

1 Michael Nourmand, Esq. (SBN 198439)
James A. De Sario, Esq. (SBN 262552)
2 **THE NOURMAND LAW FIRM, APC**
8822 West Olympic Boulevard
3 Beverly Hills, California 90211
Telephone: 310.553.3600
4 Facsimile: 310.553.3603

5 Attorneys for Plaintiff,
JOSE E. LOPEZ, on behalf of himself and all others
6 similarly situated

7
8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE**
10

11 JOSE E. LOPEZ, on behalf of himself and all
other similarly situated,

12 **Plaintiffs, .**

13 **v.**

14 M.C.I. FOODS, INC., a California
15 corporation; PRIORITY WORKFORCE,
INC., a California corporation; and DOES 1
16 through 100, Inclusive

17 **Defendants.**

CASE NO.: 22STCV02203

[Assigned for all purposes to the Hon.
Stuart M. Rice - Dept. 1]

**JOINT STIPULATION FOR CLASS
ACTION SETTLEMENT**

1 TO THE COURT:

2 This Joint Stipulation for Class Action Settlement ("Settlement Agreement") is made
3 and entered into by and between Jose E. Lopez ("Plaintiff"), individually and on behalf of all
4 others similarly situated, and M.C.I. Foods, Inc. ("M.C.I.") and Priority Workforce, Inc.
5 ("Priority") (M.C.I. and Priority collectively will be referred to as "Defendants") (Plaintiff and
6 Defendants collectively will be referred to as the "Parties"), and is subject to the terms and
7 conditions below, and to the Court's approval. The Parties expressly acknowledge that this
8 Settlement Agreement is entered into solely for the purpose of compromising significantly
9 disputed claims and that nothing in this Settlement Agreement is an admission of liability or
10 wrongdoing by Defendants. If for any reason the Settlement Agreement is not approved, it will
11 be of no force or effect, and the Parties will be returned to their respective positions
12 immediately prior to and as if they had never executed this Settlement Agreement as more fully
13 set forth below.

14 DEFINITIONS

15 The following definitions are applicable to this Settlement Agreement. Definitions
16 contained elsewhere in this Settlement Agreement will also be effective:

17 1. "Action" means *Jose E. Lopez v. M.C.I. Foods, Inc., et al.*, Los Angeles County
18 Superior Court Case No. 22STCV02203. As part of the settlement, the Parties agreed to
19 stipulate that Plaintiff shall file a first amended class action complaint adding class allegations
20 with the class period commencing as of November 11, 2020 and a cause of action for meal
21 break violations. In the event that this Settlement Agreement is not approved by the Court, then
22 the Parties agree that the class allegations in the first amended class action complaint shall be
23 immediately dismissed without prejudice, and subject to arbitration as previously ordered by
24 this Court.

25 2. "Class Counsel" means Michael Nourmand and James A. De Sario of The
26 Nourmand Law Firm, APC.

27 3. "Class Counsel Fees and Costs" means attorneys' fees, costs, and expenses
28 approved by the Court for Class Counsel's litigation and resolution of the Action, and all costs

1 incurred and to be incurred by Class Counsel in the Action, including, but not limited to, costs
2 associated with documenting the Settlement, providing any notices required as part of the
3 Settlement or Court order, securing the Court's approval of the Settlement, administering the
4 Settlement, and obtaining entry of the Judgment terminating the Action. Class Counsel will
5 request attorneys' fees of not to exceed thirty-five percent of the Gross Settlement Amount or
6 Two Hundred Sixty-Two Thousand Five Hundred Dollars (\$262,500) and litigation costs and
7 expenses not to exceed Thirty Thousand Dollars (\$30,000). Defendants have agreed not to
8 oppose Class Counsel's request for Class Counsel Fees and Costs.

9 4. "Class List" means a complete list of all Class Members that Defendants will
10 diligently and in good faith compile from their records and provide on a confidential basis to
11 the Settlement Administrator within seven (7) calendar days after the Court's entry of an order
12 granting preliminary approval of this Settlement. The Class List will be formatted in Microsoft
13 Office Excel and Defendants will use their best efforts to include each Class Member's full
14 name; most recent mailing address; last known telephone number if readily available; dates of
15 employment or number of workweeks worked during the Class Period; and Social Security
16 number.

17 5. "Class Member(s)" or "Settlement Class" means: (1) M.C.I. Direct Employees:
18 all current and former hourly non-exempt employees of M.C.I. within California at any time
19 during the period from November 11, 2020 to the date upon which M.C.I.'s direct employees
20 have accrued 14,162 total workweeks; and (2) Priority Employees: all current and former
21 hourly non-exempt employees of Priority who were placed to work at M.C.I. in California at
22 any time during the period from November 11, 2020 to the date when upon which they have
23 accrued 22,000 total workweeks.

24 6. "Class Period" means: (1) M.C.I. Direct Employees - the period from November
25 11, 2020 through the date upon which M.C.I.'s direct employees have accrued 14,162 total
26 workweeks; and (2) Priority Employees: - the period from November 11, 2020 through the date
27 upon which they have accrued 22,000 workweeks.

