or, if any appeal, writ or other appellate proceeding opposing the Court's final Order approving the Stipulation of Settlement has been filed, five (5) business days after any appeal, writ or other appellate proceedings opposing the Stipulation of Settlement has been finally and conclusively dismissed with no right to pursue further remedies or relief.

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1 26. “Individual Settlement Payment” means each Claimant’s share of the Net Settlement
2 Amount.

3 27. “Maximum Settlement Amount” means the maximum settlement amount of up to two
4 hundred twenty-five thousand dollars (\$225,000) to be paid by Defendant in full satisfaction of all
5 claims arising from the Action, which includes all the Individual Settlement Payments to Claimants,
6 the Class Representative Enhancement Payment, the Claims Administration Costs to the Claims
7 Administrator, the Attorneys’ Fees and Costs to Class Counsel, and the PAGA Payment. This
8 Maximum Settlement Amount has been agreed to by Plaintiffs and Defendant based on the
9 aggregation of the agreed-upon settlement value of individual claims. In no event will Defendant be
10 liable for more than the Maximum Settlement Amount, except that employer-side payroll taxes shall
11 be paid separate and apart from the Maximum Settlement Amount.

12 28. “Net Settlement Amount” means the portion of the Maximum Settlement Amount
13 remaining after deduction of the approved Class Representative Enhancement Payment, the Claims
14 Administration Costs, the PAGA Payment (as defined in Paragraph 32), and Attorneys’ Fees and
15 Costs. The Net Settlement Amount will be distributed to Claimants in accordance with Paragraphs 57
16 and 58. Plaintiffs and Defendant agree that the amount distributed to the Claimants will equal at least
17 sixty percent (60%) of the Net Settlement Amount. If the total Individual Settlement Payments to the
18 Claimants would equal less than sixty percent (60%) of the Net Settlement Amount, the Claims
19 Administrator will proportionately increase the Individual Settlement Payment for each Claimant to
20 ensure that total Individual Settlement Payments equal sixty percent (60%) of the Net Settlement
21 Amount. Except as otherwise provided in Paragraph 57, any unclaimed amounts above sixty percent
22 (60%) of the Net Settlement Amount will be the exclusive property of Defendant.

23 29. “Notice of Objection” or “Objection” means a Class Member’s valid and timely written
24 objection to this Stipulation of Settlement. For the Notice of Objection to be valid, it must include: (a)
25 the objector’s full name, signature, address, and telephone number, (b) a written statement of all
26 grounds for the objection accompanied by any legal support for such objection, (c) a clear reference to
27 the title of this case and case number, and (d) copies of any papers, briefs, or other documents upon
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1 which the objection is based.

2 30. "Notice Packet" means the Notice of Class Action Settlement and Claim Form,
3 substantially in the forms attached as **Exhibit A**, and **Exhibit B** respectively.

4 31. "PAGA Aggrieved Employee" means a current and former hourly-paid or non-exempt
5 employee of Defendant within the State of California during the period from October 22, 2020 to
6 November 25, 2021 or the date of preliminary approval, whichever date is earlier.

7 32. "PAGA Payment" means the amount of ten thousand dollars (\$10,000), which the
8 Parties have agreed to allocate for penalties pursuant to the Private Attorneys' General Act, California
9 Labor Code sections 2698, *et seq.* The Parties have agreed that the PAGA Payment will be paid out of
10 the Maximum Settlement Amount. Pursuant to PAGA, the LWDA shall be paid seventy-five percent
11 (75%) or seven thousand five hundred dollars (\$7,500) of the PAGA Payment ("LWDA Payment"),
12 and twenty-five percent (25%) or two thousand five hundred dollars (\$2,500) of the PAGA Payment
13 will be distributed, pro rata, based on number of weeks worked to all PAGA Aggrieved Employees.

14 33. "Parties" means Plaintiffs and Defendant collectively.

15 34. "Plaintiffs" means Sean Hammond and Jesus Valdovinos.

16 35. "Preliminary Approval" means the Court order granting preliminary approval of this
17 Stipulation of Settlement.

18 36. "Qualified Settlement Fund" or "QSF" means a fund within the meaning of Treasury
19 Regulations § 1.46B-1, 26 C.F.R. § 1.468B-1 *et seq.* that is established by the Claims Administrator
20 for the benefit of Claimants, Plaintiffs, and Class Counsel.

21 37. "Released Claims" as it pertains to Class Members include, but are not limited to, all
22 claims made or which could have been made based on the facts pled in the First Amended Complaint
23 and statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs,
24 penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution,
25 or equitable relief, for the following categories of allegations: (a) all claims for failure to pay wages
26 for hours worked, including, but not limited to, claims for failure to pay overtime at the appropriate
27 regular rate or for all overtime periods worked, and claims for off-the-clock work; (b) all claims for

failure to pay the minimum wage in accordance with applicable law, including but not limited to claims for off-the-clock work; (c) all claims for the failure to provide meal and/or rest periods in accordance with applicable law, including payments for missed, short, or late meal and/or rest periods and alleged non-payment of wages or premium pay for meal periods and rest periods worked and not taken; (d) claims for failure to reimburse business expenses; and (e) any and all claims for recordkeeping or pay stub violations, timely payment of wages, waiting time penalties, and all other statutory penalties, including those recoverable under the California Unfair Competition Act, and in particular, California Business & Professions Code sections 17200 *et seq.*, California Code of Civil Procedure section 1021.5; and any other provision of the California Labor Code, including but not limited to Labor Code sections 2698 *et seq.* or any applicable California Industrial Welfare Commission Wage Orders, in all their iterations.

38. “Released Claims Period” means the period from June 26, 2016 to November 25, 2021 or the date of preliminary approval, whichever date is earlier.

39. “Released Parties” means Defendant, and its former and present parents, subsidiaries, and affiliates, and their current and former officers, directors, owners, employees, partners, shareholders and agents, and the predecessors and successors, assigns, and legal representatives of all such entities and individuals, as well as any entities with whom Defendant could share a Joint Employer relationship under any legal theory.

