

1 Galen T. Shimoda (Cal. State Bar No. 226752)
Justin P. Rodriguez (Cal. State Bar No. 278275)
2 Brittany V. Berzin (Cal. State Bar No. 325121)
Shimoda & Rodriguez Law, PC
3 9401 East Stockton Blvd., Suite 120
Elk Grove, CA 95624
4 Telephone: (916) 525-0716
Facsimile: (916) 760-3733
5
Attorneys for Plaintiff CHRISTOPHER HAMPTON

6 Jason A. Geller (SBN 168149)
Kevin L. Quan (SBN 317798)
7 FISHER & PHILLIPS LLP
8 1 Montgomery Street, Suite 3400
San Francisco, CA 94104
9 Telephone: (415) 490-9000
Facsimile: (415) 490-9001

10 Attorneys for Defendant UNLIMITED SECURITY
11 SPECIALISTS INC.

12 **SUPERIOR COURT OF CALIFORNIA**
13 **FOR THE COUNTY OF YOLO**

14 CHRISTOPHER HAMPTON, individually and
15 on behalf of all other similarly situated
16 employees,

17 Plaintiff,

18 vs.

19 UNLIMITED SECURITY SPECIALISTS,
INC., a California Corporation; and DOES 1 to
20 100, inclusive,

21 Defendants.

Case No.: CV2021-2130

**JOINT STIPULATION REGARDING CLASS
ACTION AND PAGA SETTLEMENT AND
RELEASE**

Filed: December 3, 2021
FAC Filed: February 25, 2022
Trial Date: None Set

1 This Joint Stipulation Regarding Class Action and PAGA Settlement and Release is made and
2 entered into between Christopher Hampton (“Plaintiff”), on behalf of himself, the Labor and Workforce
3 Development Agency, Class Members, and Aggrieved Employees, and Unlimited Security Specialists
4 Inc. and Jose H. Cardona (“Defendants”). This Agreement is subject to the terms and conditions set forth
5 below and the approval of the Court.

6 **1. DEFINITIONS**

7 The following terms, when used in this Agreement, have the following meanings:

8 1.1 “Action” means the above stated lawsuit, *Hampton v. Unlimited Security Specialists, Inc.*,
9 Yolo County Superior Court, Case No. CV2021-2130, filed December 3, 2021.

10 1.2 “Aggrieved Employee(s)” means all nonexempt employees who have, or continue to, work
11 for Defendants in California during the PAGA Claim Period. The estimated number of Aggrieved
12 Employees is 432 at the time of mediation on June 27, 2022.

13 1.3 “Agreement” or “Settlement” or “Settlement Agreement” means this Joint Stipulation
14 Regarding Class Action and PAGA Settlement and Release.

15 1.4 “Claim Amount” means an individual Qualified Claimant’s and Aggrieved Employee’s
16 allocation of the Net Settlement Amount and PAGA Payment respectively, as defined in Sections 1.21,
17 1.25, 5.5, and 5.8.

18 1.5 “Claims Administrator” means and refers to ILYM, Inc., the third-party entity that will
19 administer the Agreement as outlined in Sections 4 and 7, or any other third-party class action settlement
20 claims administrator agreed to by the Parties and approved by the Court for the purposes of administering
21 this Agreement. The Parties each represent that they do not have any financial interest in the Claims
22 Administrator or otherwise have a relationship with the Claims Administrator that could create a conflict
23 of interest.

24 1.6 “Claims Administrator Costs” means the fees and expenses reasonably incurred by the
25 Claims Administrator as a result of the procedures and processes expressly required by this Agreement,
26 and shall include all costs of administering the Agreement, including, but not limited to, all tax document
27 preparation, custodial fees, and accounting fees incurred by the Claims Administrator; all costs and fees
28 associated with preparing, issuing and mailing any and all notices and other correspondence to Class

Members and/or Aggrieved Employees; all costs and fees associated with communicating with Class Members and/or Aggrieved Employees, Class Counsel, and Defendants’ Counsel; all costs and fees associated with computing, processing, reviewing, and paying the Claim Amounts, and resolving disputes; all costs and fees associated with calculating tax withholdings and payroll taxes, if any, making related payment to federal and state tax authorities, if any, and issuing tax forms relating to payments made under the Agreement; all costs and fees associated with preparing any tax returns and any other filings required by any governmental taxing authority or agency; all costs and fees associated with preparing any other notices, reports, or filings to be prepared in the course of administering Claim Amounts; and any other costs and fees incurred and/or charged by the Claims Administrator in connection with the execution of its duties under this Agreement.

1.7 “Class Counsel” means Galen T. Shimoda, Justin P. Rodriguez and Brittany V. Berzin of Shimoda & Rodriguez Law, PC.

1.8 “Class Member(s)” means all non-exempt employees who have, or continue to, work for Defendants in California during the Class Period. The estimated number of Class Members is 670 at the time of mediation on June 27, 2022.

1.9 “Class Period” means December 3, 2017 up to the Preliminary Approval Date.

1.10 “Class Representative” means Plaintiff Christopher Hampton.

1.11 “Class Representative’s Released Claims” means all claims arising from, could have been asserted, or related in any way to the Class Representative’s employment with Defendants, under federal, state, or local laws, and/or ordinances, or tort or contract theories, whether known or unknown, and whether anticipated or unanticipated, including without limitation statutory, constitutional, contractual or common law claims for lost wages, unpaid wages, meal and rest period violations, unpaid reimbursements and expenses, untimely payment of wages, wage statement violations, separation pay violations, PAGA penalties, emotional distress, punitive damages, special damages, damages, unpaid costs, penalties, liquidated damages, interest, attorneys’ fees, litigation costs, restitution, equitable relief or other similar relief or claims. The Class Representative’s Released Claims exclude claims for workers’ compensation, unemployment insurance benefits, or other claims that cannot be released as a matter of law.

1.12 “Complaint” means the operative Complaint on file in the Action with the Court.

1.13 “Court” means the Yolo County Superior Court.

1.14 “Defendants” mean Unlimited Security Specialists Inc. and Jose H. Cardona.

1.15 “Defendants’ Counsel” means Fisher & Philips, LLP.

1.16 “Enhancement Payment” means the amount approved by the Court to be paid to the Class Representative in recognition of the time and effort expended on behalf of Class Members for the benefit of Class Members, which is in addition to any Claim Amount paid to the Class Representative as a Qualified Claimant.

1.17 “Effective Date” means the Final Approval Date unless there is a timely objection lodged that has not later been withdrawn, in which case the Effective Date will be either (a) the 60th calendar day after a signed order granting final approval of this settlement has been filed provided no appellate proceeding having been filed; or (b) seventh (7th) calendar day after any appellate proceeding opposing the settlement has been finally dismissed with no material change to the terms of this settlement and there is no right to pursue further remedies or relief, whichever is later.

1.18 “Final Approval Date” means the date a signed order granting final approval of this Agreement is filed with the Court.

1.19 “Gross Settlement Amount” is the sum of Three Hundred Fifty Thousand Dollars (\$350,000).

1.20 “LWDA” means the California Labor and Workforce Development Agency.

1.21 “Net Settlement Amount” is the portion of the Gross Settlement Amount available for distribution to Qualified Claimants, as described in this Agreement, after deduction of Class Counsel’s attorneys’ fees and litigation costs, Claims Administrator Costs, the PAGA Payment, and Enhancement Payment to the Class Representative.

1.22 “Notice of Settlement” means the document substantially in the form attached hereto as Exhibit 1.

1.23 “Notice Period” means forty-five (45) calendar days from the initial mailing of the Notice of Settlement to Class Members and Aggrieved Employees.

1.24 “PAGA” means the California Labor Code Private Attorneys General Act of 2004.

1 1.25 “PAGA Payment” means the amount allocated from the Gross Settlement Amount towards
2 resolving claims under the Private Attorneys General Act of 2004, California Labor Code §§ 2698 *et seq.*

3 1.26 “PAGA Claim Period” means November 24, 2020 up to the Preliminary Approval Date.

4 1.27 “Parties” mean Defendants and Plaintiff.

5 1.28 “Preliminary Approval Date” means the date a signed order granting preliminary approval
6 of this Agreement is filed with the Court.

7 1.29 “QSF” means a Qualified Settlement Fund set up by the Claims Administrator for the
8 benefit of the Qualified Claimants and/or Aggrieved Employees and from which the payments under this
9 Agreement shall be made. Any amounts Defendants have agreed to pay under this Agreement shall remain
10 the property of Defendants until the payments required under the Agreement are made.

11 1.30 “Qualified Claimant” means any and all Class Members who have not made any timely
12 request to opt-out of the Agreement.

13 1.31 “Qualified Claimant’s Released Claims” means any and all claims contained in the
14 Complaint, and any additional wage and hour claims that could have been brought based on the facts
15 alleged in the operative Complaint, through the Class Period, including but not limited to claims arising
16 from alleged unpaid wages, minimum wages, regular wages, overtime and double time wages; meal and
17 rest period violations; unpaid reimbursements and expenses; untimely payment of wages; wage statement
18 violations; separation pay violations; and PAGA penalties based thereon. This release excludes the release
19 of claims not permitted by law. This release excludes claims for workers’ compensation or unemployment
20 insurance benefits. This release will cover all Class Members who do not opt out.

21 1.32 “Qualifying Workweeks” are weeks worked by Class Members and/or Aggrieved
22 Employees during the Class Period and/or PAGA Claim Period, respectively, in California. For Class
23 Members, workweeks shall be defined as the total length of service (in days) in California during the Class
24 Period divided by seven. For Aggrieved Employees, workweeks shall be defined as the total length of
25 service (in days) in California during the PAGA Claim Period divided by seven. The calculation of a
26 Class Member’s and/or Aggrieved Employee’s workweeks and a determination as to whether a Class
27 Member and/or Aggrieved Employee was actively employed in California in a particular workweek shall
28 be construed from Defendants’ records.