1 7. “Class Representative Enhancement Payment” means the amount to be paid from
2 the Gross Settlement Amount to the named Plaintiff in exchange for executing a general release
3 and in recognition of his efforts in prosecuting the Action on behalf of Class Members.
4 Plaintiff will request and Defendant will not oppose Plaintiff’s application to the court for a
5 payment of Ten Thousand Dollars (\$10,000) for his willingness to serve as Class
6 Representative.

7 8. “Court” means the Los Angeles County Superior Court, or any other court taking
8 jurisdiction of the Action.

9 9. “Effective Date” means the date when the Final Approval Order becomes final.
10 For purposes of this Paragraph, the Final Approval Order “becomes final” upon the last to occur
11 of the following: (a) if there are no objections to the Settlement, the date the Court enters an
12 order granting final approval of the Settlement; or (b) if there are objections to the Settlement,
13 and if an appeal, review, or writ is not sought from the Final Approval Order, the day after the
14 time period to appeal the Settlement has expired, i.e., 60 days from the date the Court enters an
15 order granting final approval of the Settlement.

16 10. “Gross Settlement Amount” means the maximum settlement amount of Seven
17 Hundred Fifty Thousand Dollars (\$750,000) (“Gross Settlement Amount”), which has been
18 and/or will be paid by Defendants in full satisfaction of all claims arising from the Action.
19 Specifically, Defendant M.C.I. Foods, Inc. will be responsible for payment of one half of the
20 gross settlement amount (or \$375,000.00) and Priority Workforce, Inc. will be responsible for
21 equal payment of one half of the settlement amount (or \$375,000.00). The Gross Settlement
22 Amount includes all Individual Settlement Payments to Participating Class Members, the Class
23 Representative Enhancement Payment, Settlement Administration Expenses, Class Counsel
24 Fees and Cost, and PAGA penalties in the amount of Twenty Thousand Dollars (\$20,000) of
25 which 75% or Fifteen Thousand Dollars (\$15,000) will be paid to the Labor Workforce
26 Development Agency (“LWDA”) and 25% or Five Thousand Dollars (\$5,000) to PAGA Group
27 Members. Defendants will pay the employer's share of payroll taxes on the wage portion of the
28 Individual Settlement Payments, as applicable, in addition to the Gross Settlement Amount.

Specifically, Defendant M.C.I. Foods, Inc. will be responsible for the employer share of payroll taxes attributable to M.C.I. Direct Employees, and Priority Workforce Inc. will be responsible for payment of the employer's share of payroll taxes attributable to Priority Employees.

11. "Individual Settlement Payment" means each Participating Class Member's and PAGA Group Member's share of the Net Settlement Amount, to be distributed to Plaintiff, PAGA Group Members and Class Members who do not request exclusion from the settlement.

12. "Net Settlement Amount" means the maximum amount available for distribution to the Class Members, after deduction of Class Counsel Fees and Costs, Class Representative Enhancement Payment, Settlement Administration Expenses, and \$15,000 as PAGA penalties sent to the LWDA, from the Gross Settlement Amount.

13. "Notice of Objection" means a Class Member's valid and timely written objection to the Settlement Agreement. For the objection to be valid, it must include: (i) the objector's full name, signature, address, and telephone number; (ii) a written statement of all grounds for the objection accompanied by any legal support for such objection; (iii) copies of any papers, briefs, or other documents upon which the objection is based; and (iv) a list of all persons who will be called to testify in support of the objection. Further, an objector may appear at the Final Approval hearing, either in person or through counsel, at his or her expense. The Parties will be permitted to respond in writing to such objections at least seven calendar days prior to the Final Approval hearing or within the time period set by the Court.

14. "Notice" means the Notice of Class Action Settlement, substantially in the form attached as Exhibit A.

15. "PAGA" means the California Private Attorneys General Act of 2004, which is codified in California Labor Code §2698, et seq.

16. "PAGA Group Member(s)" means: (1) M.C.I. Direct Employees: all current and former hourly non-exempt employees of M.C.I. within California at any time during the period from November 11, 2020 to the date upon which M.C.I.'s direct employees have accrued 14,162 total workweeks; and (2) Priority Employees: all current and former hourly non-exempt employees of Priority who were placed to work at M.C.I. in California at any time during the

1 period from November 11, 2020 to the date when upon which they have accrued 22,000 total
2 workweeks.

3 17. "PAGA Period" means: (1) M.C.I. Direct Employees - the period from
4 November 11, 2020 through the date upon which M.C.I.'s direct employees have accrued
5 14,162 total workweeks; and (2) Priority Employees: - the period from November 11, 2020
6 through the date upon which they have accrued 22,000 workweeks.

7 18. "PAGA Settlement Amount" means the portion of the Gross Settlement Amount
8 allocated to the resolution of PAGA Group Members' claims arising under PAGA. The Parties
9 have agreed that the PAGA Settlement Amount is Twenty Thousand Dollars (\$20,000), subject
10 to Court approval. Of the PAGA Settlement Amount, 75% or Fifteen Thousand Dollars
11 (\$15,000) will be paid to the LWDA ("LWDA Payment"), and the remaining 25% or Five
12 Thousand Dollars (\$5,000) will be distributed to PAGA Group Members.