40. “Request for Exclusion” means a timely letter submitted by a Class Member indicating a request to be excluded from the Settlement. The Request for Exclusion must: (a) be signed by the Class Member; (b) contain the name, address, telephone number, and the last four digits of the Social Security Number of the Class Member requesting exclusion; (c) clearly state the name of this case, the case number, and that the Class Member does not wish to be included in the Settlement; (d) be returned by mail to the Claims Administrator at the specified address and/or facsimile number; and (e) be postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. A Class Member who does not request exclusion from the Settlement (“Settlement Class

Member”) will be bound by all terms of the Settlement if the Settlement is granted final approval by the Court.

41. “Response Deadline” means the deadline by which Class Members must postmark to the Claims Administrator valid Claim Forms, Requests for Exclusion, or file and serve objections to the Settlement. The Response Deadline will be forty-five (45) calendar days from the initial mailing of the Notice Packet by the Claims Administrator, unless the 45th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline for Claim Forms or Requests for Exclusion will be extended fifteen (15) calendar days for any Class Member who is re-mailed a Notice Packet by the Claims Administrator, unless the 15th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendant. Under no circumstances, however, will the Claims Administrator have the authority to extend the deadline for Class Members to submit a Claim Form, Request for Exclusion, or objection to the Settlement.

42. “Workweeks” means the number of weeks of employment that a Class Member worked for Defendant (whether directly or through another entity with whom Defendant shared a Joint Employer relationship) as an hourly-paid or non-exempt employee within the State of California at any time during the Class Period (as defined above). The Claims Administrator will calculate the number of Workweeks by calculating the number of days each Class Member was employed during the Class Period, dividing by seven (7), and rounding up or down to the nearest whole number, as appropriate (for example, 7.50 would round to 8; 7.49 would round to 7). Each Claimant shall be entitled to payment for at least one workweek.

43. “Workweek Value” means the value of each compensable Workweek, as determined by the formula set forth herein.

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CLASS CERTIFICATION

44. Solely for purposes of settling the Action, and not for purposes of class certification should the matter not be settled or for any other reason, the Parties stipulate and agree that the requisites for establishing class certification with respect to the Class have been met and are met. More specifically, the Parties stipulate and agree that:

a. The Class is ascertainable and so numerous as to make it impracticable to join all Class Members;

b. There are common questions of law and fact including, but not limited to, the following:

- i. Whether Defendant properly compensated Class Members;
- ii. Whether Defendant failed to provide meal and rest breaks;
- iii. Whether Defendant failed to pay penalties for missed meal and/or rest breaks;
- iv. Whether Defendant failed to provide Class Members compliant wage statements;
- v. Whether Defendant failed to timely pay Class Members their final wages;
- vi. Whether Defendant engaged in unfair business practices affecting the Class; and
- vii. Whether the Class Representatives and the Class they purport to represent are entitled to injunctive and/or declaratory relief.

45. Should this Settlement not be approved or be terminated, these stipulations shall be null and void and shall not be admissible for any purpose whatsoever.

46. The Class Representatives' claims are typical of the claims of the members of the Class. Should this Settlement not be approved or be terminated, this stipulation shall be null and void and shall not be admissible for any purpose whatsoever.

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47. The Class Representatives and Class Counsel will fairly and adequately protect the interests of the Class. Should this Settlement not be approved or be terminated, this stipulation shall be null and void and shall not be admissible for any purpose whatsoever.

48. The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications, which would establish incompatible standards of conduct. Should this Settlement not be approved or be terminated, this stipulation shall be null and void and shall not be admissible for any purpose whatsoever.

49. With respect to the Class, the Class Representatives believe that questions of law and fact common to the members of the Class predominate over any questions affecting any individual member in such Class, and a class action is superior to other available means for the fair and efficient adjudication of the controversy.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

50. Funding of the Maximum Settlement Amount. Within three (3) business days after the Final Approval of the Settlement, the Claims Administrator will provide the Parties with an accounting of the amounts to be paid by Defendant pursuant to the terms of the Settlement. Defendant will deposit all Court-approved costs, fees and payments, and claim amounts from the Maximum Settlement Amount into a Qualified Settlement Fund account to be established by the Claims Administrator within fifteen (15) business days of the Effective Date.

51. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application or motion by Class Counsel for Attorneys' Fees and Costs of not more than thirty-eight percent (38%) of the Maximum Settlement Amount or up to eighty-five thousand five hundred dollars (\$85,500), plus the reimbursement of costs and expenses associated with Class Counsel's litigation and settlement of the Action, not to exceed twenty-five thousand dollars (\$25,000), both of which will be paid from the Maximum Settlement Amount. Any Attorneys' Fees and Costs awarded by the Court shall not constitute payment to any Class Member(s). To the extent that the Court approves less than

the amount of attorney's fees and/or costs that Class Counsel requests, the difference between the requested and awarded amounts will be reallocated to the Net Settlement Amount. Except for the Attorneys' Fees and Costs set forth in this Agreement, the Parties agree to bear their own attorneys' fees and costs related to this Action. In consideration of their awarded Attorneys' Fees and Costs, Class Counsel waives all claims to any further attorneys' fees and expenses in connection with the Settlement.

52. Class Representative Enhancement Payment. In recognition of Plaintiffs' effort and work in prosecuting the Action on behalf of Class Members, and in exchange for a full release of all known and unknown claims, Defendant agrees not to oppose or impede any application or motion for Class Representative Enhancement Payment of up to ten thousand dollars (\$10,000) to each Plaintiff. The Class Representative Enhancement Payment will be paid from the Maximum Settlement Amount and shall not constitute payment to any Claimant(s) (other than Plaintiffs). To the extent that the Court approves less than the amount of the Class Representative Enhancement Payment that Class Counsel requests, the difference between the requested and awarded amounts will be reallocated to the Net Settlement Amount. Because it is the intent of the Parties that the Class Representative Enhancement Payment represent payment to Plaintiffs for their services to the Class Members, and not wages, the Settlement Administrator will not withhold any taxes from the Class Representative Enhancement Payment. The Claims Administrator will issue an IRS Form 1099 for the Class Representative Enhancement Payment to Plaintiffs, and they shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received.

