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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
 FOR THE COUNTY OF LOS ANGELES**

JANINE NELSON, individually, and on behalf
 of other members of the general public
 similarly situated;

Plaintiff,

v.

CAPTEK SOFTGEL INTERNATIONAL,
 INC., a California corporation; and DOES 1
 through 100, inclusive;

Defendants.

Case No.: 20STCV21184

CLASS ACTION

Assigned for All Purposes To:
 Hon. Elihu M. Berle
 Dept.: SS-06

**JOINT STIPULATION OF CLASS ACTION
 SETTLEMENT**

Complaint Filed:
 Trial Date:

May 29, 2020
 None Set

1 This Joint Stipulation of Class Action Settlement (“Settlement” or “Settlement
2 Agreement”) is made and entered into by and between Plaintiff Janine Nelson (“Plaintiff” or
3 “Class Representative”), individually, and on behalf of all others similarly situated, and Defendant
4 Captek Softgel International, Inc., a California corporation (“Defendant”) (collectively with
5 Plaintiff, the “Parties”).

6 DEFINITIONS

7 The following definitions are applicable to this Settlement Agreement.

8 Definitions contained elsewhere in this Settlement Agreement will also be effective:

9 1. “Action” means *Janine Nelson v Captek Softgel International, Inc., et al.*, Los
10 Angeles County Superior Court Case No. 20STCV21184.

11 2. “Attorneys’ Fees and Costs” means attorneys’ fees and costs approved by the
12 Court for Class Counsel’s litigation and resolution of this Action.

13 3. “Class Counsel” means Douglas Han, Shunt Tatavos-Gharajeh, and Jason
14 Rothman of Justice Law Corporation.

15 4. “Class List” means a complete list of all Class Members that Defendant will
16 diligently and in good faith compile from its records and provide to the Settlement
17 Administrator within fifteen (15) calendar days after Preliminary Approval of this Settlement.
18 The Class List will be formatted in Microsoft Office Excel and will include the following
19 information from Defendant’s records: each Class Member’s full name; last-known mailing
20 address; Social Security number; and respective number of Workweeks and/or dates of
21 employment as a non-exempt employee in California during the Class Period.

22 5. “Class Member(s)” or “Settlement Class” means all current and former
23 individuals who are or who have been employed by Defendant in California during the Class
24 Period as a non-exempt employee (or if any such person is incompetent, deceased, or
25 unavailable due to military service, the person’s legal representative or successor in interest
26 evidenced by reasonable verification). “Class Members” shall not include any person who
27 submits a timely and valid request for exclusion. Defendant estimates that there are
28

1 approximately one thousand one hundred and six (1106) combined Class Members and PAGA
2 Members

3 6. "PAGA Member(s)" or "Settlement PAGA Members" means all current and
4 former individuals who are or who have been employed by Defendant in California during the
5 PAGA Period as a non-exempt employee (or if any such person is incompetent, deceased, or
6 unavailable due to military service, the person's legal representative or successor in interest
7 evidenced by reasonable verification).

8 7. "Class Period" means the period from May 29, 2016 through December 31,
9 2021.

10 8. "PAGA Period" means the period from May 29, 2019 through December 31,
11 2021.

12 9. "Class Representatives Enhancement Payment" means the amount approved by
13 the Court to be paid to Plaintiff in recognition for her contribution to the Action on behalf of
14 Class Members and PAGA Members.

15 10. "Court" means the Superior Court of California, County of Los Angeles.

16 11. "Defendant" means Captek Softgel International, Inc., a California corporation
17 (including any and all affiliates, subsidiaries, and parents, and their shareholders, officers,
18 directors, agents, and employees).

19 12. "Effective Date" will be the last to occur of the following: (a) the 61st day after
20 service of notice of entry of the Court's order granting final approval of the Settlement
21 Agreement and Judgment; or (b) if an appeal, review or writ is sought from the order, the day
22 after the order is affirmed or the appeal, review or writ is dismissed or denied, and the order is
23 no longer subject to further judicial review.

24 13. "Individual Settlement Payment" means each Class Member's share of the Net
25 Settlement Amount.