13 19. "Participating Class Members" means all Class Members who do not submit
14 valid Requests for Exclusion.

15 20. "Preliminary Approval" means the Court order granting preliminary approval of
16 the Settlement Agreement.

17 21. "Released PAGA Claims" means all claims for civil penalties under PAGA
18 based on the labor code violations alleged in the notice sent by Plaintiff to the LWDA, as well
19 as all facts, theories, or claims for civil penalties that would be considered administratively
20 exhausted under applicable law by the PAGA notice the Plaintiff sent to the LWDA. PAGA
21 Group Members shall receive their portion of the PAGA penalties regardless of their decision to
22 opt-out of the class settlement and therefore the Released PAGA Claims would apply to them.

23 22. "Released Claims" means state wage and hour claims, penalties, interest, and
24 causes of action, arising from or related to the claims pled in Plaintiff's operative complaint
25 ("Complaint") or that could have been pled in the Complaint based on the factual allegations
26 pled in the Complaint, including, without limitation, claims for 1) overtime wages, 2) failure to
27 provide compliant meal and rest breaks, 3) inaccurate wage statements, 4) failure to pay all
28 wages owed upon termination, and 5) unfair competition claims under California Business &

1 Professions Code §17200, *et seq.* based on the labor code violations alleged, and any penalties,
2 restitution, disgorgement, interest or attorneys' fees that occurred during the Class Period. This
3 release will cover all Class Members who do not opt out.

4 23. "Released Parties" means Defendants and Defendants' former and present
5 parents, subsidiaries and affiliated companies and entities, and its current, former, and future
6 owners, officers, shareholders, directors, members, managers, operators, employees,
7 consultants, vendors, partners, affiliates, subsidiaries, shareholders, attorneys, insurers, payroll
8 providers, joint venturers and agents, and any successors, assigns, or legal representatives.

9 24. "Request for Exclusion" means a timely letter submitted by a Class Member
10 indicating a request to be excluded from the Settlement. The Request for Exclusion must: (a)
11 set forth the name, address, telephone number and last four digits of the Social Security
12 Number of the Class Member requesting exclusion; (b) be signed by the Class Member; (c) be
13 returned by mail or fax to the Settlement Administrator at the specified address or fax number
14 indicated in the Notice; (d) clearly state that the Class Member does not wish to be included in
15 the Settlement; and (e) be faxed or postmarked on or before the Response Deadline.

16 25. "Response Deadline" means the deadline by which Class Members must fax or
17 postmark to the Settlement Administrator a valid Request for Exclusion, submit objections to
18 the Settlement or dispute workweeks. The Response Deadline will be forty-five (45) calendar
19 days from the initial mailing of the Notice by the Settlement Administrator. The Response
20 Deadline for Request for Exclusion, objection or dispute workweeks will be extended fifteen
21 (15) calendar days for any Class Member who is re-mailed a Notice by the Settlement
22 Administrator in accordance with the notice procedure described herein. The Response
23 Deadline may also be extended by express agreement between Class Counsel and Defendant's
24 counsel.

25 26. "Settlement Administrator" means Simpluris, Inc. or any other third-party class
26 action settlement administrator agreed to by the Parties and approved by the Court for the
27 purposes of administering this Settlement. The Parties each represent that they do not have any
28

1 financial interest in the Settlement Administrator or otherwise have a relationship with the
2 Settlement Administrator that could create a conflict of interest.

3 27. "Settlement Administration Expenses" means the costs payable to the Settlement
4 Administrator for administering this Settlement, including, but not limited to, printing,
5 translating into Spanish, conducting a National Change of Address ("NCOA") search,
6 distributing (including with appropriate postage), and tracking documents for this Settlement in
7 English and Spanish, any searches to locate any Class Members, tax reporting, distributing the
8 Individual Settlement Payments, Class Representative Enhancement Payment, Class Counsel
9 Fees and Costs, and providing necessary certification of completion of notice, reports and
10 declarations, establishing and administering a qualified settlement fund account and other
11 responsibilities set forth in this Settlement Agreement and as requested by the Parties. The
12 Settlement Administration Expenses are currently estimated to be not more than Ten Thousand
13 Dollars (\$10,000).

14 TERMS OF AGREEMENT

15 Plaintiff, on behalf of himself and the Settlement Class, and Defendants agree as
16 follows:

17 28. Impact of Any Court Determination Not to Enter Final Approval Order. In the
18 event that the Court does not enter a Final Approval Order and this Settlement Agreement does
19 not become effective, the following will occur:

- 20 a. on the date final approval is denied, the status of the Action will be
21 deemed to return to its status at the time immediately prior to and as if the
22 Parties had never executed this Settlement Agreement; and
23 b. The Parties will evenly split and pay the Settlement Administrator for any
24 costs incurred by the Settlement Administrator.

25 29. Settlement Funding. Within seven (7) calendar days of the Effective Date,
26 Defendants will deposit the Gross Settlement Amount and employer's share of payroll taxes
27 with the Settlement Administrator who will deposit the funds into an interest-bearing trust
28 account referred to as the Qualified Settlement Fund account from which the Settlement

1 Administrator will have authority to distribute money in accordance with the terms of this
2 Settlement Agreement. The employer's share of payroll taxes, to be calculated with the
3 assistance of the Settlement Administrator, shall be paid by Defendants in addition to the Gross
4 Settlement Amount.