General Release by Class Representatives. As a condition of the class action settlement, Plaintiffs, as the Class Representatives, shall separately release the Released Parties from the following: any and all claims, obligations, demands, actions, rights, causes of action, and liabilities against the Releasees, of whatever kind and nature, character, and description, whether in law or equity, whether sounding in tort, contract, federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law or contract, whether known or unknown, and whether anticipated or unanticipated,

1 including all unknown claims covered by California Civil Code section 1542, by the
2 Class Representatives, arising at any time up to and including the date on which the Court
3 enters the Order of Final Approval, for any type of relief, including without limitation
4 claims for wages, premiums and other forms of pay, unpaid/unreimbursed costs, penalties
5 (including waiting time penalties and wage statement penalties), general damages,
6 compensatory damages, liquidated damages, punitive damages, interest, attorneys' fees,
7 litigation and other costs, expenses, restitution, and equitable and declaratory relief. The
8 Class Representatives' Released Claims include, but are not limited to, the Released
9 Claims as well as any other claims under any provision of the Fair Labor Standards Act
10 ("FLSA"), the California Labor Code, any applicable California Industrial Welfare
11 Commission Wage Orders, any city or county Living Wage Ordinances, and claims under
12 state or federal discrimination statutes, including, without limitation, the California
13 Government Code, the Unruh Civil Rights Act, California Civil Code, the California
14 Constitution, the California Business and Professions Code, including but not limited to
15 sections 17200 *et seq.*, the United States Constitution, the Age Discrimination in
16 Employment Act ("ADEA") and the Older Workers Benefit Protection Act, the
17 Uniformed Services Employment and Reemployment Rights Act, Title VII of the Civil
18 Rights Act of 1964, 42 U.S.C. sections 2000 *et seq.*, the Family and Medical Leave Act,
19 to the extent not prohibited by law, the Americans with Disabilities Act, 42 U.S.C.
20 sections 12101 *et seq.*, and the Employee Retirement Income Security Act of 1974, 29
21 U.S.C. sections 1001 *et seq.*, and all of their implementing regulations and interpretive
22 guidelines. As a condition to this settlement, the Class Representatives will provide or
23 have provided a full and general release of all known and unknown claims, including but
24 not limited to, all claims alleged or that could have been alleged in the Action. Class
25 Representatives acknowledge that California Civil Code section 1542 provides that:

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**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.**

Notwithstanding the protection afforded by California Civil Code section 1542, Class Representatives expressly waive and relinquish any rights or benefits that they might have under California Civil Code section 1542, or any relevant similar statute, to the full extent that they may lawfully waive such rights and benefits.

53. Claims Administration Costs. The Claims Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Maximum Settlement Amount, which is currently estimated not to exceed ten thousand dollars (\$10,000). These costs, which will be paid from the Maximum Settlement Amount, will include, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing the Notice Packet, sending reminder notices, calculating shares and payment, distributing the Maximum Settlement Amount in accordance with the Settlement and the Court's order, and providing necessary reports and declarations. Any portion of the Claims Administration Costs that are not awarded to the Claims Administrator will be reallocated to the Net Settlement Amount.

54. Acknowledgement of Potential Administration Cost Increases. The Parties acknowledge that Claims Administration Costs may increase above the current estimate of ten thousand dollars (\$10,000) and that any such additional Claims Administration Costs will be taken out of the Maximum Settlement Amount. Any portion of the estimated or designated Claims Administration Costs which are not in fact required to fulfill the total Claims Administration Costs will flow though to the Net Settlement Amount.

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55. PAGA Payment. Subject to Court approval, the Parties agree that the amount of ten thousand dollars (\$10,000) from the Maximum Settlement Amount will be designated for satisfaction of the PAGA Aggrieved Employees' PAGA claims. Pursuant to PAGA, seventy-five percent (75%), or \$7,500, of this sum will be paid to the LWDA and twenty-five percent (25%), or \$2,500, will be distributed, pro rata, based on weeks worked to all PAGA Aggrieved Employees. The Claims Administrator will calculate the total number of Workweeks worked by each individual PAGA Aggrieved Employee to determine the total number of Workweeks worked by all PAGA Aggrieved Employees ("Total PAGA Workweeks") during the period from October 22, 2020 to November 25, 2021 or the date of preliminary approval, whichever date is earlier. Defendant shall provide the Claims Administrator such information as is necessary to calculate the individual PAGA Aggrieved Employee's Workweeks and Total PAGA Workweeks. To determine each PAGA Aggrieved Employee's estimated PAGA Payment, the Claims Administrator will use the following formula: Estimated individual PAGA Payment = (\$2,500 ÷ Total PAGA Workweeks) x individual Workweeks for each individual PAGA Aggrieved Employee. The portion of the PAGA Payment paid to PAGA Aggrieved Employees shall be designated as one hundred percent (100%) penalties, for which an IRS Form 1099 will issue.

56. Net Settlement Amount. The Net Settlement Amount will be used to satisfy Individual Settlement Payments to Claimants in accordance with the terms of this Agreement. If the total claimed Individual Settlement Payments would equal less than sixty percent (60%) of the Net Settlement Amount, the Claims Administrator will proportionately increase the Individual Settlement Payment for each Claimant so that the amount distributed to Claimants will equal at least sixty percent (60%) of the Net Settlement Amount. Any unclaimed amounts above sixty percent (60%) of the Net Settlement Amount will be the exclusive property of Defendant.

57. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of Workweeks a Class Member worked during the Class Period. Specific calculations of Individual Settlement Payments will be made as follows:

1 57(a) The Claims Administrator will calculate the total number of Workweeks worked
2 by each individual Class Member (“Individual Workweeks”) to determine the
3 total number of Workweeks worked by all Class Members (“Class Workweeks”)
4 during the Class Period. Defendant shall provide the Claims Administrator such
5 information as is necessary to calculate the Individual Workweeks and Class
6 Workweeks.