1 1.33 “Released PAGA Claims” means any and all claims for civil penalties that were brought
2 under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.*, contained in the operative
3 Complaint and any additional wage and hour PAGA claims that could have been brought during the PAGA
4 Claim Period, including but not limited to claims arising from alleged unpaid wages, minimum wages,
5 regular wages, overtime wages, double time wages; meal and rest period violations; unpaid
6 reimbursements and expenses; untimely payment of wages; wage statement violations; and separation pay
7 violations. Aggrieved Employees cannot opt out of this waiver of claims.

8 1.34 “Released Parties” means Unlimited Security Specialists Inc. (including but not limited to,
9 Jose Cardona, Brandi Morgan, Gerardo Cardona), its parents, subsidiaries, affiliates, insurers, related
10 entities and divisions, and its and their respective: (i) predecessors, successors, and assigns, and (ii) current
11 and former agents, heirs, executors, administrators, principals, officers, directors, shareholders,
12 employees, founders, members, assigns, insurers, attorneys, and all others claiming through or by any of
13 them.

14 **2. DESCRIPTION OF THE LITIGATION**

15 2.1 On or about November 24, 2021, Plaintiff sent notice to the LWDA to exhaust
16 administrative remedies under the PAGA for failure to pay overtime wages, failure to pay minimum
17 wages, failure to provide meal periods or pay premiums in lieu thereof, failure to provide rest periods or
18 pay premiums in lieu thereof, failure to provide accurate wage statements, failure to pay final wages,
19 failure to pay reimbursements for expenses, failure to maintain accurate records, and untimely payment
20 of wages. The LWDA did not respond to the notice within the statutorily required time frame and, as
21 such, Plaintiff became authorized to act as a Private Attorneys General on all alleged PAGA claims.

22 2.2 On or about December 3, 2021, Plaintiff filed a class action Complaint in Yolo County
23 Superior Court on behalf of himself and Class Members alleging claims for failure to pay overtime wages,
24 failure to pay minimum wages, meal period violations, rest period violations, wage statement violations,
25 waiting time penalties, failure to reimburse expenses, unfair competition, and untimely payment of wages.
26 Plaintiff filed a First Amended Complaint on approximately February 25, 2022 to add a PAGA cause of
27 action based on the violations alleged in the November 24, 2021 notice to the LWDA on behalf of himself
28 and Aggrieved Employees.

1 2.3 Through informal discovery, Defendants and Defendants' Counsel provided Class
2 Counsel with copies of all applicable versions of its relevant policies and procedures, employee
3 handbooks, information on Class Members including, but not limited to, Class Members' pay periods
4 worked during the Class Period, Aggrieved Employees pay periods worked during the PAGA Period, total
5 number of Class Members and Aggrieved Employees, as well as timecard data and payroll reports for a
6 randomly selected sample of Class Members.

7 2.4 On June 27, 2022, the Parties participated in a lengthy mediation with private mediator
8 Steven G. Pearl, Esq. At the conclusion of the mediation, the Parties were able to come to a resolution.
9 At all times, the Parties' settlement negotiations have been non-collusive, adversarial, and at arm's length.

10 2.5 Discussions between Plaintiff and Class Counsel, between counsel for the Parties,
11 document productions, extensive legal analysis, the provision of information by Defendants to Plaintiff
12 and the detailed analysis of the records, including expert analysis, have permitted each side to assess the
13 relative merits of the claims and the defenses to those claims.

14 2.6 In the Action, Plaintiff contends that Defendants violated California law by 1) paying Class
15 Members under invalid alternative workweek agreements; 2) failing to pay the correct overtime and
16 double time hours for shifts worked outside of the regularly scheduled alternative workweek and shifts
17 over 12 hours in a day; 3) failing to pay Class Members for all hours worked, including for hours worked
18 in excess of eight in a day or forty hours in a workweek; 4) failing to authorize and permit all meal and
19 rest periods; 5) failing to timely pay Class Members wages in accordance with Labor Code section 204;
20 6) failing to reimburse Class Members for the use of personal cellphones; 7) failing to pay Class Members
21 all final wages upon separation of employment in accordance with Labor Code sections 201, 202, and
22 203; and 8) failure to provide Class Members with accurate itemized wage statements. Defendants have
23 denied each of Plaintiff's claims and Defendants have denied that this Action is appropriate for class
24 certification for anything other than settlement purposes. The agreed upon Gross Settlement Amount was
25 reached after evaluating the Parties' theories of potential exposure for the underlying claims and the class
26 data supporting these claims. The Parties, with the assistance of the mediator, also assessed appropriate
27 discounts to the potential liability based on Defendants' factual and legal contentions and defenses.

1 2.7 The Parties agree that the above-described investigation and evaluation, as well as
2 discovery and the information exchanged to date, are more than sufficient to assess the merits of the
3 respective Parties' positions and to compromise the issues on a fair and equitable basis. Plaintiff, Class
4 Counsel, Defendants, and Defendants' Counsel have concluded that it is desirable that the Action be
5 settled in a manner and upon such terms and conditions set forth herein in order to avoid further expense,
6 inconvenience and distraction of further legal proceedings, and the risk of an adverse outcome each of the
7 Parties potentially face in the Action. Therefore, the Parties desire to resolve the claims in the Action.
8 Plaintiff, Class Counsel, Defendants, and Defendants' Counsel are of the opinion that the Agreement for
9 the consideration and terms set forth herein is fair, reasonable, and adequate in light of all known facts
10 and circumstances.

11 **3. THE CONDITIONAL NATURE OF THIS AGREEMENT**

12 3.1 This Agreement and all associated exhibits or attachments are made for the sole purpose
13 of settling the Action. This Agreement and the settlement it evidences are made in compromise of disputed
14 claims. Because the Action was pled as a class action, this Agreement must receive preliminary and final
15 approval by the Court. Accordingly, the Parties enter into this Agreement and associated settlement on a
16 conditional basis. If the Court does not enter an order granting final approval of the Agreement, or if the
17 Court's approval of the settlement is reversed or materially modified on appellate review, this Agreement
18 shall be deemed null and void; it shall be of no force or effect whatsoever; it shall not be referred to or
19 utilized for any purpose whatsoever; and the negotiation, terms and entry of the Agreement shall remain
20 subject to the provisions of California Evidence Code Sections 1119 and 1152, Federal Rule of Evidence
21 408, and any other analogous rules of evidence that may be applicable.

22 3.2 Defendants have denied all claims as to liability, damages, liquidated damages, penalties,
23 interest, fees, restitution, injunctive relief and all other forms of relief asserted in the Action. Defendants
24 have agreed to resolve the Action via this Agreement, but to the extent this Agreement is deemed void or
25 the Final Approval Date does not occur, Defendants do not waive, but rather expressly reserve, all rights
26 to challenge all such claims and allegations in the Action upon all procedural and factual grounds,
27 including, without limitation, the ability to challenge class or collective treatment on any grounds, as well
28 as to assert any and all other potential defenses or privileges.

1 **4. SCOPE OF THE CLASS**

2 4.1 The scope of the class of individuals encompassed under the Agreement, who are entitled
3 to all benefits as authorized under the Agreement and subject to all obligations and duties required under
4 the Agreement, shall include all Class Members as defined in Section 1.8 and all Aggrieved Employees
5 as defined in Section 1.2. However, it shall not include any Class Members who submit valid and timely
6 requests to opt-out of the Agreement and settlement, as set forth in Section 7.5.1.

7 4.2 Individuals entitled to recover under this Agreement will include only those individuals
8 who are identified as being within the scope of this Agreement under Section 4.1.

9 4.3 Any person who believes that he or she is a Class Member or Aggrieved Employee and
10 wishes to participate in the Agreement, but did not receive a Notice of Settlement because his or her name
11 did not appear on the class list provided to the Claims Administrator prior to mailing, may submit a data
12 request to the Claims Administrator. The data request must contain all of the following information: (a)
13 the full name and, if applicable, Social Security Number of the individual making the request; (b) the
14 name used by such employee as of the time his or her employment with Defendants ended; (c) the years
15 during which such employee was employed with Defendants; and (d) a return address to which a response
16 may be sent. Every data request must be postmarked on or before the conclusion of the Notice Period or
17 otherwise submitted to the Claims Administrator such that it is received before the conclusion of the
18 Notice Period. Upon receipt of any data requests, the Claims Administrator shall promptly (in no event
19 more than two business days) transmit the data requests to Defendants' Counsel and request that
20 Defendants review their records.

21 4.4 If Defendants agree that the person listed in a data request is a Class Member and/or
22 Aggrieved Employee, the Claims Administrator shall promptly mail a Notice of Settlement to the person
23 who submitted the data request, at the address designated for that purpose in the data request. All
24 provisions of this Agreement relating to the Notice of Settlement shall apply to Notice of Settlement sent
25 in response to data requests, and any person who submits a data request and is sent a Notice of Settlement
26 in response shall be treated by the Claims Administrator as a Class Member and/or Aggrieved Employee
27 for all other purposes.
28

4.5 If Defendants disagree that the person listed in a data request is a Class Member and/or Aggrieved Employee, Defendants' Counsel and Class Counsel shall attempt to resolve any such dispute in good faith within seven (7) calendar days of Class Counsel being advised in writing of the data request dispute. Defendants' records shall control unless the individual submitting the data request provides persuasive evidence to doubt the accuracy of those records. Each data request dispute that Defendants' Counsel and Class Counsel cannot timely resolve shall be resolved by the Claims Administrator. The Claims Administrator must accept and weigh all the evidence provided in a good faith attempt to resolve the dispute. The Claims Administrator must resolve any dispute submitted to it within seven (7) calendar days after Defendants' Counsel and Class Counsel submit the dispute to the Claims Administrator. The decision by the Claims Administrator shall be final and there shall be no right of appeal.