5 30. Class Counsel Fees and Costs. Defendants agree not to oppose or impede any
6 application or motion by Class Counsel for Class Counsel Fees in the amount of up to Two
7 Hundred Sixty-Two Thousand Five Hundred Dollars (\$262,500), plus the reimbursement of the
8 actual costs and expenses associated with Class Counsel's litigation and settlement of the
9 Action, not to exceed Thirty Thousand Dollars (\$30,000).

10 31. Class Representative Enhancement Payment. In exchange for named Plaintiff's
11 executing a general release, and in recognition of his efforts in prosecuting the Action on behalf
12 of Class Members, Defendants agree not to oppose or impede any application or motion for a
13 Class Representative Enhancement Payment of up to Ten Thousand Dollars (\$10,000). The
14 Class Representative Enhancement Payment, which will be paid from the Gross Settlement
15 Amount, will be in addition to Plaintiff's Individual Settlement Payment paid pursuant to the
16 Settlement. Plaintiff will be solely and legally responsible to pay any and all applicable taxes,
17 penalties and interest on the payment made pursuant to this paragraph and will hold Defendants
18 harmless from any claim or liability for taxes, penalties, or interest arising as a result of the
19 payment.

20 32. Settlement Administration Expenses. The Settlement Administrator will be paid
21 for the reasonable fees and costs of administration of the Settlement, which are estimated no to
22 exceed Ten Thousand Dollars (\$10,000). These will include, *inter alia*, fees and costs payable
23 to the Settlement Administrator for printing, translating into Spanish, distributing (including
24 with appropriate postage), and tracking documents for this Settlement in English and Spanish,
25 any searches to locate any Class Members, calculating estimated amounts per Class Member,
26 tax reporting, distributing the Individual Settlement Payments, Class Representative
27 Enhancement Payment, Class Counsel Fees and Costs, payment to LWDA for PAGA penalties,
28 and providing necessary certification of completion of notice, reports and declarations,

1 establishing and administering a Qualified Settlement Fund account, required tax reporting on
2 the Individual Settlement Payments, the issuing of 1099 and W-2 IRS forms, calculating the
3 employer's share of payroll taxes on the wage portion of the Individual Settlement Payments
4 and coordinating related reporting, and other responsibilities as requested by the Parties. The
5 Settlement Administration Expenses will be paid from the Gross Settlement Amount.

6 33. Net Settlement Amount. The Net Settlement Amount will be used to satisfy
7 Individual Settlement Payments to Participating Class Members from the Settlement Class and
8 PAGA Group Members in accordance with the terms of this Agreement.

9 34. Individual Settlement Payment Calculations. Defendants will provide the
10 Settlement Administrator with the total number of workweeks for each Class Member during
11 the Class Period and total number of workweeks for each PAGA Group Member during the
12 PAGA Period. The Settlement Administrator will divide the Net Settlement Amount, less
13 \$5,000 (or the Court approved amount from the PAGA Settlement Amount allocated for PAGA
14 penalties to PAGA Group Members), by the total number of workweeks ("Work Week Rate
15 Amount") and then multiply this amount by each Class Member's total number of workweeks to
16 yield that employee's Net Settlement Payment. In the event a Class Member submits a timely
17 Request for Exclusion from the settlement, his/her share of the settlement will be added to the
18 Net Settlement Amount.

19 NET
20 SETTLEMENT
21 AMOUNT X

Participating
Class Member's
Workweeks

22 Total number of
23 Workweeks for
all Class
Members

24 In addition, each Class Member who is a PAGA Group Member will be paid a pro-rata
25 share of the \$5,000 allocated for PAGA penalties to PAGA Group Members, as calculated by
26 the Settlement Administrator, with a formula similar to payments to Participating Class
27 Members.

\$5,000 for PAGA Penalties to PAGA Group Members	X	Individual PAGA Group Member's Workweeks during PAGA Period
Total number of Workweeks for all PAGA Group Members during PAGA Period		

The Individual Settlement Payment for any Participating Class Member who is also a PAGA Group Member shall include the Participating Class Member's share of the PAGA Settlement Amount allocated for PAGA penalties to PAGA Group Members.

Class Members who are PAGA Group Members will not be permitted to exclude themselves from the PAGA claim portion of the Settlement. PAGA penalty settlement payments in the appropriate amounts will be distributed by the Settlement Administrator by mail to the PAGA Group Members including to those Class Members who are PAGA Group Members who submitted a request for exclusion.

35. No Credit Toward Benefit Plans. All Settlement Awards to Class Members shall be deemed to be income to such Class Members solely in the year in which such awards actually are received by the Class Members. It is expressly understood and agreed that the receipt of such Settlement Awards will not entitle any Class Member to additional compensation or benefits under any company bonus, paid time off (including vacation and sick leave), or other compensation or benefit plan or agreement in place during the period covered by the Settlement, nor will it entitle any Class Member to any increased retirement, 401(k) benefits or matching benefits, or deferred compensation benefits. It is the intent of this Settlement that the Settlement Awards provided for in this Agreement are the sole payments to be made by Defendants to the Class Members in connection with this Settlement, and that the Class Members are not entitled to any new or additional compensation or benefits as a result of having received the Settlement Awards (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Settlement).