7 57(b) To determine each Class Member’s estimated Individual Settlement Payment,
8 the Claims Administrator will use the following formula: Estimated Individual
9 Settlement Payment = (Net Settlement Amount ÷ Class Workweeks) x
10 Individual Workweeks for each individual Class Member.

11 57(c) If the total Individual Settlement Payments claimed by Claimants equals less
12 than sixty percent (60%) of the Net Settlement Amount, the Individual
13 Settlement Payments will proportionately increase for each Claimant submitting
14 a Claim Form such that the total Individual Settlement Payments equal not less
15 than sixty percent (60%) of the Net Settlement Amount.

16 57(d) The Individual Settlement Payment will be reduced by any required deductions
17 for each Claimant as set forth herein, including employee-side tax and
18 withholdings with respect to the wage portion of each Individual Settlement
19 Payment.

20 58. Individual Settlement Payments Do Not Trigger Additional Benefits. All Individual
21 Settlement Payments to Class Members shall be deemed to be paid to such Class Members solely in
22 the year in which such payments are received by the Class Members. It is expressly understood and
23 agreed that the receipt of such Individual Settlement Payments will not entitle any Class Member to
24 additional compensation or benefits under any company bonus, contest or other compensation or
25 benefit plan or agreement in place during the period covered by the Settlement, nor will it entitle any
26 Class Member to any increased retirement, 401K benefits or matching benefits, or deferred
27 compensation benefits. It is the intent of this Settlement that the Individual Settlement Payments
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provided for in this Settlement are the sole payments to be made by Defendant to the Class Members, and that the Class Members are not entitled to any new or additional compensation or benefits as a result of having received the Individual Settlement Payments (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Settlement).

59. Claims Administration Process. The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement.

60. Delivery of the Class List. Within twenty (20) business days of Preliminary Approval, Defendant will provide the Class List(s) only to the Claims Administrator who shall keep the Class List and the information thereon confidential as a trade secret belonging to Defendant.

61. Notice by First-Class U.S. Mail. Within fifteen (15) calendar days of receipt of the Class List(s), the Claims Administrator will perform a search based on the National Change of Address Database ("NCOA"), or any other similar services available, and mail a Notice Packet to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses that are available.

62. Confirmation of Contact Information in the Class List. Prior to mailing, the Claims Administrator will perform a NCOA check, such as provided by Experian or any other similar services available, for information to update and correct for any known or identifiable address changes. Any Notice Packets returned to the Claims Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Claims Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address is provided, the Claims Administrator will promptly attempt to determine the correct address using a skip-trace and will then perform a single re-mailing within five (5) days after return of the Notice Packet. Those Class Members who receive a re-mailed Notice Packet, whether by skip-trace or by request, will have between the later of (a) an additional fifteen (15) days or (b) the Response Deadline to postmark a Claim Form, Request for Exclusion, or file and serve an objection to

1 the Settlement.

2 63. Notice Packets. All Class Members will be mailed a Notice Packet. Each Notice
3 Packet will provide: (a) information regarding the nature of the Action; (b) a summary of the
4 Settlement's principal terms; (c) the Class definition; (d) the total number of Workweeks each
5 respective Class Member worked for Defendant during the Class Period; (e) each Class Member's
6 estimated Individual Settlement Payment and the formula for calculating Individual Settlement
7 Payments; (f) the dates which comprise the Class Period; (g) instructions on how to submit valid
8 Claim Forms, disputes regarding Workweeks, Requests for Exclusion, or objections; (h) the
9 requirements relating to, and deadlines by which the Class Member must submit Claim Forms,
10 disputes regarding Workweeks, Requests for Exclusions, and objections to the Settlement; (i) the
11 claims to be released, as set forth herein; and (j) the date for the Final Approval Hearing.

12 64. Disputed Information on Notice Packets. Class Members may dispute the information
13 provided in their Notice Packets, but must do so in writing, via first class mail, and it must be
14 postmarked by the Response Deadline. To the extent Class Members dispute the number of
15 Workweeks to which they have been credited or the amount of their Individual Settlement Payment,
16 Class Members must produce evidence to the Claims Administrator showing that such information is
17 inaccurate. Absent evidence rebutting Defendant's records, Defendant's records will be presumed
18 determinative. However, if a Class Member produces evidence to the contrary, the Parties will
19 evaluate the evidence submitted by the Class Member and will make the final decision as to the
20 number of eligible Workweeks that should be applied and/or the Individual Settlement Payment to
21 which the Class Member may be entitled. If the Parties are unable to resolve the dispute, the Claims
22 Administrator will be the final arbiter of the Workweeks for each Class Member during the Class
23 Period, based on the information provided to it.

24 65. Claim Form Procedures. To receive Individual Settlement Payments, all Class
25 Members will be required to submit a timely and valid Claim Form by the Response Deadline. All
26 Claim Forms must be signed and returned to the Claims Administrator via first class mail or fax and
27 postmarked or faxed by the Response Deadline. The date of the postmark on the return mailing
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1 envelope will be the exclusive means to determine whether a Claim Form has been timely submitted.
2 However, it is not the intention of the Parties to exclude Class Members from obtaining payment in
3 the Settlement for technical reasons that do not interfere with the orderly administration of the
4 Settlement. Therefore, the Claims Administrator will compile a list of Claim Forms rejected for (1)
5 failure to cure an unsigned Claim Form or (2) late submission of the Claim Form. As to the Class
6 Members on that rejected claims list, any Class Member who requests, in a signed letter, to receive
7 payment in the Settlement will be treated like a Claimant so long as that written request is received by
8 the Effective Date.

9 66. Request for Exclusion Procedures. Any Class Member wishing to opt-out from this
10 Stipulation of Settlement must sign and postmark a written Request for Exclusion to the Claims
11 Administrator within the Response Deadline. The date of the postmark on the return mailing envelope
12 will be the exclusive means to determine whether a Request for Exclusion has been timely submitted.
13 All Requests for Exclusion will be submitted to the Claims Administrator, who will certify jointly to
14 Class Counsel and Defendant's Counsel the Requests for Exclusion that were timely submitted.
15 However, PAGA Aggrieved Employees will not be able to exclude themselves from the PAGA
16 portion of the settlement.