5. TERMS OF THE SETTLEMENT

The Parties agree as follows:

5.1 Gross Settlement Amount: In consideration and exchange for the releases described in Section 6, Defendants shall pay the Gross Settlement Amount of Three Hundred Fifty Thousand Dollars and Zero Cents (\$350,000.00). Funding of the Gross Settlement Amount shall occur in two installments. The first installment of \$250,000.00 shall be paid within 21 calendar days after the Preliminary Approval Date to be held in trust in a QSF by the Claims Administrator. The second installment of \$100,000.00 and applicable taxes shall be paid within 21 calendar days after the Effective Date to be held in trust in a QSF by the Claims Administrator. The Gross Settlement Amount includes payments to Qualified Claimants, Aggrieved Employees, all attorneys' fees, costs and litigation expenses related to the Action incurred to date, as well as all such fees and costs incurred in documenting the Agreement, administering the Agreement (including Claims Administrator Costs), and obtaining final approval of the Agreement, the Enhancement Payment to the Class Representative and the PAGA Payment. Any monies necessary to satisfy Defendants' tax obligations (e.g. employer FICA, FUTA and SDI contributions on wage payments) on any monies distributed to Qualified Claimants will be paid in addition to the Gross Settlement Amount.

5.2 Attorneys' Fees and Costs: Class Counsel will apply to the Court for attorney's fees in the amount of 35% of the Gross Settlement Amount, which shall be paid from the Gross Settlement Amount.

1 Defendants have agreed to not oppose Class Counsel's application for attorneys' fees so long as it does
2 not exceed the 35% threshold. Class Counsel will also be entitled to reimbursement for advanced litigation
3 expenses not to exceed \$15,000.00, which shall be paid from the Gross Settlement Amount. Defendants
4 have agreed to not oppose Class Counsel's request for reimbursement for advanced litigation expenses so
5 long as they do not exceed the \$15,000.00 threshold. The Claims Administrator will issue Class Counsel
6 an IRS Form 1099 for the attorneys' fees and costs paid under this Agreement. In the event that the Court
7 awards less than the requested attorney's fees and/or costs, the portion of the requested amounts not
8 awarded to Class Counsel shall be added to the Net Settlement Amount to be distributed to Qualified
9 Claimants on a pro rata basis.

10 5.3 Claims Administrator Costs: The Claims Administrator Costs shall be paid from the Gross
11 Settlement Amount and shall not exceed \$15,000.00. The difference between any actual costs and the
12 allocated \$15,000.00 shall be added to the Net Settlement Amount to be distributed to Qualified Claimants
13 on a pro rata basis.

14 5.4 Enhancement Payment: Class Counsel, on behalf of Plaintiff, shall apply to the Court for
15 an Enhancement Payment to the Class Representative in an amount not to exceed fifteen thousand dollars
16 (\$15,000.00) to compensate for the risks, time, and expense of his involvement in the Action and securing
17 the benefits of this Agreement for Class Members. The Enhancement Payment is in addition to the Claim
18 Amount Plaintiff would otherwise be due under the Agreement as a Qualified Claimant. Defendants have
19 agreed to not oppose Class Counsel's request for an Enhancement Payment to Plaintiff so long as it does
20 not exceed the amount stated herein. The Enhancement Payment will be designated as a non-wage
21 payment and reported on an IRS Form 1099-MISC. In the event that the Court awards less than the
22 Enhancement Payment amount requested, then any portion of the requested amount not awarded to the
23 Class Representative shall be added to the Net Settlement Amount to be distributed to Qualified Claimants
24 on a pro rata basis.

25 5.5 PAGA Payment: Ten Thousand Dollars (\$10,000.00) of the Gross Settlement Amount
26 shall be allocated to resolving claims under the PAGA. Seventy-Five percent (75%) of the PAGA Payment
27 will be paid to the LWDA and Twenty-Five percent (25%) will be paid to Aggrieved Employees on a pro
28 rata basis as described below in Section 5.8. Any amount not approved by the Court for the allocated

PAGA Payment shall be added to the Net Settlement Amount to be distributed to Qualified Claimants on a pro rata basis.

5.6 Treatment of Residue and Cy Pres: For any portion of the Net Settlement Amount or PAGA Payment allocated to Qualified Claimants and/or Aggrieved Employees that is not claimed by cashing their respective settlement checks before the deadline to do so, that remaining amount shall be donated equally, *i.e.*, 50/50, to Capital Pro Bono, Inc., and the Center for Workers' Rights. No portion of the Gross Settlement Amount will revert to Defendants for any reason.

5.7 No Additional Benefits Contributions: All Claim Amounts paid to Qualified Claimants and Aggrieved Employees shall be deemed to be income solely in the year in which such amounts were actually received. It is expressly understood and agreed that the receipt of such Claim Amounts will not entitle any Qualified Claimant or Aggrieved Employee to any new or additional compensation or benefits under any company bonus or other compensation or benefit plan or agreement in place during the period covered by the Agreement, nor will it entitle any Qualified Claimant or Aggrieved Employee to any increased retirement, 401(k) and/or 403(b) benefits or matching benefits, or deferred compensation benefits. It is the intent of this Agreement that the Claim Amounts provided for in this Agreement are the sole payments to be made by Defendants to the Qualified Claimants and Aggrieved Employees in connection with this Agreement (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 Agreement).

5.8 Pro Rata Distribution Formula: Payment to Qualified Claimants and Aggrieved Employees of their Claim Amount will not require the submission of a claim form. A Net Settlement Amount will be determined by subtracting from the Gross Settlement Amount any amounts for approved attorneys' fees and costs, any Enhancement Payment to the Class Representative, the Claims Administrator Costs, and the PAGA Payment. Each Class Member's share will be determined by dividing their total Qualifying Workweeks within the Class Period by the total Qualifying Workweeks by all Class Members. That fraction will then be multiplied by the Net Settlement Amount to arrive at the Class Member's individual share of the Net Settlement Amount. Each Aggrieved Employee's share of the 25% portion of the PAGA Payment will be determined by dividing their total Qualifying Workweeks within the PAGA Claim Period by the total Qualifying Workweeks by all Aggrieved Employees within the

PAGA Claim Period. That fraction will then be multiplied by the 25% portion of the PAGA Payment to arrive at the Aggrieved Employee's individual share.

5.9 Tax Allocation: The Parties recognize that the Claim Amounts to be paid to Qualified Claimants and/or Aggrieved Employees reflect a settlement of a dispute over claimed penalties and wages. The Claims Administrator shall calculate the employer's share of payroll taxes on the amounts paid to Qualified Claimants as wages as well as calculating all required withholdings and deductions from said wage payments. The characterization of Claim Amounts to Qualified Claimants and Aggrieved Employees are as follows:

5.9.1 One third (1/3) of each Qualified Claimants' Claim Amount shall be allocated for payment of disputed wages and shall be subject to required employer taxes, if any. Qualified Claimants shall receive an IRS Form W-2 for reporting of this portion of their Claim Amount.

5.9.2 Two thirds (2/3) of each Qualified Claimants' Claim Amount shall be allocated for disputed statutory penalties and interest, and no amount shall be deducted for any taxes. This portion of the Claim Amount consists of other income, not wages, for which the Qualified Claimants shall receive an IRS Form 1099-MISC.

5.9.3 The entirety (100%) of each Aggrieved Employee's share of the 25% portion of the PAGA Payment shall be allocated for payment of disputed civil penalties, and no amount shall be deducted for any taxes. This portion of the Claim Amount consists of other income, not wages, for which the Aggrieved Employees shall receive an IRS Form 1099-MISC.

5.10 Qualified Claimants and Aggrieved Employees shall be solely responsible for the reporting and payment of their share of any federal, state and/or municipal income or other taxes on payments made pursuant to this Agreement, and shall hold the Parties, Class Counsel, and Defendants' Counsel free and harmless from any claims resulting from treatment of such payments as non-taxable, including the treatment of such payments as not subject to withholding or deduction for payroll and employment taxes. No party has made any representation to any of the other Parties as to the taxability of any payments pursuant to this Agreement, including the payments to Qualified Claimants, the payments to Aggrieved Employees, the payments to Class Counsel, the payments to the Class Representative, the payroll tax liability of Defendants, or the allocation of the Net Settlement Amount or PAGA Payment to wage and

non-wage income as provided in this Section, or otherwise as to tax implications of any provision of this Agreement.

5.11 No Additional Contribution by Defendants: Defendants' monetary obligation under this Agreement is limited to the Gross Settlement Amount and any employer side payroll taxes, if applicable, owed on amounts characterized as wages under this Agreement. All other costs and expenses arising out of or in connection with the performance of this Agreement shall be paid from the Gross Settlement Amount, unless expressly provided otherwise herein. However, in the event this Agreement is deemed null and void as described in Section 3 because the Court, in its independent determination, finds that the Agreement does not meet the standards for settlement approval, then Defendants and Plaintiff shall be equally responsible for the costs of the Claims Administrator incurred between the date the Agreement was executed and the date of such event.

5.12 Certification For Settlement Purposes: The Parties agree that, for purposes of settlement only, certification of the class as defined in Section 1.8 and 4.1 is appropriate and the requisites for establishing class certification have been met and are met.

5.13 Adequacy of Class Counsel and Class Representative: The Parties agree that, for purposes of settlement only, Class Counsel and Plaintiff are adequate representatives for Class Members and Aggrieved Employees.