1 36. Settlement Administration Process. The Parties agree to cooperate in the
2 administration of the settlement and to make all reasonable efforts to control and minimize the
3 costs and expenses incurred in administration of the Settlement.

4 37. Delivery of the Class List. Within seven (7) calendar days of Preliminary
5 Approval, Defendants will provide the Class List to the Settlement Administrator.

6 38. Notice by First-Class U.S. Mail. Within seven (7) calendar days after receiving
7 the Class List from Defendants, the Settlement Administrator will mail the Notice to all Class
8 Members via regular First-Class U.S. Mail.

9 39. Confirmation of Contact Information in the Class Lists. Prior to mailing, the
10 Settlement Administrator will perform a search based on the National Change of Address
11 Database for information to update and correct for any known or identifiable address changes.
12 Any Notice returned to the Settlement Administrator as non-deliverable on or before the
13 Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding
14 address, and the Settlement Administrator will indicate the date of such re-mailing on the
15 Notice. If no forwarding address is provided, the Settlement Administrator will promptly
16 attempt to determine the correct address using a skip-trace, or other search using the name,
17 address and/or Social Security number of the Class Member involved and will then perform a
18 single re-mailing. Those Class Members who receive a re-mailed Notice will have between the
19 latter of (i) an additional fifteen calendar (15) days or (ii) the Response Deadline to fax or
20 postmark a Request for Exclusion, submit an objection to the Settlement or dispute workweeks.

21 40. Notice. All Class Members will be mailed the Notice. The Notice will provide:
22 (1) information regarding the nature of the Action, (2) a summary of the Settlement's principal
23 terms, (3) the Settlement Class definition, (4) each Class Member's number of workweeks
24 worked during the Class Period, (5) each Class Member's estimated Individual Settlement
25 Payment; (6) the dates which comprise the Class Period, (7) instructions on how to submit valid
26 Requests for Exclusion, objections or dispute workweeks, (8) the deadlines by which the Class
27 Member must fax or postmark Request for Exclusions, submit objections to the Settlement or
28 dispute workweeks, and (9) the claims to be released, as set forth in this Settlement Agreement.

1 41. Request for Exclusion Procedures. Any Class Member wishing to opt out from
2 the Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the
3 Settlement Administrator within the Response Deadline. The date of the fax or postmark on the
4 return mailing envelope will be the exclusive means to determine whether a Request for
5 Exclusion has been timely submitted. The Parties to this Agreement and their counsel agree that
6 they will not solicit or encourage Class Members to opt-out or object to this Settlement
7 Agreement. If the Court approves the compromise of the PAGA claim, all PAGA Group
8 Members are bound by the Court's resolution of that claim. Class Members who are also
9 PAGA Group Members submitting a request for exclusion will nevertheless receive their pro-
10 rata share of the 25% of the PAGA Settlement Amount allocated for PAGA penalties to PAGA
11 Group Members.

12 42. Defective Submissions. If a Class Member's Request for Exclusion is defective
13 as to the requirements listed in this Settlement Agreement, that Class Member will be given an
14 opportunity to cure the defect(s). The Settlement Administrator will mail the Class Member a
15 cure letter within three (3) calendar days of receiving the defective submission to advise the
16 Class Member that his or her submission is defective and that the defect must be cured to render
17 the Request for Exclusion valid. The Class Member will have until the later of (i) Response
18 Deadline or (ii) fifteen (15) calendar days from the date of the cure letter to fax or postmark a
19 revised Request for Exclusion.

20 43. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class
21 Member who does not affirmatively opt out of the Settlement Agreement by submitting a
22 timely and valid Request for Exclusion will be bound by all of its terms, including those
23 pertaining to the Released Claims (other than as it applies to the PAGA claims with respect to
24 the PAGA Group Members), as well as any Judgment that may be entered by the Court if it
25 grants final approval to the Settlement. If the Court approves the compromise of the PAGA
26 claim, Class Members who are also PAGA Group Members submitting a request for exclusion
27 will nevertheless be bound by the Court's resolution of that claim and receive their pro-rata
28 share of the 25% of the PAGA Payment allocated to the PAGA Group Members.

1 44. Objection Procedures. To object to the Settlement Agreement, a Class Member
2 may not submit a Request for Exclusion and must mail a valid Notice of Objection to the
3 Settlement Administrator by the Response Deadline. The Settlement Administrator will notify
4 counsel for the Parties forthwith via email. Class Counsel will lodge the objection with the
5 Court. The Notice of Objection must be signed by the Class Member and contain all
6 information required by this Settlement Agreement. The postmark date of the mailing will be
7 deemed the exclusive means for determining that the Notice of Objection is timely. Class
8 Members who wish to object will have a right to appear at the Final Approval Hearing, with or
9 without counsel at his/her own expense, in order to have their objections heard by the Court. At
10 no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class
11 Members to submit written objections to the Settlement Agreement or appeal from the Final
12 Approval Order and Judgment.