26 14. "Maximum Settlement Amount" is the amount of Eight Hundred, Fifty
27 Thousand Dollars and Zero Cents (\$850,000.00), which is the maximum amount to be paid by
28 Defendant pursuant to this Settlement Agreement. The Maximum Settlement Amount includes

1 all Individual Settlement Payments to Class Members and PAGA Members, the Class
2 Representatives Enhancement Payments to Plaintiff, Attorneys' Fees and Costs to Class
3 Counsel, the Settlement Administration Costs to the Settlement Administrator, the Class
4 Members' share of any employment taxes, and the PAGA Payment as specified in this
5 Agreement. Defendant shall pay the employer's share of payroll taxes due on the portion of
6 Settlement Payments allocated to wages separately and in addition to the Maximum Settlement
7 Amount. The Parties agree that Defendant will have no obligation to pay any amount in
8 connection with this Settlement Agreement apart from the Maximum Settlement Amount and
9 the employer's share of payroll taxes due on the portion of Settlement Payments allocated to
10 wages, and that none of the Maximum Settlement Amount will revert to Defendant.

11 15. "Net Settlement Amount" means the Maximum Settlement Amount, less the
12 Class Representatives Enhancement Payments, Attorneys' Fees and Costs, the Class Members'
13 share of any employment taxes, Settlement Administration Costs, and seventy-five percent
14 (75%) of the PAGA Payment as specified in this Agreement.

15 16. "Objection" means any written objection to this Settlement filed with the Court
16 and sent by a Class Member to the Settlement Administrator as specified herein and in the
17 Notice of Settlement. An Objection to Settlement must be filed and sent to the Settlement
18 Administrator within the time limitations set forth in this Stipulation.

19 17. "Notice of Class Action Settlement" means the notice of settlement, attached as
20 Exhibit A, to be mailed to all members of the Settlement Class upon Preliminary Approval.

21 18. "PAGA" means the California Labor Code Private Attorneys General Act of
22 2004.

23 19. "PAGA Payment" means the payment made hereunder to the California Labor
24 and Workforce Development Agency and the Settlement PAGA Members for settlement of
25 claims for civil penalties under PAGA.

26 20. "Parties" means Plaintiff and Defendant collectively.

27 21. "Plaintiff" means Janine Nelson.

1 22. “Preliminary Approval” means the Court order granting preliminary approval of
2 the Settlement Agreement.

3 23. “Released Claims” means all causes of action and factual or legal theories that
4 were alleged in the operative first amended complaint or that could have been alleged against
5 Defendant based on the facts contained in the operative complaints, including all of the
6 following claims for relief: (a) failure to pay all wages, including but not limited to regular
7 wages, minimum wages and overtime wages due; (b) failure to provide proper meal and rest
8 periods, and to properly provide premium pay in lieu thereof; (c) failure to provide complete,
9 accurate or properly formatted wage statements; (d) waiting time penalties; (e) failure to
10 reimburse business expenditures, (f) unfair business practices that could have been premised on
11 the claims, causes of action or legal theories of relief described above or any of the claims,
12 causes of action or legal theories of relief pleaded in the operative complaint; (g) any other
13 claims or penalties under the California Labor Code or other wage and hour laws pleaded in the
14 Action, including but not limited to California Labor Code Sections 201, 201.3, 201.5, 201.6,
15 201.8, 201.9, 202, 203, 204, 205.5, 218.5, 221, 226, 226(a), 226(g), 226.3, 226.7, 510, 512(a),
16 558, 1174(d), 1021.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802; (h) all damages,
17 penalties, interest and other amounts recoverable under said claims, causes of action or legal
18 theories of relief, and, exclusively to PAGA Members, (i) all claims under the California Labor
19 Code Private Attorneys General Act of 2004 that could have been premised on the facts, claims,
20 causes of action or legal theories described above or any of the claims, the letter to the LWDA
21 dated December 10, 2021, and causes of action or legal theories of relief pleaded in the
22 operative complaints.

23 24. “Released Parties” means Defendant, and their past, present and/or future,
24 direct and/or indirect, owners, officers, directors, members, managers, employees, agents,
25 representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent
26 companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, legal
27 representatives, and joint venturers, if any.