6. RELEASE

6.1 Release of Claims by Qualified Claimants: Upon the Effective Date, all Qualified Claimants will be deemed to fully, finally and forever release Qualified Claimant's Released Claims as to all Released Parties. In addition, on the Effective Date, all Qualified Claimants and their successors in interest will be permanently enjoined and forever barred from prosecuting any of Qualified Claimant's Released Claims against any of the Released Parties.

6.2 Release of Claims by Aggrieved Employees: Upon the Effective Date, all Aggrieved Employees will be deemed to fully, finally and forever release the Released PAGA Claims as to all Released Parties. In addition, on the Effective Date, all Aggrieved Employees and their successors in interest will be permanently enjoined and forever barred from prosecuting any of the Released PAGA Claims against any of the Released Parties.

6.3 Release by Plaintiff: Upon the Effective Date, Plaintiff will be deemed to fully, finally and forever release all the Qualified Claimant's Released Claims, Released PAGA Claims, and Class Representative's Released Claims as to all Released Parties. In addition, on the Effective Date, Plaintiff and any successors in interest will be permanently enjoined and forever barred from prosecuting any of the Qualified Claimant's Released Claims, Released PAGA Claims, and Class Representative's Released Claims against any of the Released Parties. Plaintiff's release of Class Representative's Released Claims under this section includes a Civil Code section 1542 Waiver. Plaintiff acknowledges that he has been informed and is aware of the provisions of California Civil Code section 1542. Plaintiff hereby expressly waives and relinquishes all rights and benefits which he has or may have under section 1542 which reads 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.

7. SETTLEMENT ADMINISTRATION

7.1 Duties of Claims Administrator: The Claims Administrator shall be responsible for: 1) receiving Class Member and Aggrieved Employee contact information and confirming addresses are valid; 2) calculating estimated Claim Amounts and any and all taxes associated with the Claim Amounts, including employer taxes, if applicable; 3) taking appropriate steps to trace and locate any individual Class Members and Aggrieved Employee whose address or contact information as provided to the Claims Administrator is inaccurate or outdated and mailing the Notice of Settlement to Class Members; 4) providing notification to the appropriate state and federal officials of this Agreement as required under the law; 5) receiving, independently reviewing, and resolving any challenges (in consultation with Class Counsel and Defendants' Counsel) from Class Members or Aggrieved Employees, including any associated documentation, regarding their Qualified Workweek calculations; 6) receiving and serving on Class Counsel, Defendants' Counsel, and the Court, copies of any written objections, and/or any opt out statements; 7) establishing a toll free telephone line and responding to inquiries and requests for

1 information or assistance from Class Members and/or Aggrieved Employees; 8) maintaining a QSF; 9)
2 determining and paying the final amounts due to be paid under the Agreement after resolution of all
3 challenges, disputes, opt-outs, awarded attorneys' fees and costs, Claims Administrator Costs, PAGA
4 Payment, taxes, any Enhancement Payments, and for funds that cannot be distributed due to the inability
5 to locate Class Members or Aggrieved Employees; 10) determining the validity of any disputes or late
6 opt-outs by previously unidentified Class Members or Aggrieved Employees; 11) paying any residual
7 funds from uncashed checks; 12) reporting to Class Counsel and Defendants' Counsel regarding the
8 statistics of the administration, including (a) the number of initial Notice of Settlements mailed; (b) the
9 number of forwarded Notice of Settlements; (c) the number of re-mailed Notice of Settlements; (d) the
10 number of total undeliverable Notice of Settlements; (e) the number of address traces performed for
11 undeliverable Notice of Settlements; (f) the number of Notice of Settlements undeliverable from traced
12 addresses; (g) the number of total objections received; (h) the number of opt-out requests received; (i) the
13 number of disputes received; (j) the number of disputes resolved; 13) providing a declaration to the Court
14 regarding the final statistics of the administration and compliance with all payment obligations under the
15 Agreement; 14) completing all necessary tax reporting on the QSF and payment of the Claim Amounts to
16 Qualified Claimants and Aggrieved Employees; and 15) carrying out other related tasks as necessary to
17 effectuate the terms of this Agreement and any Order of the Court. All disputes relating to the Claims
18 Administrator's ability and need to perform its duties shall be referred to the Court, if necessary, which
19 will have continuing jurisdiction over the terms and conditions of this Agreement, until all payments and
20 obligations contemplated by the Agreement have been fully executed.

21 7.2 Notice to Class Members and Aggrieved Employees: The Notice of Settlement will
22 provide Class Members and Aggrieved Employees with a summary of the terms and conditions of the
23 Agreement, how to participate in the settlement, how to object to the Agreement, how to dispute the
24 individual's Qualifying Workweeks, and how to opt-out from the Agreement. The Notice of Settlement
25 will also inform Class Members and Aggrieved Employees of the Gross Settlement Amount, Net
26 Settlement Amount, proposed attorneys' fees and costs allocations, any proposed Enhancement Payments,
27 proposed Claims Administrator Cost allocations, proposed PAGA Payment allocations, the scope of the
28 class, the nature and extent of the released claims, dates set for a fairness hearing and hearing on Class

1 Counsels' motion for attorneys' fees and costs. The Notice of Settlement shall include information
2 regarding Class Member's and Aggrieved Employee's estimated Claim Amount. The Notice of
3 Settlement will provide information on how to access electronic copies online of the Notice of Settlement,
4 any motions for approval of the Agreement, any motions for approval of attorneys' fees and costs, and
5 any other documents as the Court directs.

6 7.3 Class Member Data and Mailing: No later than fourteen (21) calendar days after the
7 Preliminary Approval Date, Defendants shall provide the Claims Administrator with the name, last known
8 mailing address, last known telephone number, Social Security Number, start and end date of employment
9 (if any) of each Class Member and Aggrieved Employee, and any other information the Claims
10 Administrator needs to effectuate notice to Class Members and Aggrieved Employees as outlined herein.
11 The Claims Administrator shall review the data to determine the number of Qualifying Workweeks for
12 each Class Member and Aggrieved Employee. No later than fourteen (14) calendar days after receipt of
13 such address information, the Claims Administrator will perform a national change of address ("NCOA")
14 search, update the addresses per the results of the NCOA search, and then mail the Notice of Settlement,
15 substantially in the form attached as Exhibit 1, to each Class Member and Aggrieved Employee by first-
16 class mail, postage prepaid. The Claims Administrator shall maintain all information received from
17 Defendants confidential to itself, and Defendants' Counsel. However, Class Counsel shall be able to
18 review the breakdown of Qualified Workweeks and estimated Claim Amounts for Class Members and
19 Aggrieved Employees prior to mailing for quality assurance provided the personal identifying information
20 is redacted and/or omitted.

21 7.4 Returned and/or Re-mailed Notice of Settlements: In the event that a Notice of Settlement
22 is returned to the Claims Administrator as undeliverable on or before the conclusion of the Notice Period,
23 the Notice of Settlement shall be sent to the forwarding address affixed thereto within five (5) calendar
24 days. If no forwarding address is provided, then the Claims Administrator shall promptly attempt to
25 determine a correct address using a skip-trace, computer or other search using the name, address and/or
26 Social Security number of the individual involved, and shall then perform a single re-mailing within five
27 (5) calendar days to any more recent address found as a result of the search. Following each search that
28 does not result in a corrected address, for those Class Members who appear to be current employees of

1 Defendants at the time of the Preliminary Approval Date, the Claims Administrator shall contact
2 Defendants' Counsel for assistance and Defendants shall cooperate in good faith with the Claims
3 Administrator's reasonable efforts to obtain valid mailing addresses for Class Members to the extent they
4 are active employees of Defendants. In the event the Notice of Settlement is forwarded to a new address
5 and/or re-mailed to a Class Member, the deadline for the Class Member to submit any request to opt-out,
6 a dispute, or an objection shall be the end of the Notice Period or 10 days from the date of the re-
7 mailing/forwarding to a new address, whichever is later. In the event the procedures in this Section are
8 followed and the Class Member does not timely and properly request to opt-out, the Class Member shall
9 be bound by all terms of the Agreement, including the releases contained in Section 6.

10 7.5 Responses to Notice of Settlement:

11 7.5.1 *Opt-Outs:* The Notice of Settlement shall provide that Class Members who wish
12 to exclude themselves from the Agreement must submit a request to opt-out as provided in this Section.
13 The request to opt-out must (a) state the Class Member's full name and date of birth; (b) a statement that
14 he or she does not want to be a Class Member, does not want to participate in the settlement, and/or wants
15 to be excluded from the settlement; (c) identify the case name and number (*i.e.*, Hampton v. Unlimited
16 Security Specialists, Inc., CV2021-2130); (d) be signed; and (e) be post-marked no later than the
17 conclusion of the Notice Period or the re-mailing timeline stated in Section 7.4. The Class Member must
18 personally sign the request to opt-out. No request to opt-out may be made on behalf of a group of Class
19 Members. The date of the postmark on the return-mailing envelope shall be the exclusive means used to
20 determine whether a request to opt-out has been timely submitted. Any Class Member who requests to
21 opt-out of the Agreement will not be entitled to any benefit of the Agreement or any portion of the Net
22 Settlement Amount, will not be bound by the Agreement, nor will they have any right to object, appeal or
23 comment thereon. Class Members who fail to submit a valid and timely request to opt-out shall be bound
24 by all terms of the Agreement and any order or final judgment thereon, regardless of whether they
25 otherwise have requested to opt-out of the Agreement. Aggrieved Employees cannot opt out of this
26 Agreement as it relates to the PAGA Payment or Released PAGA Claims regardless of whether they opt
27 out of being a Class Member.