17 67. Defective Submissions. If a Class Member's Claim Form or Request for Exclusion is
18 defective as to the requirements listed herein, that Class Member will be given an opportunity to cure
19 the defect(s). The Claims Administrator will mail the Class Member a cure letter within three (3)
20 business days of receiving the defective submission to advise the Class Member that his or her
21 submission is defective and that the defect must be cured to render the Claim Form or Request for
22 Exclusion valid. The Class Member will have ten (10) calendar days from the date of the cure letter to
23 postmark a revised Claim Form or Request for Exclusion. If a Class Member responds to a Cure
24 Letter by filing a defective claim, then the Claims Administrator will have no further obligation to
25 give notice of a need to cure. If the revised Claim Form is not postmarked or received within that
26 period, it will be deemed untimely.

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1 68. Objection Procedures. To object to this Stipulation of Settlement, a Class Member
2 must file a valid Notice of Objection with the Court and serve copies of the Notice of Objection on the
3 Parties before the Response Deadline. The Notice of Objection must be signed by the Class Member
4 and contain all information required by this Stipulation of Settlement. The postmark date of the filing
5 and service will be deemed the exclusive means for determining that the Notice of Objection is timely.
6 Class Members who fail to object in the specific and technical manner specified above will be deemed
7 to have waived all objections to the Settlement and will be foreclosed from making any objections and
8 seeking any adjudication or review, whether by appeal or otherwise, to this Stipulation of Settlement.
9 At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class
10 Members to submit written objections to this Stipulation of Settlement or appeal from the Order and
11 Judgment. However, Class Counsel, Defendant's Counsel, and Defendant may respond to inquiries
12 from Class Members with truthful information. Class Counsel will not represent any Class Members
13 with respect to any such objections to this Settlement.

14 69. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member
15 who does not affirmatively opt-out of this Stipulation of Settlement by submitting a timely and valid
16 Request for Exclusion ("Settlement Class Member") will be bound by all its terms, including those
17 pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if it
18 grants final approval to the Settlement.

19 70. Reminders. Not earlier than twenty (20) days or later than thirty (30) days after the
20 initial mailing, the Claims Administrator will send a Reminder Postcard to all Class Members who
21 have not returned a Claim Form or a Request for Exclusion. All Reminder Postcards will include the
22 Response Deadline, and the contact information for Class Counsel and the Claims Administrator.

23 71. Certification Reports Regarding Individual Settlement Payment Calculations. The
24 Claims Administrator will provide Defendant's counsel and Class Counsel a weekly report which
25 certifies: (a) the number of Class Members who have submitted Claim Forms; (b) the number of
26 Claimants; (c) the number of Class Members who have submitted valid Requests for Exclusion; (d)
27 the then current amount and percentage of the Net Settlement Amount claimed by Claimants; and (e)
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whether any Class Member has submitted a challenge to any information contained in their Claim Form or Notice Packet. The Claims Administrator will also provide to counsel for both Parties any updated reports regarding the administration of this Stipulation of Settlement as needed or requested.

72. Payment Schedule for All Court-Approved and Individual Settlement Payment Amounts. Within three (3) business days of the Court granting final approval, the Claims Administrator will calculate all payments due. Individual Settlement Payments shall be mailed by regular First-Class U.S. Mail to the respective Claimant's last known mailing address within fourteen (14) calendar days after Defendant deposits all Court-approved and claim amounts from the Maximum Settlement Amount into a QSF.

73. Unclaimed Funds from the Net Settlement Amount. After all Individual Settlement Payments have been made, any remaining or unclaimed funds from the Net Settlement Amount above sixty percent (60%) shall remain the property of the Defendant.

74. Payroll Taxes. All applicable employer-side payroll taxes relating to the portion of the Individual Settlement Payments paid as wages shall be paid separate and apart from the Maximum Settlement Amount.

75. Uncashed Settlement Checks. Any checks issued by the Claims Administrator to Claimants will be negotiable for at least One Hundred Twenty (120) calendar days. Those funds represented by settlement checks returned as undeliverable and those settlement checks remaining uncashed for more than one hundred twenty (120) calendar days after issuance will be sent to the California State Controller's Unclaimed Property Fund.

76. Certification of Completion. Five (5) calendar days after the Response Deadline, the Claims Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties. The declaration will include any attempts to obtain valid mailing addresses for and re-sending of any returned Notice Packets, as well as the number of valid and timely exclusions and objections that the Claims Administrator received.

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1 77. Administration Costs if Settlement Fails or is Delayed. If the Settlement is voided or
2 rescinded, for any reason other than set forth in Paragraph 87, any costs incurred by the Claims
3 Administrator will be paid equally by the Parties (half by Defendant and half by Class Counsel),
4 unless otherwise specified in this Agreement.

5 78. Treatment of Individual Settlement Payments. For purposes of this Stipulation of
6 Settlement, all Individual Settlement Payments will be allocated as follows: one-third (1/3) of each
7 Individual Settlement Payment will be allocated as wages, one-third (1/3) will be allocated as interest,
8 and one-third (1/3) will be allocated as penalties. The amounts paid as wages shall be subject to all
9 tax withholdings customarily made from an employee's wages and all other authorized and required
10 withholdings and shall be reported by W-2 forms. The amounts paid as penalties and interest shall be
11 subject to all authorized and required withholdings other than the tax withholdings customarily made
12 from employees' wages and shall be reported by IRS 1099 forms.

13 79. Administration of Taxes by the Claims Administrator. The Claims Administrator will
14 be responsible for issuing to Plaintiffs, Claimants, and Class Counsel any W-2, 1099, or other tax
15 forms as may be required by law for all amounts paid pursuant to this Agreement. The Claims
16 Administrator will also be responsible for forwarding all payroll taxes and penalties to the appropriate
17 government authorities.