13 45. Certification Reports Regarding Individual Settlement Payment Calculations.
14 The Settlement Administrator will provide Defendants' counsel and Class Counsel a weekly
15 report which certifies: (i) the number of Class Members who have submitted valid Request for
16 Exclusion and objections; and (ii) the number of any deficient Request for Exclusion.
17 Additionally, the Settlement Administrator will provide to counsel for both Parties any updated
18 reports regarding the administration of the Settlement Agreement as needed or requested.

19 46. Timing of Distribution of Individual Settlement Payments. Within three (3)
20 calendar days of Defendants depositing the Gross Settlement Amount and employer's share of
21 payroll taxes, the Settlement Administrator will issue payments to (1) Participating Class
22 Members and PAGA Group Members; (2) Plaintiff; (3) Class Counsel; and payment to LWDA.
23 The Settlement Administrator will also issue a payment to itself for Court-approved services
24 performed in connection with the settlement.

25 47. Uncashed or Undeliverable Settlement Checks. Individual settlement checks
26 paid to Participating Class Members and PAGA Group Members will be valid for 180 days.
27 Participating Class Members and PAGA Group Members will have one hundred eighty (180)
28 calendar days from the date of issuance of the check to cash their check. For any check not

1 cashed after 180 calendar days, the Settlement Administrator will send the amount represented
2 by the check to the California State Controller Unclaimed Property, with the identity of the
3 Participating Class Member and PAGA Group Member to whom the funds belong, to be held
4 for the Participating Class Member and PAGA Group Member per California Unclaimed
5 Property Law, in the interest of justice. The money paid to the California State Controller
6 Unclaimed Property will remain the Participating Class Member and PAGA Group Member's
7 property. This will allow Participating Class Member and PAGA Group Member who did not
8 cash their checks to collect their Individual Settlement Amounts at any time in the future.
9 Therefore, there will be no unpaid residue or unclaimed or abandoned class member funds, and
10 the California Code of Civil Procedure section 384 shall not apply. The funds will be held by
11 the State until claimed by the employee and the uncashed check never ceases to be the
12 employee's property.

13 48. Certification of Completion. Upon completion of administration of the
14 Settlement, the Settlement Administrator will provide a written declaration under oath to certify
15 such completion to the Court and counsel for all Parties.

16 49. Treatment of Individual Settlement Payments. All Individual Settlement
17 Payments will be allocated as follows: 100% of each PAGA Group Member's pro-rata share of
18 the \$5,000 allocated for PAGA penalties shall be allocated as penalties; 20% of each Individual
19 Settlement Payment will be allocated for the settlement of wage claims; and the remaining 80%
20 will be allocated to the settlement of claims for interest and statutory penalties. The portion
21 allocated to wages in each Individual Settlement Payment will be reported on an IRS Form W-2
22 and the portion allocated to interest and penalties will be reported on an IRS Form-1099 by the
23 Settlement Administrator.

24 50. Administration of Taxes by the Settlement Administrator. The Settlement
25 Administrator will be responsible for issuing to Plaintiff, Participating Class Members, PAGA
26 Group Members, Class Counsel, and Defendants any W-2, 1099, or other tax forms as may be
27 required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement
28

1 Administrator will also be responsible for forwarding all payroll taxes and other legally
2 required withholdings, and related reporting, to the appropriate government authorities.

3 51. Defendants Responsibility for Employer Taxes: For any portion of the Class
4 Members' Individual Settlement Payments that are designated as "wages" for purposes of tax
5 reporting, the employer's taxes, employer contributions of all federal, state, and local taxes
6 (including, but not limited to, FICA, FUTA, and SDI), will be paid in addition to the Gross
7 Settlement Amount, via and with the Settlement Administrator's assistance. Specifically,
8 Defendant M.C.I. Foods, Inc. will be responsible for the employer share of payroll taxes
9 attributable to M.C.I. Direct Employees, and Priority Workforce Inc. will be responsible for
10 payment of the employer's share of payroll taxes attributable to Priority Employees.

11 52. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
12 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY
13 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER
14 PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
15 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN
16 OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR
17 WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR
18 DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX
19 ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT
20 CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY
21 (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT
22 LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN
23 CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS
24 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR
25 ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED
26 TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR
27 ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE
28 IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER

TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE
CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES
(REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON
DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR
TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION
CONTEMPLATED BY THIS AGREEMENT.