1 7.5.2 *Objection Procedures:* Any Class Member who does not opt-out but who wishes
2 to object to this Agreement or otherwise to be heard concerning this Agreement shall send their written
3 objections to the Claims Administrator and also serve copies of the objections on Class Counsel and
4 Defendants' Counsel. The Notice of Settlement shall make clear that the Court can only approve or deny
5 the Agreement, not change the terms of the Agreement. The objection must (a) state the Class Member's
6 full name and date of birth; (b) provide evidence that the individual is, in fact, a Class Member; (c) state
7 the reasons for the objection(s), including any legal analysis and/or supporting documentation; (d) identify
8 the case name and number (*i.e.*, Hampton v Unlimited Security Specialists, Inc., CV2021-2130) (e) be
9 signed; and (f) be post-marked no later than the conclusion of the Notice Period or the re-mailing timeline
10 stated in Section 7.4. The objecting Class Member should also file a notice of intent to appear with the
11 Court and serve the notice on Class Counsel and Defendants' Counsel if they intend to appear at the final
12 approval hearing.

13 7.5.3 *Dispute Procedures:* Any Class Member who disputes the number of Qualifying
14 Workweeks on the Notice of Settlement shall contact the Claims Administrator. The dispute must (a)
15 identify the nature of the dispute; (b) provide any information or documentation supporting the dispute;
16 (c) be signed; and (d) be post-marked no later than the conclusion of the Notice Period or the re-mailing
17 timeline stated in Section 7.4. The Claims Administrator shall promptly (in no event more than two
18 business days) forward all such disputes to Defendant's Counsel and request that Defendants review the
19 dispute. Defendants' records shall presumptively control unless the Class Member can produce
20 documentation evidencing other periods of employment worked. If Defendants agree with the submitted
21 information, the Class Member shall be credited with or subtracted Qualifying Workweeks in accordance
22 with their submitted dispute and that final number of Qualified Workweeks shall govern the calculation
23 of that Class Member's Claim Amount. If Defendants do not agree with the submitted information,
24 Defendants' Counsel will promptly advise Class Counsel of the dispute, which includes turning over any
25 documentation submitted by the Class Member as part of the dispute. Defendants' Counsel and Class
26 Counsel shall attempt in good faith to resolve any such dispute within five (5) calendar days of Class
27 Counsel being advised of the dispute. Each dispute that Defendants' Counsel and Class Counsel cannot
28 timely resolve shall be resolved by the Claims Administrator or the Court.

1 7.5.4 *Deficient Opt-Outs, Objections, or Disputes:* In the event that a deficient opt-out,
2 objection, or dispute is received on or before the conclusion of the Notice Period, the Claims Administrator
3 shall mail a letter to the Class Member within five (5) calendar days informing them of the deficiency. If
4 a deficiency letter is mailed to a Class Member, the deadline for the Class Member to cure the deficiency
5 shall be the end of the Notice Period or 10 calendar days from the date of the deficiency letter, whichever
6 is later.

7 7.6 Due Process Acknowledgement: Compliance with the procedures set forth in Sections 7.1
8 to 7.5.4 shall constitute due and sufficient notice to Class Members of the Action and the Agreement and
9 shall satisfy Class Members' due process rights. Nothing else shall be required of the Parties, Class
10 Counsel or Defendants' Counsel to provide notice of the proposed Agreement.

11 7.7 Claims Administrator Declaration Regarding Notice Period: Within fourteen (14) calendar
12 days after the conclusion of the Notice Period, the Claims Administrator shall provide Class Counsel and
13 Defendants' Counsel with a signed declaration under penalty of perjury providing a complete and detailed
14 report regarding the statistics and responses of settlement administration to date and all the Claims
15 Administrators' obligations under Sections 5.8 to 5.9.3 and 7.1 to 7.5.4.

16 7.8 Claims Administrator Payments to Qualified Claimants, Class Counsel and Plaintiff:
17 Within seven (7) calendar days after the Effective Date and the Court's determination of the amount of
18 attorneys' fees and costs payable to Class Counsel, the Enhancement Payment payable to Plaintiff, the
19 PAGA Payment, and Claims Administrator Costs, the Claims Administrator shall calculate the final Net
20 Settlement Amount, the final Claim Amounts for Qualified Claimants and/or Aggrieved Employees, any
21 applicable taxes thereon, and report the results of these calculations Class Counsel and Defendants'
22 Counsel. Defendants shall wire the Gross Settlement Amount and applicable taxes necessary to fund the
23 settlement as described in Section 5.1. Within seven (7) calendar days after Defendants fund the
24 settlement, the Claims Administrator shall deliver payment of Class Counsels' attorney's fees and costs,
25 the Enhancement Payment payable to Plaintiff, the 75% portion of the PAGA Payment payable to the
26 LWDA, Claims Administrator Costs, and payment to Qualified Claimants and/or Aggrieved Employees
27 as required under this Agreement and approved by Court.
28

1 7.8.1 The Claims Administrator shall wire the Court-approved attorneys' fees and costs
2 to Class Counsel unless another method is requested by Class Counsel. Class Counsel shall provide the
3 Claims Administrator with the pertinent taxpayer identification number and payment instructions after the
4 Final Approval Date.

5 7.8.2 The Claims Administrator shall send a check by mail for the Court-approved
6 Enhancement Payment to the Class Representative, care of Class Counsel unless another method is
7 requested by Class Counsel.

8 7.8.3 Only Qualified Claimants and Aggrieved Employees will receive their Claim
9 Amount.

10 7.8.4 The Claims Administrator shall remit and report the applicable portions of the
11 payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties under this
12 Agreement. Defendants agree to reasonably cooperate with the Claims Administrator to the extent
13 necessary to determine the amount of the payroll tax payment required.

14 7.9 Settlement Check Expiration and Uncashed Checks: The Claims Administrator shall issue
15 Claim Amounts to Qualified Claimants and Aggrieved Employees in the form of a check, which shall
16 become null and void if not deposited within one hundred twenty (120) calendar days of issuance. After
17 one hundred twenty (120) calendar days of issuance, the checks shall be voided and funds from all
18 uncashed checks shall be transmitted in accordance with Section 5.6. The Claims Administrator shall
19 deliver these funds within fourteen (14) calendar days after the check cashing deadline.

20 7.10 Claims Administrator Declaration Regarding Compliance and Settlement Administration:
21 Within twenty-one (21) days after the last day for Qualified Claimants and Aggrieved Employees to cash
22 their settlement checks, the Claims Administrator shall provide Class Counsel and Defendants' Counsel
23 with a signed declaration under penalty of perjury providing a complete and detailed report regarding the
24 settlement administration documenting that all payments under the Agreement have been made, that the
25 Court's final approval order has been complied with, and that all the obligations of the Claims
26 Administrator have been completed.

27 **8. PRELIMINARY SETTLEMENT ADMINISTRATION SCHEDULE**
28

8.1 The schedule may be modified depending on whether and when the Court grants necessary approvals, orders notice to Class Members and Aggrieved Employees, and sets further hearings. The schedule may also be modified to correct clerical errors and to reflect the provisions in the Agreement as described above. In the event of such modification, the Parties shall cooperate to complete the settlement procedures as expeditiously as reasonably practicable. The preliminary schedule for notice, approval, and payment procedures carrying out the Agreement is as follows:

Last day for Defendants to provide Claims Administrator with Class Member and Aggrieved Employee information	Within 21 calendar days after the Preliminary Approval Date
Last day for Claims Administrator to complete NCOA search, update Class Member and Aggrieved Employee mailing information, and mail Notice of Settlement	Within 14 calendar days after the Claims Administrators' receipt of Class Members' information from Defendants
Last day for Class Members to opt-out, submit disputes, submit objections, and submit data requests	45 calendar days after mailing of Notice of Settlement or within 10 days after Notice of Settlement is re-mailed, whichever is later
Last day for Claims Administrator to provide Parties with signed declaration reporting on settlement administration statistics	Within 14 calendar days after end of the Notice Period
Last day for Claims Administrator to calculate the final Net Settlement Amount, the final Claim Amounts for Qualified Claimants and/or Aggrieved Employees, any applicable taxes thereon, and report the results of these calculations to Class Counsel and Defendants' Counsel	Within 7 calendar days after the Effective Date
Last day for Defendants to fund settlement	Within 21 calendar days after the Effective Date
Last day for Claims Administrator to deliver payment of Class Counsel's attorney's fees and costs, Enhancement Payment, PAGA Payment, Claims Administrator Costs, payment to Qualified Claimants, and payment to Aggrieved Employees	Within 7 calendar days after Defendants fund the settlement

Last day for Qualified Members and Aggrieved Employees to cash settlement checks	120 calendar days after issuance of checks to Qualified Members and Aggrieved Employees
Last day for Claims Administrator to deliver value of uncashed settlement checks to <i>cy pres</i> beneficiaries	Within 14 calendar days after settlement check cashing deadline
Last day for Claims Administrator to provide Parties with compliance declaration	Within 21 calendar days after settlement check cashing deadline

9. DUTIES OF THE PARTIES

9.1 Preliminary Approval: The Parties will cooperate in obtaining, through an unopposed motion to be filed as soon as reasonably practicable, an order from the Court preliminarily approving this Agreement at the earliest possible date concurrently with the Court's certification of the Action as a class action for settlement purposes. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents or filings reasonably necessary to be prepared or filed, shall take all steps that may be requested by the Court relating to, or that are otherwise necessary to the approval and implementation of this Agreement and shall otherwise use their respective best efforts to obtain certification for settlement purposes, approval of, and implementation of this Agreement. The Parties will submit this Agreement to the Court for preliminary approval of its terms and for approval of the steps to be taken to obtain its final approval. Class Counsel shall provide a draft of the Preliminary Approval Motion to Defendants' Counsel. Defendants' Counsel will provide comments and/or proposed revisions after receipt of the draft Preliminary Approval Motion from Class Counsel. The Parties will request that the Court's preliminary approval of this Agreement be embodied in an Order Granting Preliminary Approval of Class Action and PAGA Settlement.