18 80. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect
19 of the payments called for hereunder; and Plaintiffs and Claimants are not relying on any statement,
20 representation, or calculation by Defendant or by the Claims Administrator in this regard. Plaintiffs
21 and Claimants understand and agree that except for Defendant's payment of the employer's portion of
22 any payroll taxes, they will be solely responsible for the payment of any taxes and penalties assessed
23 on the payments described herein and will defend, indemnify, and hold Defendant free and harmless
24 from and against any claims resulting from treatment of such payments as non-taxable damages.

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1 81. No Assignments. The Parties and their counsel represent, covenant, and warrant that
2 they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer,
3 or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action
4 or right herein released and discharged. Further, none of the rights, commitments, or obligations
5 recognized under this Agreement may be assigned by any Party, Class Member, Class Counsel, or
6 Defendant's Counsel without the express written consent of each other Party and their respective
7 counsel. The representations, warranties, covenants, and agreements contained in this Agreement are
8 for the sole benefit of the Parties under this Agreement and shall not be construed to confer any right
9 or to avail any remedy to any other person.

10 82. Release of Claims by Class Members. Upon the Effective Date, Plaintiffs and all Class
11 Members who have not submitted valid and timely Requests for Exclusion, will be deemed to have
12 fully, finally, and forever released, settled, compromised, relinquished, and discharged with respect to
13 all the Released Parties all Released Claims for any period during the Released Claims Period.

14 83. Waiver of California Civil Code Section 1542. Furthermore, pursuant to the terms of
15 the Settlement, and solely with respect to the Released Claims, Plaintiffs expressly waive and
16 relinquish any rights or benefits available to them under the provisions of section 1542 of the
17 California Civil Code, which provides as follows:

18 “A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR
19 RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT
20 THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER,
21 WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR
22 OR RELEASED PARTY.”

23 84. Duties of the Parties Prior to Court Approval. The Parties shall promptly submit this
24 Stipulation of Settlement to the Court in support of Plaintiffs' Motion for Preliminary Approval and
25 determination by the Court as to its fairness, adequacy, and reasonableness. Promptly upon execution
26 of this Stipulation of Settlement, the Parties shall apply to the Court for the entry of an order
27 scheduling a fairness hearing on the question of whether the proposed settlement, including payment
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of Attorneys' Fees and Costs, and Plaintiffs' Class Representative Enhancement Payment and Class Representative Settlement Payment, should be finally approved as a fair, reasonable, and adequate settlement. As part of Plaintiffs' Motion for Preliminary Approval, Plaintiffs shall also apply to the Court for the entry of an order as follows:

- a. Certifying the Class for the purpose of settlement;
- b. Approving, as to form and content, the proposed Notice of Class Action Settlement;
- c. Approving as to form and content the proposed Claim Form;
- d. Approving the manner and method for Class Members to request exclusion from the Settlement as contained herein and within the Notice of Class Action Settlement;
- e. Directing the mailing of the Notice of Class Action Settlement, Claim Form, and Reminder Postcards to the Class Members, in accordance with the Settlement Agreement;
- f. Preliminarily approving the Settlement subject only to the objections of Class Members and final review by the Court; and
- g. Enjoining Plaintiffs and any Class Member from filing or prosecuting any claims, suits, or administrative proceedings (including filing claims with the California Division of Labor Standards Enforcement and the LWDA) regarding the Released Claims unless and until such Class Members have filed valid Requests for Exclusion with the Claims Administrator.

85. Duties of the Parties Following Final Court Approval. Following final approval by the Court of the Settlement provided for in this Stipulation of Settlement, Class Counsel will submit a proposed final order of approval and judgment as follows:

- a. Approving the Settlement, adjudging the terms thereof to be fair, reasonable, and adequate, and directing consummation of its terms and provisions;

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- b. Approving Class Counsel's application for an award of Attorneys' Fees and Costs;
- c. Approving the Class Representative Enhancement Payment to Plaintiffs;
- d. Setting a date when the Parties shall report to the Court the total amount that was actually paid to the Class Members; and
- e. Entering judgment in this Action consistent with this Agreement.

86. Defendant's Option to Terminate the Settlement. If five percent (5%) or more of the Class Members opt out of the Settlement by filing Requests for Exclusion, Defendant may, at its election, rescind the Settlement and all actions taken in furtherance of it will thereby be null and void. Defendant must exercise this right of rescission, in writing, to Class Counsel within ten (10) calendar days after the Claims Administrator notifies the Parties of the total number of opt-outs received by the Response Deadline.

87. Nullification of Stipulation of Settlement. If: (a) the Court does not finally approve the Settlement as provided herein; or (b) the Settlement does not become final for any other reason, then this Stipulation of Settlement, and any documents generated to bring it into effect, will be null and void. Any order or judgment entered by the Court in furtherance of this Stipulation of Settlement will likewise be treated as void from the beginning.

88. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the Court to request the Preliminary Approval of this Stipulation of Settlement, and the entry of a Preliminary Approval Order for: (a) conditional certification of the Class for settlement purposes only, (b) Preliminary Approval of the proposed Stipulation of Settlement, and (c) setting a date for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the Notice Packet to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiffs will submit this Stipulation of Settlement, which sets forth the terms of this Settlement, and will include the proposed Notice Packet; i.e., the proposed Notice of Class Action Settlement documents, and the proposed Claim Form, attached as **Exhibit A** and **Exhibit B** respectively. Class Counsel will be responsible for drafting all documents necessary to obtain

preliminary approval. Defendant agrees not to oppose the Motion for Preliminary Approval.

89. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the deadlines to postmark Claim Forms, Requests for Exclusion, or objections to this Stipulation of Settlement, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to determine the Final Approval of this Stipulation of Settlement along with the amounts properly payable for (a) Individual Settlement Payments; (b) the Attorneys' Fees and Costs; (c) the Class Representative Enhancement Payment; and (d) all Claims Administration Costs, as well as confirming the total amount to be allocated towards the PAGA Payment. Class Counsel will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will also be responsible for drafting the Attorneys' Fees and Costs application to be heard at the final approval hearing and shall submit to the Court a Proposed Final Approval Order. Defendant agrees not to oppose the Motion for Final Approval and Attorneys' Fee and Costs.