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

54. Release by Plaintiff. Upon the date the Court enters an order granting final
approval of the settlement and Defendants fully funds the Gross Settlement Amount and the
employer's share of payroll taxes, in addition to the claims being released by all Class
Members, Plaintiff will provide the following additional general release ("General Release") :
Plaintiff, on his own behalf and on behalf of his heirs, spouses, executors, administrators,
attorneys, agents and assigns, fully and finally releases the Released Parties from all claims,
demands, rights, liabilities and causes of action of every nature and description whatsoever,
known or unknown, asserted or that might have been asserted, whether in tort, contract, or for
violation of any state or federal statute, rule or regulation arising out of, relating to, or in
connection with any act or omission by or on the part of any of the Released Parties committed
or omitted prior to the execution of this Agreement. This General Release includes any
unknown claims Plaintiff does not know or suspect to exist in his favor at the time of this
General Release, which, if known by them, might have affected his settlement with, and release
of, the Released Parties or might have affected his decision not to object to this Settlement or
this Release. To the extent the foregoing releases are releases to which Section 1542 of the
California Civil Code or similar provisions of other applicable law may apply, Plaintiff
expressly waives any and all rights and benefits conferred upon them by the provisions of

1 Section 1542 of the California Civil Code or similar provisions of applicable law which are as
2 follows:

3 A general release does not extend to claims that the creditor or releasing party does not
4 know or suspect to exist in his or her favor at the time of executing the release and that,
5 if known by him or her, would have materially affected his or her settlement with the
6 debtor or released party.
7

8 The significance of this release and waiver of Civil Code Section 1542 has been explained to
9 Plaintiff by his counsel. Release by Plaintiff expressly excludes any claims for workers
10 compensation against Defendant.

11 55. Neutral Reference. Defendants agree that they will only provide a neutral
12 reference for Plaintiff should any prospective employers or anyone contact them regarding
13 Plaintiff's employment. Defendants shall only provide the dates of employment and Plaintiff's
14 last job title held with Defendants.

15 56. Nullification of Settlement Agreement. In the event that: (i) the Court does not
16 finally approve the Settlement as provided in this Settlement Agreement; or (ii) the Settlement
17 does not become final for any other reason, then this Settlement Agreement and any documents
18 generated to bring it into effect will be null and void. Any order or judgment entered by the
19 Court in furtherance of this Settlement Agreement will likewise be treated as void from the
20 beginning. In such case, the Settlement shall not be used or be admissible in any subsequent
21 proceedings, either in this Action, this Court, or any other Court or forum.

22 57. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to
23 request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary
24 Approval Order for: (i) conditional certification of the Settlement Class for settlement purposes
25 only, (ii) preliminary approval of the proposed Settlement Agreement, and (iii) setting a date
26 for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will
27 provide for the Notice to be sent to all Class Members as specified in this Settlement
28 Agreement. In conjunction with the Preliminary Approval motion, Plaintiff will submit this

1 Settlement Agreement, which sets forth the terms of this Settlement and will include the
2 proposed Notice. Should the Court fail to enter a Preliminary Approval Order, the Parties will
3 cooperate in good faith and use their best efforts to correct whatever deficiencies the Court
4 identifies in order to obtain Preliminary Approval.

5 58. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of
6 the deadlines to fax or postmark Request for Exclusion or submit objections to the Settlement
7 Agreement, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will
8 be conducted to determine the Final Approval of the Settlement Agreement along with the
9 amounts properly payable for (i) Individual Settlement Payments; (ii) the Class Counsel Fees
10 and Costs; (iii) the Class Representative Enhancement Payment; (iv) payment to LWDA for
11 PAGA penalties; and (v) all Settlement Administration Expenses. Class Counsel will be
12 responsible for drafting all documents necessary to obtain final approval. Class Counsel will
13 also be responsible for drafting the attorneys' fees and costs application to be heard at the Final
14 Approval/Settlement Fairness Hearing.

15 59. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by
16 the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present a
17 proposed Judgment to the Court for its approval. Pursuant to California Rules of Court, Rule
18 3.771(b), the Settlement Administrator shall post on its website a copy of the Judgment for a
19 period of thirty days from the date the Court signs the Judgment. After entry of the Judgment,
20 the Court will have continuing jurisdiction solely for purposes of addressing: (i) the
21 interpretation and enforcement of the terms of the Settlement Agreement, (ii) settlement
22 administration matters, and (iii) such post-Judgment matters as may be appropriate under court
23 rules or as set forth in this Settlement Agreement.

24 60. Exhibits Incorporated by Reference. The terms of this Settlement Agreement
25 include the terms set forth in any attached Exhibits, which are incorporated by this reference as
26 though fully set forth in this Settlement Agreement. Any Exhibits to this Agreement are an
27 integral part of the Settlement.

28

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

9 62. Amendment or Modification. This Settlement Agreement may be amended or
10 modified only by a written instrument signed by counsel for all Parties or their successors-in-
11 interest.

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

22 64. Binding on Successors and Assigns. This Settlement Agreement will be binding
23 upon, and inure to the benefit of, the successors or assigns of the Parties to this Settlement
24 Agreement, as previously defined.

25 65. Execution and Counterparts. This Settlement Agreement is subject only to the
26 execution of all Parties. However, the Settlement Agreement may be executed in one or more
27 counterparts. All executed counterparts and each of them, including facsimile, scanned copies
28 of the signature page, and electronic signature will be deemed to be one and the same

1 instrument provided that counsel for the Parties will exchange among themselves original
2 signed counterparts.

3 66. Acknowledgement that the Settlement is Fair and Reasonable. The Parties
4 believe this Settlement Agreement is a fair, adequate and reasonable settlement of the Action
5 and have arrived at this Settlement Agreement after arm's-length negotiations and in the
6 context of adversarial litigation, taking into account all relevant factors, present and potential.
7 The Parties further acknowledge that they are each represented by competent counsel and that
8 they have had an opportunity to consult with their counsel regarding the fairness and
9 reasonableness of this Settlement Agreement.