9.1.1 Plaintiff's motion shall seek an order: 1) Preliminarily approving the Agreement; 2) Approving as to form and content the proposed Notice of Settlement; 3) Directing the mailing of the Notice of Settlement by first class mail to Class Members and Aggrieved Employees; 4) Preliminarily

1 appointing Plaintiff and Class Counsel as representatives of Class Members; 5) Preliminarily approving
2 settlement administration services to be provided by the Claims Administrator; 6) Preliminarily approving
3 the proposed Enhancement Payment to Plaintiff; 7) Preliminarily approving the application for payment
4 of reasonable attorneys' fees and reimbursement of litigation-related expenses to Class Counsel; and 8)
5 Scheduling a fairness hearing on the question of whether the proposed Agreement should be finally
6 approved as fair, reasonable and adequate as to the Class Members.

7 9.1.2 Defendants shall not oppose Plaintiff's motion for approval of the proposed
8 Agreement.

9 9.1.3 The Parties shall cooperate with each other and the Claims Administrator during
10 the process of giving Class Members notice and opportunity to object to the Agreement, as necessary and
11 appropriate to assure effective communication to individual Class Members of information about their
12 rights and obligations under this Agreement.

13 9.2 Final Approval and Fairness Hearing: On a date approved by the Court and set forth in the
14 Notice of Settlement, the Court shall hold the Final Approval and Fairness Hearing where objections, if
15 any, may be heard. Class Counsel shall provide the Court as part of the motion for final approval of the
16 Agreement, a declaration by the Claims Administrator of due diligence and proof of mailing of the Notice
17 of Settlement required to be mailed to Class Members by this Agreement, and of the delivery results of
18 the Claim Administrator's mailings including tracing and re-mailing efforts.

19 9.2.1 Class Counsel will submit a proposed order and judgment for final approval, which
20 shall include findings and orders: 1) Approving the Agreement, adjudging the terms thereof to be fair,
21 reasonable and adequate, and directing that its terms and provisions be carried out; 2) Approving the
22 payment of an Enhancement Payment to the Class Representative; 3) Approving Class Counsel's
23 application for an award of attorneys' fees and reimbursement of out-of-pocket litigation expenses; 4)
24 Approving the Claims Administrator Costs; and 5) Providing that the Court will retain jurisdiction to
25 oversee administration and enforcement of the terms of the Agreement and the Court's orders.

26 9.2.2 Following entry of the Court's Order granting final approval of the Agreement, the
27 Parties will each act to ensure the fulfillment of all its provisions, including but not limited to the
28 following: 1) Should an appeal be taken from the final approval of the Agreement or motion to set aside

the judgement be filed, all parties will support the final approval order on appeal or otherwise; 2) Class Counsel will assist the Claims Administrator as needed or requested in the process of identifying and locating Qualified Claimants and Aggrieved Employees entitled to payments under the Agreement and assuring delivery of such payments; 3) Class Counsel and Defendants' Counsel will cooperate with each other and assist the Claims Administrator as needed or requested in completing the distribution of any residual amounts, as specified above, to the *cy pres* beneficiaries; 4) Class Counsel, in conjunction with the Claims Administrator, will certify to the Court completion of all payments required to be made by this Agreement.

9.3 Final Judgment: If the Court approves this Agreement at the final approval and fairness hearing, the Parties will request that the Court enter an Order Granting Final Approval of Class Action and PAGA Settlement and Final Judgment.

9.4 Notice to LWDA: Plaintiff will provide notice to the LWDA of this settlement in accordance with Labor Code § 2699(1)(2).

10. MISCELLANEOUS TERMS

10.1 Defendants' Right to Withdraw Based on Opt-Outs: If, prior to the Final Approval Date, 10% or more of the Class Members have submitted proper and timely requests to opt-out in accordance with the provisions of the Agreement, Defendants may rescind the Agreement and all actions taken in its furtherance will be thereby null and void. Defendants must exercise this right of rescission, in writing, to Class Counsel, within seven (7) calendar days after the Claims Administrator notifies the Parties of the total number of opt-outs. If the option to rescind is exercised, then any Claims Administrator Costs shall be paid by Defendants. Defendants have represented that there are no more than 6,804 pay periods during the Class Period. In the event the number of pay periods during the Class Period is more than 7,484 (*i.e.*, greater than 10% more than 6,804), then the Gross Settlement Amount shall be increased on a proportional basis for those pay periods in excess of 7,484.

10.2 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

1 COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR
2 ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH
3 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON
4 AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT
5 CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS
6 RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX
7 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
8 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
9 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
10 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
11 DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY
12 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
13 ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
14 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX
15 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON
16 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX
17 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED
18 BY THIS AGREEMENT.

19 10.3 No Prior Assignments: The Parties represent, covenant, and warrant that they have not
20 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
21 any person or entity any portion of any liability, claim, demand, action, cause of action or right released
22 and discharged in this Agreement.

23 10.4 Waiver of Appeal and Ability to Opt Out: To the extent permitted by applicable law, by
24 signing this Agreement, Defendants are waiving any rights to appeal from the Court's approval of the
25 settlement unless the Court materially modifies the settlement. Furthermore, by signing this Agreement
26 Plaintiff is waiving any right or ability to opt out of this Agreement during the Notice Period or otherwise.
27
28

1 10.5 Exhibits Incorporated by Reference: The terms of this Agreement include the terms set
2 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth in this
3 Agreement. Any Exhibits to this Agreement are an integral part of the Settlement.

4 10.6 Judgment and Retention of Jurisdiction to Enforce: Upon the Effective Date, judgment
5 will be entered according to this Agreement. The Parties stipulate and agree that the Yolo County Superior
6 Court shall have continuing jurisdiction to enforce the terms of the Agreement pursuant to Civil Procedure
7 Code section 664.6 and that the prevailing party any action necessary to enforce the terms of the
8 Agreement after default by the other party may recover reasonable attorney's fees and costs related thereto.

9 10.7 Mutual Cooperation: The Parties agree to cooperate fully with one another to accomplish
10 and implement the terms of this Agreement. Such cooperation shall include, but not be limited to,
11 execution of such other documents and the taking of such other action as may reasonably be necessary to
12 fulfill the terms of this Agreement. The Parties to this Agreement shall use their best efforts, including
13 all efforts contemplated by this Agreement and any other efforts that may become necessary by Court
14 order, or otherwise, to effectuate this Agreement and the terms set forth herein.

15 10.8 No Admission of Liability: Neither the acceptance nor the performance by Defendants of
16 the terms of this Agreement, nor any of the related negotiations or proceedings, is or shall be claimed to
17 be, construed as, or deemed to be, an admission by Defendants of the truth of any of the allegations in the
18 Complaint, the representative character of the Action, the validity of any of the claims that were or could
19 have been asserted by Plaintiff, Class Members, and/or the Aggrieved Employees in the Action, or of any
20 liability or guilt of Defendants in the Action. Nothing in this Agreement shall be construed to be or
21 deemed an admission by Defendants of any liability, culpability, negligence, or wrongdoing toward
22 Plaintiff, the Class Members, the Aggrieved Employees, or any other person, and Defendants specifically
23 disclaim any liability, culpability, negligence, or wrongdoing toward Plaintiff, the Class Members, the
24 Aggrieved Employees, or any other person. Each of the Parties has entered into this Stipulation with the
25 intention to avoid further disputes and litigation.

26 10.9 Non-Disparagement and Confidentiality: Neither Party shall report, without consent of the
27 other Party, the Settlement in any medium, including any press release or website publication, or on any
28 social media platform, or make any public announcement with respect to this Agreement or the

employment relationship between them. Following the date of this Agreement and regardless of any dispute that may arise in the future, Plaintiff and Defendants jointly and mutually agree that they will not, directly or indirectly, make or induce others to make any negative, critical or adverse remarks, will not defame, disparage or otherwise provide negative information about, or in any manner, attempt to impugn the reputation, competence and/or trustworthiness of the other, concerning and including each Party's business practices, policies, officers, directors, or employees, regardless of the Party's own belief that such information might be accurate. Nothing in the section shall prevent Class Counsel from making disclosures necessary to seeking Court approval of the settlement, including making Court filings, providing notice to the Labor and Workforce Development Agency, and providing notice to Class Members after preliminary approval.

10.10 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 certified mail, return receipt requested, addressed as follows:

To Plaintiff and the Class:

Justin P. Rodriguez
Brittany V. Berzin
Shimoda & Rodriguez Law, PC
9401 East Stockton Blvd., Suite 120
Elk Grove, CA 95624

To Defendants:

Jason A. Geller
Kevin L. Quan
Fisher & Phillips, LLP
1 Montgomery Street, Suite 3400
San Francisco, CA 94104

10.11 Mutual Drafting of Agreement: The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that this Agreement shall not be construed in favor of or against any party by reason of the extent to which any party or its counsel participated in the drafting of this Agreement.

1 10.12 Attorneys' Fees and Costs Limitations: Neither Class Counsel nor any other attorneys
2 acting for, or purporting to act for, the Class, Class Members, or Plaintiff, may recover or seek to recover
3 any amounts for fees, costs, or disbursements from the Releasees or the Gross Settlement Amount except
4 as expressly provided in this Agreement.

5 10.13 No Modifications: This Agreement may be amended or modified only by a written
6 instrument signed by counsel for all Parties or their successors-in-interest. This Agreement may not be
7 discharged except by performance in accordance with its terms.

8 10.14 Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant and
9 represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement
10 and to take all appropriate action required or permitted to be taken by such Parties pursuant to this
11 Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of
12 this Agreement.