90. Either Party's Option to Terminate the Settlement. Subject to the obligation(s) of mutual full cooperation, either Party may terminate this Settlement if the Court declines to enter the Preliminary Approval Order, the Final Approval Order, or final judgment in substantially the form submitted by the Parties, or this Stipulation of Settlement as agreed does not become final because of appellate court action. The terminating Party shall give to the other Party (through its counsel) written notice of its decision to terminate no later than ten (10) business days after receiving notice that one of the enumerated events has occurred. Termination shall have the following effects:

- a. The Stipulation of Settlement shall be terminated and shall have no force or effect, and no Party shall be bound by any of its terms;
- b. In the event the Settlement is terminated, Defendant shall have no obligation to make any payments to any Party, Class Member, or attorney, except that the Terminating Party shall pay the Claims Administrator for services rendered up to the date the Claims Administrator is notified that the Settlement has been terminated;

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- 1 c. The Preliminary Approval Order, Final Approval Order and Judgment, including
2 any order of class certification, shall be vacated;
- 3 d. The Stipulation of Settlement and all negotiations, privileged statements and
4 proceedings relating thereto shall be without prejudice to the rights of any of the
5 Parties, all of whom shall be restored to their respective positions in the Action
6 prior to this Stipulation of Settlement; and
- 7 e. Neither this Stipulation of Settlement, nor any ancillary documents, actions,
8 statements, or filings in furtherance of this Stipulation of Settlement (including all
9 matters associated with the mediation) shall be admissible or offered into
10 evidence in the Action or any other action for any purpose whatsoever.

11 91. Exhibits Incorporated by Reference. The terms of this Agreement include the terms set
12 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
13 herein. Any Exhibits to this Agreement are an integral part of this Stipulation of Settlement.

14 92. Confidentiality. The Parties and their counsel agree that they will not issue any press
15 releases, initiate any contact with the press, respond to any press inquiry, or have any communication
16 with the press about the fact, amount, or terms of the Settlement prior to the Settlement being
17 preliminarily approved by the Court. In addition, the Parties and their counsel agree that they will not
18 engage in any advertising or distribute any marketing materials relating to the Settlement of this case
19 prior to the Settlement being preliminarily approved by the Court, including but not limited to any
20 postings on any websites maintained by Class Counsel. Any communication about the Settlement to
21 Class Members prior to the Settlement being preliminarily approved by the Court will be limited to a
22 statement that a settlement has been reached and the details will be communicated in a forthcoming
23 Court-approved notice. Nothing set forth herein, however, shall prohibit (a) Defendant from providing
24 truthful disclosure about the Settlement, including its amount, in its periodic filings on Form 10-Q or
25 Form 10-K with the United States Securities and Exchange Commission, or (b) the Parties from
26 providing this Agreement to the Court in connection with the Parties' efforts to seek the Court's
27 approval of this Settlement. Neither Plaintiffs nor Class Counsel shall hold a press conference or
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1 otherwise seek to affirmatively contact the media about the Settlement. If contacted by the media
2 regarding the Settlement, Class Counsel will direct any media inquiries to the public records of the
3 Action on file with the Court. Also, neither Plaintiffs nor Class Counsel will disparage the Settlement.

4 93. Entire Agreement. This Stipulation of Settlement and any attached Exhibits constitute
5 the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral
6 agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil
7 Code section 1625 and California Code of Civil Procedure section 1856(a), which provide that a
8 written agreement is to be construed according to its terms and may not be varied or contradicted by
9 extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms
10 will modify, vary, or contradict the terms of this Agreement.

11 94. Amendment or Modification. This Stipulation of Settlement may be amended or
12 modified only by a written instrument signed by the named Parties and counsel for all Parties or their
13 successors-in-interest.

14 95. Authorization to Enter Into Stipulation of Settlement. Counsel for all Parties warrant
15 and represent they are expressly authorized by the Parties whom they represent to negotiate this
16 Stipulation of Settlement and to take all appropriate action required or permitted to be taken by such
17 Parties pursuant to this Stipulation of Settlement to effectuate its terms and to execute any other
18 documents required to effectuate the terms of this Stipulation of Settlement. The Parties and their
19 counsel will cooperate with each other and use their best efforts to effect the implementation of the
20 Settlement. If the Parties are unable to reach agreement on the form or content of any document
21 needed to implement the Settlement, or on any supplemental provisions that may become necessary to
22 effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such
23 disagreement.

24 96. Signatories. It is agreed that because the members of the Class are so numerous, it is
25 impossible or impractical to have each member of the Class execute this Stipulation of Settlement.
26 The Notice of Class Action Settlement, attached hereto as Exhibit A, will advise all Class Members
27 of the binding nature of the release, and the release shall have the same force and effect as if this
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1 Stipulation of Settlement were executed by each Settlement Class Member.

2 97. Binding on Successors and Assigns. This Stipulation of Settlement will be binding
3 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

4 98. California Law Governs. All terms of this Stipulation of Settlement and Exhibits
5 hereto will be governed by, construed, and interpreted according to the laws of the State of California,
6 irrespective of the State of California's choice of law principles.

7 99. Execution and Counterparts. This Stipulation of Settlement is subject only to the
8 execution of all Parties. However, the Agreement may be executed in one or more counterparts. All
9 executed counterparts and each of them, including facsimile and scanned copies of the signature page,
10 will be deemed to be one and the same instrument.

11 100. Acknowledgement that the Settlement is Fair, Reasonable, and Adequate. The Parties
12 believe this Stipulation of Settlement is a fair, adequate, and reasonable settlement of the Action and
13 have arrived at this Settlement after arm's-length negotiations and in the context of adversarial
14 litigation, considering all relevant factors, present and potential. The Parties further acknowledge that
15 they are each represented by competent counsel and that they have had an opportunity to consult with
16 their counsel regarding the fairness and reasonableness of this Agreement. In addition, the Mediator
17 may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the
18 Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the
19 Settlement is objectively fair and reasonable.