1 25. “Request for Exclusion” means a timely written request by a Class Member to
2 be excluded from the Settlement. The Request for Exclusion must: (i) set forth the name,
3 address, and telephone number of the Class Member requesting exclusion; (ii) be signed by the
4 Class Member; (iii) be returned to the Settlement Administrator; (iv) clearly state that the Class
5 Member does not wish to be included in the Settlement; and (v) be postmarked on or before the
6 Response Deadline.

7 26. “Response Deadline” means the deadline by which Class Members must
8 postmark the Settlement Administrator Requests for Exclusion or Objection to the Settlement.
9 The Response Deadline will be forty-five (45) calendar days from the initial mailing of the
10 Notice of Class Action Settlement by the Settlement Administrator, unless the 45th day falls on
11 a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next
12 day on which the U.S. Postal Service is open.

13 27. “Settlement Administrator” means CPT Group, Inc., or any other third-party
14 class action settlement administrator approved by the Parties and the Court for the purposes of
15 administering this Settlement. The Parties each represent that they have no financial interest in
16 the Settlement Administrator or otherwise have a relationship with the Settlement
17 Administrator that could create a conflict of interest.

18 28. “Settlement Administration Costs” includes all costs payable to the Settlement
19 Administrator for administering this Settlement, including, but not limited to, printing,
20 distributing, and tracking notice and other documents for this Settlement, tax reporting,
21 distributing all payments to be made pursuant to this Settlement, and providing necessary
22 reports and declarations, as requested by the Parties. After conference and consultation with the
23 Settlement Administrator, \$13,500.00 will be allocated to Settlement Administration as a “not
24 to exceed” cost.

25 29. “Pay Periods” means the number of calendar pay periods that the Class
26 Member worked as a non-exempt employee in California during the Class Period.

27 30. “Workweek Value” means the value of each compensable Workweek, as
28 determined by the formula set forth in herein.

TERMS OF AGREEMENT

Plaintiff, on behalf of herself, the Settlement Class, the Settlement PAGA Members, and Defendant agree as follows:

31. Funding of the Maximum Settlement Amount. No later than 30 business days after the Effective Date, Defendant will deposit Eight Hundred and Fifty Thousand Dollars and Zero Cents (\$850,000.00) into a Qualified Settlement Fund administered by the Settlement Administrator. The Maximum Settlement Amount will be used to pay: (i) Individual Settlement Amounts; (ii) the Class Representatives Enhancement Payments; (iii) Attorneys' Fees, Costs, and any other expenses; (iv) the PAGA Payment, and (v) Settlement Administration Costs; and (vi) the Class Members' share of any employment taxes. Prior to the Effective Date of the Settlement, Defendant will not be required to fund the Settlement, in whole or in part, through the Claims Administrator or any third party.

32. Attorneys' Fees and Costs. Class Counsel will seek an award of Attorneys' Fees and Costs of not more than Two Hundred and Eighty-Three Thousand, Three Hundred and Thirty-Three Dollars and Thirty-Three Cents (\$283,333.33) in attorney's fees and not more than Twenty Thousand Dollars and Zero Cents (\$20,000.00) in costs, and Defendant agrees not to oppose such application. All Attorneys' Fees and Costs will be paid from the Maximum Settlement Amount. The amounts awarded by the Court shall be binding on the Parties and shall not otherwise affect the validity of the Settlement. Plaintiff and Class Counsel will not have the right to revoke this Settlement in the event the Court fails to approve the amount of Attorneys' Fees and Costs sought by Class Counsel. Should the Court approve a lesser amount of Attorneys' Fees and Costs, the difference will be added to the Net Settlement Amount.