13 10.15 Class Member Signatories: Because the Action has not yet been certified, and the Class
14 Members are so numerous, the Parties agree that it is impossible or impractical to have each Class Member
15 sign this Agreement. It is agreed that, for purposes of seeking approval of the Agreement, this Agreement
16 may be executed on behalf of all Class Members by the Class Representative.

17 10.16 Counterparts: This Agreement shall become effective upon its execution by all of the
18 undersigned. Plaintiff, Class Counsel, Defendants and Defendants' Counsel may execute this Agreement
19 in counterparts, and execution of counterparts shall have the same force and effect as if each had signed
20 the same instrument. Facsimile, electronic, and/or scanned copies of signatures shall have the same force
21 and effect of originals.

22 10.17 Choice of Law: The Agreement and any exhibits hereto shall be considered to have been
23 negotiated, executed, and delivered, and to have been wholly performed, in the State of California, and
24 the rights and obligations of the Parties to the Agreement shall be construed and enforced in accordance
25 with, and governed by, the substantive laws of the State of California without giving effect to that State's
26 choice of law principles.

1 10.18 Headings and Captions: Section titles or captions contained in the Agreement are inserted
2 as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of
3 this Agreement, or any provision thereof.

4 10.19 No Retaliation or Discouragement: The Parties agree they will take no action that could
5 be construed as retaliation against any Class Members for participating or seeking to participate in this
6 class action settlement. The Parties will not discourage any class member from participating or seeking
7 to participate in this class action settlement. This is a material term of the Agreement and non-breaching
8 Parties will seek court intervention if this provision is breached. Should non-breaching Party prevail, they
9 shall be entitled to further attorneys' fees and costs.

10 10.20 Integrated Agreement: This Agreement sets forth the entire understanding between the
11 Parties and supersedes any and all prior agreements, oral or written, pertaining to the subject matter hereof.
12 Each party acknowledges that there is no representation, inducement, promise or agreement which has
13 been made, orally or otherwise, by the other party, concerning the terms or conditions of this Agreement,
14 which is not expressly embodied in this Agreement. In entering into this Agreement, the Parties represent
15 that the terms of this Agreement are fully understood and voluntarily accepted by the Parties.

16 10.21 Binding on Successors and Assigns: This Agreement will be binding upon, and inure to
17 the benefit of, the successors or assigns of the Parties to this Agreement, as previously defined.

18 10.22 Invalidity of Any Provision: Before declaring any provision of this Agreement invalid, the
19 Court will first attempt to construe the provision as valid to the fullest extent possible consistent with
20 applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

21 10.23 Waiver of Compliance: No waiver of any condition or covenant contained in this
22 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply
23 or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

24 IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized
25 attorneys, as of the day and year herein set forth.

1 **For Plaintiff:**

2 Date: _____

3 Christopher Hampton

4 

5 **For Defendants:**

6 Date: 7/26/2022

7 By: Jose H. Cardona
For Unlimited Security Specialists Inc.

8
9
10 Date: 7/26/2022

11 Jose H. Cardona

12 

13
14
15 APPROVED AS TO FORM

Shimoda & Rodriguez Law, PC

16
17 Dated: _____

18 By: _____
19 Galen T. Shimoda
Justin P. Rodriguez
20 Brittany V. Berzin
Attorneys for Plaintiff

21
22 APPROVED AS TO FORM

FISHER & PHILIPS, LLP

23
24 Dated: July 27, 2022

25 By: 
26 Jason A. Geller
Kevin L. Quan
27 Attorney for Defendants
28

For Plaintiff:

Date: 7/28/2022

DocuSigned by:



E4E6DA0F8EBC4D9...

Christopher Hampton

For Defendants:

Date: _____

By: _____
For Unlimited Security Specialists Inc.

Date: _____

Jose H. Cardona

APPROVED AS TO FORM

Shimoda & Rodriguez Law, PC

Dated: 7/28/2022

By: 
Galen T. Shimoda
Justin P. Rodriguez
Brittany V. Berzin
Attorneys for Plaintiff

APPROVED AS TO FORM

FISHER & PHILIPS, LLP

Dated: _____

By: _____
Jason A. Geller
Kevin L. Quan
Attorney for Defendants

Exhibit 1

CALIFORNIA SUPERIOR COURT

FOR THE COUNTY OF YOLO

CHRISTOPHER HAMPTON, individually and on behalf
of all other similarly situated employees,

Plaintiff,

vs.

UNLIMITED SECURITY SPECIALISTS, INC., a
California Corporation; and DOES 1 to 100, inclusive,

Defendants.

Case No. **CV2021-2130**

CLASS ACTION

**NOTICE OF PROPOSED CLASS ACTION AND
PAGA SETTLEMENT, AND HEARING DATE FOR
FINAL COURT APPROVAL OF SETTLEMENT**

ATTENTION: All non-exempt employees who have, or continue to, work for Unlimited Security Specialists Inc. in California from December 3, 2017 up to [Insert Date of Preliminary Approval] (the “Class Members”).

PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF CLASS ACTION LITIGATION AND POTENTIAL DISBURSEMENT OF SETTLEMENT FUNDS TO YOU. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHT TO PARTICIPATE OR TO OPT OUT OF THE SETTLEMENT ACCORDING TO THE PROCEDURES DESCRIBED BELOW.

Pursuant to an order from the Yolo County Superior Court (“Court”) granting preliminary approval of this class action settlement, entered on [REDACTED], you are receiving notice of a proposed class action and Private Attorneys General Act (“PAGA”) settlement between Plaintiff Christopher Hampton (“Plaintiff” or “Class Representative”) and Unlimited Security Specialists Inc. and its owner, Jose H. Cardona, (“Defendants”) (collectively, “the Parties”) on behalf of Class Members as defined above. You are receiving this notice because Defendants’ records indicate you fall within the definition of a “Class Member.” Defendants’ records also indicate that you worked [REDACTED] weeks during the applicable Class Period (as defined below), which means your share of the settlement proceeds is estimated to be [REDACTED]. Your actual share of the settlement proceeds will vary depending on the total number of Class Members that choose to participate, and the resolution of any workweek disputes as described in this notice.

The terms of the Agreement (as defined below) and a description of the case are identified in this notice. Pursuant to the Court’s order, YOU ARE HEREBY NOTIFIED AS FOLLOWS:

I. BACKGROUND OF THE CASE

On December 3, 2021, Plaintiff filed a Complaint against Unlimited Security Specialists, Inc. in the Yolo County Superior Court of California on behalf of himself and Class Members. The term “Action” means this putative class action pending in Yolo County Superior Court, Case No. CV2021-2130. The Class Period is December 3, 2017 up to [Insert Date of Preliminary Approval] (the “Class Period”).

In the Action, Plaintiff sought to obtain unpaid wages, interest, statutory penalties, civil penalties, fees, and costs on behalf of himself, Class Members, and Aggrieved Employees. Plaintiff alleged that Defendants 1) failed to pay overtime wages; 2) failed to pay minimum wages; 3) failed to provide meal periods; 4) failed to provide rest periods; 5) failed to provide accurate wage statements; 6) failed to timely pay all final wages; 7) failed to reimburse expenses; 8) engaged in unfair competition; 9) failed to timely pay wages; and 10) violations of the Labor Code Private Attorneys General Act of 2004.

The Court has not made any determination as to whether the claims advanced by Plaintiff has any merit whatsoever. In other words, the Court has not determined whether any laws have been violated, nor has it decided in favor of Plaintiff or Defendants. Instead, both sides agreed to resolve the Action with no decision or admission of who is right or wrong. By agreeing to resolve the Action, all parties avoid the risks and cost of a trial.

Defendants expressly deny that they did anything wrong or that they violated the law, and Defendants further deny any liability whatsoever to Plaintiff or to the Class Members. The Action has been actively litigated. There have been on-going investigations, and there has been an exchange of extensive documentation and information. Furthermore, the Parties have participated in a full day

mediation facilitated by a neutral third party. Based upon the negotiations, and all known facts and circumstances, including the various risks and uncertainties related to legal actions, the Parties reached a class-wide settlement.

The Parties have entered into a Joint Stipulation of Regarding Class Action PAGA Settlement and Release (“Agreement” or “Settlement”), which has been preliminarily approved by the Court. The Agreement applies to any and all Class Members as defined above. “Class Member” does not include persons who submit valid request to opt out (as explained below). If you are a Class Member, you have the opportunity to participate in the Settlement, or to exclude yourself (“opt out”) from the settlement. This notice is to advise you of how you can either participate in the Settlement or be excluded from the Settlement.

II. SUMMARY OF THE PROPOSED SETTLEMENT

A. The Amount of the Settlement

Under the terms of the Agreement, the total amount that Defendants are required to pay is a total sum of Three Hundred Fifty Thousand Dollars and Zero Cents (\$350,000.00) (“Gross Settlement Amount”). Deducted from this Gross Settlement Amount will be sums approved by the Court for attorneys’ fees not to exceed 35% of the Gross Settlement Amount which equals \$122,500.00, attorneys’ costs not to exceed \$15,000.00, Claims Administrator Costs estimated not to exceed \$15,000.00, Class Representative’s Enhancement Payment of \$15,000.00, and \$10,000.00 for alleged PAGA penalties (the “PAGA Payment”), which will result in a “Net Settlement Amount” for distribution to all Class Members. Any employer side taxes, if applicable, attributable to payments allocated as wages will be paid by Defendants in addition to the Gross Settlement Amount. As explained further below, the amount of each Class Member’s share of the Net Settlement Amount will depend on the number of weeks worked by participating Class Members during the Class Period. Of the \$10,000.00 allocated to resolving the PAGA claims, 75% of the PAGA Payment will be paid to the State of California Labor and Workforce Development Agency and 25% of the PAGA Payment will be divided among Aggrieved Employees, which are defined as all non-exempt employees who have, or continue to, work for Defendants in California from November 24, 2020 up to [Insert Date of Preliminary Approval] (“PAGA Claim Period”).