20 101. Invalidity of Any Provision. Before declaring any provision of this Stipulation of
21 Settlement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
22 possible consistent with applicable precedents so as to define all provisions of this Stipulation of
23 Settlement valid and enforceable.

24 102. Plaintiffs' Waiver of Right to Be Excluded and Object. Plaintiffs agree to sign this
25 Stipulation of Settlement and, by signing this Stipulation of Settlement, are hereby bound by the terms
26 herein. For good and valuable consideration, Plaintiffs further agree that they will not request to be
27 excluded from this Stipulation of Settlement. Any such Request for Exclusion by Plaintiffs will be
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void and of no force or effect.

103. Non-Admission of Liability. The Parties enter into this Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. By entering into this Agreement, Defendant does not admit, and specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees or the Class Members. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

104. Captions. The captions and section numbers in this Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Agreement.

105. Waiver. No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

106. Meet and Confer Regarding Disputes. Should any dispute arise among the Parties or their respective counsel regarding the implementation or interpretation of this Agreement, a representative of Class Counsel and a representative of Defendant's Counsel shall meet and confer to resolve such disputes prior to submitting such disputes to the Court.

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107. Enforcement Actions. If one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions. To the extent consistent with class action procedure, this Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6 and California Rule of Court 3.769(h). The Disposition entered by the Court will not adjudicate the merits of the Action or the liability of the Parties resulting from the allegations of the Action. Its sole purpose is to adopt the terms of the Settlement and to retain jurisdiction over its enforcement. To that end, the Court shall retain continuing jurisdiction over this Action and over all Parties and Class Members to the fullest extent to enforce and effectuate the terms and intent of this Agreement

108. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Agreement.

109. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel and reviewed in full. Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on this Agreement.

110. All Terms Subject to Final Court Approval. All amounts and procedures described in this Stipulation of Settlement herein will be subject to final Court approval.

111. Notices. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

To Plaintiffs and the Class:

Douglas Han, Esq.
Shunt Tatavos-Garajeh, Esq.
JUSTICE LAW CORPORATION
751 N. Fair Oaks Avenue, Suite 101
Pasadena, California 91103

To Defendant PAUL DURHAM ELECTRIC, INC. F/K/A/ HAROLD E. NUTTER & SON, INC.:

Shawn M. Krogh, Esq.
Richard Shoemaker-Moyle, Esq.
KROGH & DECKER, LLP
555 Capitol Mall, Suite 700
Sacramento, California 95814
Telephone: (916) 498-9000
Facsimile: (916) 498-9005

112. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Stipulation of Settlement.

113. Integration Clause. This Stipulation of Settlement contains the entire agreement between the Parties relating to the Settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or such party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

114. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Agreement, and further intend that this Agreement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Settlement and Release Between Plaintiffs and Defendant as of the date(s) set forth below:

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PLAINTIFFS AND CLASS COUNSEL

READ CAREFULLY BEFORE SIGNING

DATED: 12/25/2021

Sean Hammond

SEAN HAMMOND
Plaintiff

DATED: _____

EDIANETT VALDOVINOS
Plaintiff Jesus Valdovinos' Successor in Interest

DEFENDANT PAUL DURHAM ELECTRIC, INC.
F/K/A/ HAROLD E. NUTTER & SON, INC.

DATED: 1/11/2022

By:

DocuSigned by:
Paul Durham
0886D6D6E90D4F3...

APPROVED AS TO FORM

JUSTICE LAW CORPORATION

DATED: _____

By:

DOUGLAS HAN
SHUNT TATAVOS-GARAJEH
Attorneys for Plaintiffs Sean Hammond, Jesus Valdovinos,
and the Class

KROGH & DECKER, LLP

DATED: 12/28/2021

By:

DocuSigned by:
Shawn Krogh
E13C81A2177141D...

SHAWN M. KROGH
RICHARD SHOEMAKER-MOYLE
Attorneys for Defendant Paul Durham Electric, Inc. f/k/a
Harold E. Nutter & Son, Inc.

PLAINTIFFS AND CLASS COUNSEL

READ CAREFULLY BEFORE SIGNING

DATED: _____

SEAN HAMMOND
Plaintiff

DATED: 12/24/2021

Edianett Valdovinos
EDIANETT VALDOVINOS
Plaintiff Jesus Valdovinos' Successor in Interest

DATED: 1/11/2022

By: DocuSigned by:
Paul Durham
0886D6D6F90D4F3...

APPROVED AS TO FORM

JUSTICE LAW CORPORATION

DATED: 12/27/21

By: *DOUGLAS HAN*
DOUGLAS HAN
SHUNT TATAVOS-GARAJEH
Attorneys for Plaintiffs Sean Hammond, Jesus Valdovinos,
and the Class

KROGH & DECKER, LLP

DATED: 12/28/2021

By: DocuSigned by:
Shawn Krogh
E13C81A2177141D...
SHAWN M. KROGH
RICHARD SHOEMAKER-MOYLE
Attorneys for Defendant Paul Durham Electric, Inc. f/k/a
Harold E. Nutter & Son, Inc.

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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 Ave., Ste. 101 Pasadena, California 91103. My electronic service address is mking@justicelawcorp.com

On January 27, 22, I served the foregoing document described as

JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

for the following case: **Hammond, et al. v. Paul Durham Electric, Inc. f/k/a Harold E. Nutter & Son, Inc.**
LWDA/Court Case No.: **LWDA-CM-849588-21**
34-2020-00291142-CU-OE-GDS
Sacramento 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

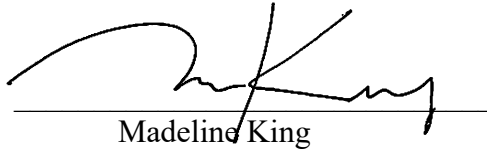
[X] BY ELECTRONIC SUBMISSION

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 January 27, 2022, at Pasadena, California.



Madeline King