33. Class Representative Enhancement Payment. Plaintiff will apply to the Court for a Class Representative Enhancement Payment of not more than Ten Thousand Dollars and Zero Cents (\$10,000.00), for her effort and work in prosecuting the Action on behalf of Class Members and PAGA Members in exchange for a general release of all claims, and Defendant agrees not to oppose such application. This amount will be considered non-wage damages and will be reported on an IRS Form 1099. The Class Representative Enhancement Payment, which

1 will be paid from the Maximum Settlement Amount, will be in addition to Plaintiff's right to an
2 Individual Settlement Payment pursuant to the Settlement. Plaintiff will be solely and legally
3 responsible to pay any and all applicable taxes on the payments made pursuant to this paragraph
4 and will hold Defendant harmless from any claim or liability for taxes, penalties, or interest
5 arising as a result of the payments. Plaintiff will not have the right to revoke this Settlement in
6 the event the Court fails to approve the amount sought by Plaintiff as a Class Representative
7 Enhancement Payment. Any portion of the Class Representative Enhancement Payment not
8 awarded to the Class Representative will be added to the Net Settlement Amount.

9 34. Settlement Administration Costs. The Settlement Administrator will be paid for
10 the reasonable costs of administration of the Settlement and distribution of payments. These
11 costs, which will be paid from the Maximum Settlement Amount, will include, *inter alia*, the
12 required tax reporting on the Individual Settlement Payments, the issuing of 1099 IRS Forms,
13 preparing and distributing Notices of Class Action Settlement, calculating and distributing all
14 payments to be made pursuant to the Settlement, and providing necessary reports and
15 declarations. Class Counsel has obtained a "not to exceed" quote from the Settlement
16 Administrator to complete the administration for \$13,500.00. The Settlement Administrator's
17 "not to exceed" quote will represent the Settlement Administrator's agreement that, based on
18 the class size and distributions under the terms of this Settlement, the costs for administration
19 of the terms of this Settlement will not exceed the specified amount. All of the Settlement
20 Administration Costs shall be paid from the Maximum Settlement Amount, upon completion of
21 all duties required to be performed by the Settlement Administrator under the terms of this
22 Settlement, or as otherwise required by the Court. The Settlement Administrator will establish
23 the Qualified Settlement Fund Account.

24 35. PAGA Payment. Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00)
25 shall be allocated from the Maximum Settlement Fund for settlement of claims for civil
26 penalties under PAGA. The Settlement Administrator shall pay seventy-five percent (75%) of
27 such \$25,000.00 PAGA Payment, or \$18,750.00, to the LWDA, and twenty-five (25%) of the
28 \$25,000.00 PAGA Payment, or \$6,250.00, will be included in the Net Settlement Amount and

1 distributed to Settlement PAGA Members as described in this Agreement. Each Settlement
2 PAGA Member's pro rata share of that \$6,250.00 will be part of his or her Individual
3 Settlement Payment.

4 36. Individual Class Members Settlement Payment Calculations. Individual
5 Settlement Payments will be calculated and apportioned from the Net Settlement Amount based
6 on the number of Workweeks a Class Member worked during the Class Period as a non-exempt
7 employee in California. Specific calculations of Individual Settlement Payments will be made
8 as follows:

9 36(a). The Settlement Administrator will calculate the total number of
10 Workweeks worked by each Class Member as a non-exempt employee in California during the
11 Class Period and the aggregate total number of Workweeks worked by all Class Members as
12 non-exempt employees in California during the Class Period.

13 36(b). To determine each Class Member's estimated "Individual Settlement
14 Payment," the Settlement Administrator will use the following formula: The Net Settlement
15 Amount will be divided by the aggregate total number of Workweeks, resulting in the
16 Workweek Value. Each Class Member's "Individual Settlement Payment" will be calculated by
17 multiplying each individual Class Member's total number of Workweeks by the Workweek
18 Value.

19 36(c). The entire Net Settlement Amount will be disbursed as Individual
20 Settlement Payments to Class Members. If there are any valid and timely Requests for
21 Exclusion from members of the Settlement Class, the Settlement Administrator shall
22 proportionately increase the Individual Settlement Payment for each Class Member according
23 to the number of Workweeks worked, so that the amount actually distributed to the Settlement
24 Class equals 100% of the Net Settlement Amount.

25 37. Individual PAGA Member Settlement Payment Calculations. Individual
26 Settlement Payments will be calculated and apportioned from the PAGA Payment amount
27 based on the number of Pay Periods a PAGA Member worked during the PAGA Period as a
28

1 non-exempt employee in California. Specific calculations of PAGA Individual Settlement
2 Payments will be made as follows:

3 37(a). The Settlement Administrator will calculate the total number of Pay
4 Periods worked by each PAGA Member as a non-exempt employee in California during the
5 PAGA Period and the aggregate total number of Pay Periods worked by all PAGA Members as
6 non-exempt employees in California during the PAGA Period (“Pay Period Value”).