The number of weeks you worked during the Class Period and your estimated share of the Net Settlement Amount and PAGA Payment (“Claim Amount”) is stated on the first page of this notice. The actual amount received may be more or less than the amount stated depending on the actual number of weeks worked by participating Class Members, the resolution of any disputes regarding workweeks, and on the distributions finally approved and allocated by the Court. However, whether Class Members opt out will have no effect on Aggrieved Employees’ allocations for the PAGA claims.

B. Claim Amounts and Allocation Between Class Members and Aggrieved Employees

Defendants will pay Claim Amounts through the Claims Administrator, as described below, to each Class Member who does not opt out of the settlement and to Aggrieved Employees. All Claim Amounts will be subject to appropriate taxation. The Parties have agreed, based on the allegations in the Action that all Claim Amounts payable to eligible Class Members will be allocated from the Net Settlement Amount and paid as 2/3 for disputed interest, statutory penalties, and other non-wage damages for which IRS Forms 1099-MISC and 1099-INT will issue and 1/3 for disputed wages for which IRS Forms W-2 will issue. The PAGA Payment to Aggrieved employees will be paid as 100% for civil penalties.

Payment to Class Members who do not opt out and Aggrieved Employees will not require the submission of a claim form. Each Class Member’s share will be determined by dividing their total weeks worked within the Class Period by the total weeks worked by all Class Members within the Class Period. That fraction will then be multiplied by the Net Settlement Amount to arrive at the Class Member’s individual share of the Net Settlement Amount. Each Aggrieved Employee’s share of the 25% portion of the PAGA Payment will be determined by dividing their total weeks worked within the PAGA Claim Period by the total weeks worked by all Aggrieved Employees within the PAGA Claim Period. That fraction will then be multiplied by the 25% portion of the PAGA Payment to arrive at the Aggrieved Employee’s individual share. Receipt of the Claim Amounts will not entitle any Class Member or Aggrieved Employee to additional compensation or benefits under any compensation, retirement or benefit plan or agreement in place during the period covered by the Settlement.

C. Calculations to Be Based on Defendants’ Records and Resolution of Workweek Disputes

For each Class Member, the amount payable will be calculated by the Claims Administrator from Defendants’ records. Defendants’ records will be presumed correct unless evidence to the contrary is provided to the Claims Administrator. Defendants’ records and any additional evidence will be reviewed by the Claims Administrator in the event of a dispute about the number of

workweeks worked by an individual Class Member. If a Class Member disputes the accuracy of Defendants' records, all supporting documents evidencing additional workweeks must be submitted by the Class Member. The dispute must (a) identify the nature of the dispute; (b) provide any information or documentation supporting the dispute; (c) be signed; and (d) be post-marked no later than [REDACTED]. The dispute will be resolved by the Claims Administrator based on the records and evidence provided. The Claims Administrator's decision on all disputes will be final and binding.

D. Release of Claims

For those Class Members who do not opt out and Aggrieved Employees, the Agreement contains the following releases:

Class Members who do not opt out will be deemed to have released any and all claims contained in the operative Complaint, and any additional wage and hour claims that could have been brought based on the facts alleged in the operative Complaint, through the Class Period, including but not limited to claims arising from alleged unpaid wages, minimum wages, regular wages, overtime and double time wages; meal and rest period violations; unpaid reimbursements and expenses; untimely payment of wages; wage statement violations; separation pay violations; and PAGA penalties based thereon. This release excludes the release of claims not permitted by law. This release excludes claims for workers' compensation or unemployment insurance benefits. This release will cover all Class Members who do not opt out.

Aggrieved Employees will be deemed to have released any and all claims for civil penalties that were brought under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.*, contained in the operative Complaint and any additional wage and hour PAGA claims that could have been brought during the PAGA Claim Period, including but not limited to claims arising from alleged unpaid wages, minimum wages, regular wages, overtime wages, double time wages; meal and rest period violations; unpaid reimbursements and expenses; untimely payment of wages; wage statement violations; and separation pay violations. Aggrieved Employees cannot opt out of this waiver of claims.

The individuals released ("Released Parties") include Unlimited Security Specialists Inc. (including but not limited to, Jose Cardona, Brandi Morgan, Gerardo Cardona), its parents, subsidiaries, affiliates, insurers, related entities and divisions, and its and their respective: (i) predecessors, successors, and assigns, and (ii) current and former agents, heirs, executors, administrators, principals, officers, directors, shareholders, employees, founders, members, assigns, insurers, attorneys, and all others claiming through or by any of them.

E. Attorneys' Fees and Costs

Defendants have agreed to pay Class Counsel's attorneys' fees and costs to be approved by the Court, up to a maximum of 35% of the Gross Settlement Amount which equals \$122,500.00, and attorneys' costs not to exceed \$15,000.00. Class Counsel's attorneys' fees and costs will be paid and deducted from the Gross Settlement Amount.

F. Reasonableness of Settlement

The Parties and their counsel believe the amounts payable to Class Members, Aggrieved Employees, and amounts for attorneys' fees and costs requested are fair and reasonable. The Class Representative and Class Counsel support this Settlement. Among the reasons for support are the defenses to liability potentially available to Defendants, the inherent risk of trial on the merits, the risk of denial of class certification, and the delays associated with litigation.

III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER

A. Participating in the Settlement

If you wish to participate in the Settlement and believe your workweek information is accurate, **you do not need to take any further action**. Payment will be automatically made to you consistent with the terms of the Agreement and Court Order. If you wish to dispute the workweek calculation, you may follow the procedures outlined in Section II.C above. California law protects Class Members from retaliation based on their decision to participate in the Settlement.

B. Excluding Yourself from the Settlement

If you do not wish to participate in the Settlement, you may be excluded (i.e., “opt out”) by submitting a timely written request to the Claims Administrator. The request to opt-out must (a) state your full name and date of birth; (b) a statement that you do not want to be a Class Member, do not want to participate in the Settlement, and/or wants to be excluded from this Settlement; (c) identify the case name and number (i.e., *Hampton v. Unlimited Security Specialists, Inc.*, CV2021-2130); (d) be signed; and (e) be post-marked no later than [REDACTED]. The request to opt out must be signed, dated and mailed by First Class U.S. Mail or the equivalent, to:

ILYM Group, Inc.
PO Box 2031
Tustin, CA 95781

If you submit a request to opt out which is not postmarked by [REDACTED], your request to opt out will be rejected, and you will be bound by the release and all other terms of the Agreement. If the request to opt out is sent from within the United States it must be sent through the United States Postal Service by First Class Mail, or the equivalent. Any Class Member who submits a complete and timely request to opt out shall, upon receipt by the Claims Administrator, no longer be a Class Member and not receive their share of the class settlement payment. Aggrieved Employees cannot opt out of this Agreement and will receive their share of the PAGA Payment regardless of whether they opt out of being a Class Member.

C. Objection to Settlement

If you do not opt out of the Settlement, you can object to the terms of the Agreement. However, if the Court rejects your objection, you will still be bound by the terms of the Agreement. You can ask the Court to deny approval by filing an objection. You cannot ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the Action will continue. The objection must (a) state your full name and date of birth; (b) provide evidence that you are, in fact, a Class Member; (c) state the reasons for the objection(s), including any legal analysis and/or supporting documentation; (d) identify the case name and number (i.e., *Hampton v Unlimited Security Specialists, Inc.*, CV2021-2130) (e) be signed; and (f) be post-marked no later than [REDACTED]. The objection must be sent to the Claims Administrator at the address identified in section III.B and to counsel for Plaintiff and Defendants at the addresses identified in section VI of this notice.

If you have submitted a written objection as outlined above, you may also appear at the Final Approval Hearing, either in person or through your own attorney, to state your objection. However, you must file a notice of intent to appear with the Court and serve the notice on counsel for Plaintiff and Defendants. If you appear through your own attorney, you are responsible for paying that attorney.

IV. EFFECT OF THE SETTLEMENT: RELEASED RIGHTS AND CLAIMS

After final approval of the Settlement has been granted by the Court, each and every Class Member who does not opt out of the Settlement and Aggrieved Employee, will release Defendants and the Released Parties from the released claims described above. In other words, if you were employed as a Class Member by Defendants in California during the Class Period, and you do not exclude yourself from the settlement, you will be deemed to have entered into this release and to have released the above-described claims. In addition, you will be barred from ever suing Defendants and the Released Parties with respect to the claims covered by this Settlement. If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue.

V. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a hearing in Department 10, 1000 Main Street, Woodland, CA 95695 on [REDACTED] at [REDACTED] to determine whether the Agreement should be finally approved as fair, reasonable and adequate. The Court also will be asked to approve Class Counsel’s request for attorneys’ fees and costs. The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at this hearing, unless you wish to object to the Settlement.

VI. ADDITIONAL INFORMATION

If you want additional information about this lawsuit and its proceedings, you can contact Class Counsel or Defendants’ Counsel as follows:

Justin P. Rodriguez
Brittany V. Berzin

Jason A. Geller
Kevin L. Quan

Shimoda & Rodriguez Law, PC
9401 East Stockton Blvd., Suite 120
Elk Grove, CA 95624
Telephone: (916) 525-0716
Facsimile: (916) 760-3733
On behalf of Plaintiff

Fisher & Philips, LLP
1 Montgomery Street, Suite 3400
San Francisco, CA 94104
Telephone: (415) 490-9000
Facsimile: (415) 490-9001
On behalf of Defendants

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS. IF YOU HAVE ANY QUESTIONS, CALL (888) 250-6810.

BY ORDER OF THE COURT