10 67. Invalidity of Any Provision. Before declaring any provision of this Settlement
11 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest
12 extent possible consistent with applicable precedents so as to define all provisions of this
13 Settlement Agreement valid and enforceable.

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

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

21 70. Enforcement Actions. In the event that one or more of the Parties institutes any
22 legal action or other proceeding against any other Party to enforce the provisions of this
23 Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement,
24 the successful Party will be entitled to recover from the unsuccessful Party reasonable
25 attorneys' fees and costs, including expert witness fees incurred in connection with any
26 enforcement actions.

27 71. Mutual Preparation. The Parties have had a full opportunity to negotiate the
28 terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement

1 will not be construed more strictly against one party than another merely by virtue of the fact
2 that it may have been prepared by counsel for one of the Parties, it being recognized that,
3 because of the arms-length negotiations between the Parties, all Parties have contributed to the
4 preparation of this Agreement.

5 72. Representation By Counsel. The Parties acknowledge that they have been
6 represented by counsel throughout all negotiations that preceded the execution of this
7 Settlement Agreement, and that this Settlement Agreement has been executed with the consent
8 and advice of counsel.

9 73. All Terms Subject to Final Court Approval. All amounts and procedures
10 described in this Settlement Agreement will be subject to final Court approval.

11 74. Cooperation and Execution of Necessary Documents. All Parties will cooperate
12 in good faith and execute all documents to the extent reasonably necessary to effectuate the
13 terms of this Settlement Agreement.

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

19 76. No Admission of Liability. Nothing contained in this Settlement Agreement shall
20 be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the
21 part of Defendant. Each of the Parties has entered into this Settlement Agreement with the
22 intention to avoid further disputes and litigation, and the attendant inconvenience and expense,
23 and to fully and forever buy their respective peace. This Settlement Agreement shall be
24 inadmissible in evidence in any action or proceeding, by any party, except an action or
25 proceeding by one of the Parties to approve, interpret, or enforce the Settlement Agreement's
26 terms.

27 77. Disputes. Any dispute between the Parties concerning the interpretation or
28 implementation of this Settlement Agreement will be resolved by the Court. Prior to any such

1 resort to the Court, counsel for the Parties will confer in good faith to resolve the dispute. If the
2 Parties are unable to resolve the dispute themselves, the dispute will be submitted to Steve
3 Serratore, Esq. for mediation before being submitted to the Court, unless the Parties agree
4 otherwise.

5 78. Applicable Law. All terms and conditions of this Stipulation and its exhibits will
6 be governed by and interpreted according to the laws of the State of California, without giving
7 effect to any conflict of law or choice of law principles.

8 SIGNATURES

9 READ CAREFULLY BEFORE SIGNING

10
11 ~~PLAINTIFF~~

12 Dated: 11/19/2024



13 Jose E. Lopez

14 DEFENDANT

15 Dated: _____

16 M.C.I. Foods, Inc.

17
18 By:
19 Its:

20 DEFENDANT

21 Dated: _____

22 Priority Workforce, Inc.

23
24 By:
25 Its:

1 resort to the Court, counsel for the Parties will confer in good faith to resolve the dispute. If the
2 Parties are unable to resolve the dispute themselves, the dispute will be submitted to Steve
3 Serratore, Esq. for mediation before being submitted to the Court, unless the Parties agree
4 otherwise.

5 78. Applicable Law. All terms and conditions of this Stipulation and its exhibits will
6 be governed by and interpreted according to the laws of the State of California, without giving
7 effect to any conflict of law or choice of law principles.

8 SIGNATURES

9 READ CAREFULLY BEFORE SIGNING

10
11 PLAINTIFF

12 Dated: _____

13 Jose E. Lopez

14 DEFENDANT

15 Dated: December 6th, 2024

16 M.C.I. Foods, Inc.

17 *Daniel J Southard*

18 By: Daniel J Southard

19 Its: Chief Executive Officer

20 DEFENDANT

21 Dated: _____

22 Priority Workforce, Inc.

23 By: _____

24 Its: _____

1 resort to the Court, counsel for the Parties will confer in good faith to resolve the dispute. If the
2 Parties are unable to resolve the dispute themselves, the dispute will be submitted to Steve
3 Serratore, Esq. for mediation before being submitted to the Court, unless the Parties agree
4 otherwise.

5 78. Applicable Law. All terms and conditions of this Stipulation and its exhibits will
6 be governed by and interpreted according to the laws of the State of California, without giving
7 effect to any conflict of law or choice of law principles.

8 SIGNATURES

9 READ CAREFULLY BEFORE SIGNING

10
11 PLAINTIFF

12 Dated: _____

13 Jose E. Lopez

14 DEFENDANT

15 Dated: December 6th, 2024

16 M.C.I. Foods, Inc.

17 *[Signature]*
18 By: _____
19 Its: _____

20 DEFENDANT

21 Dated: December 6, 2024

22 *[Signature]*
23 Priority Workforce, Inc.

24 By: Daniel S Cox
25 Its: Chief Executive Officer