7 37(b). To determine each PAGA Member’s estimated “Individual Settlement
8 Payment,” the Settlement Administrator will use the following formula: The PAGA Payment
9 amount’s portion allocated to the PAGA Period will be divided by the aggregate total number of
10 Pay Periods within the PAGA Period, resulting in the Pay Period Value. Each PAGA Member’s
11 “Individual Settlement Payment” will be calculated by multiplying each individual PAGA
12 Member’s total number of Pay Periods by the Pay Period Value.

13 37(c). The entire PAGA Payment amount will be disbursed as Individual
14 Settlement Payments to PAGA Members. PAGA Members will not be able to opt out or request
15 exclusion from the settlement. For those Class Members who are also PAGA Members, they
16 will not be able to opt out or request exclusion from their Individual Settlement Amount
17 allocation of the PAGA Amount.

18 38. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
19 Class Members and PAGA Members under this Settlement, as well as any other payments made
20 pursuant to this Settlement, will not be utilized to calculate any additional benefits under any
21 benefit plans to which any Class Members and/or PAGA Members may be eligible, including,
22 but not limited to: (i) profit-sharing plans, (ii) bonus plans, (iii) 401(k) plans, (iv) stock
23 purchase plans, (v) vacation plans, (vi) sick leave plans, (vii) PTO plans, and (viii) any other
24 benefit plan. Rather, it is the Parties’ intention that this Settlement Agreement will not affect
25 any rights, contributions, or amounts to which any Class Members and/or PAGA Members may
26 be entitled under any benefit plans.

1 39. 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 40. Delivery of the Class List. Within fifteen (15) calendar days of entry of the
5 Court's Order Granting Preliminary Approval, Defendant will provide the Class List to the
6 Settlement Administrator. This Class List will also be used to identify the PAGA Members
7 within the PAGA Period. In no event will this information ever be shared with or provided to
8 Class Counsel.

9 41. Notice by First-Class U.S. Mail. Within fifteen (15) business days after
10 receiving the Class List from Defendant, the Settlement Administrator will mail a Notice of
11 Class Action Settlement to all Class Members via regular First-Class U.S. Mail, using the most
12 current, known mailing addresses identified in the Class List.

13 42. Confirmation of Contact Information in the Class List and Undeliverable
14 Notices. Prior to mailing, the Settlement Administrator will perform a search based on the
15 National Change of Address Database for information to update and correct for any known or
16 identifiable address changes. Any Notices of Class Action Settlement returned to the Settlement
17 Administrator as non-deliverable on or before the Response Deadline will be sent promptly via
18 regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement
19 Administrator will indicate the date of such re-mailing on the Notice of Class Action
20 Settlement. If no forwarding address is provided, the Settlement Administrator will promptly
21 attempt to determine the correct address using an Accurant search/skip-trace and will then
22 perform a single re-mailing.

23 43. Notices of Class Action Settlement. All Class Members will be mailed a Notice
24 of Class Action Settlement in both English and Spanish in the form attached as Exhibit A¹, or
25 as provided by Court order.

27 ¹ Only the English version of the Class Notice is being attached to the Stipulation of Class Action Settlement. Once
28 the above entitled case receives Preliminary Approval then the Claim Administrator will translate the Class Notice
into Spanish.

1 44. Disputed Information on Notices of Class Action Settlement. Class Members
2 will have an opportunity to dispute the information provided in their Notices of Class Action
3 Settlement. To the extent Class Members dispute their Individual Settlement Payment, their
4 employment dates, or the number of Workweeks as set forth on the Notice, Class Members may
5 produce evidence to the Settlement Administrator showing that such information is inaccurate.
6 The Settlement Administrator will advise the Parties of such dispute, allow Defendant five (5)
7 business days to respond with any additional information or records, and then decide the
8 dispute. Defendant's records will be presumed determinative, absent evidence to rebut
9 Defendant's records, but the Settlement Administrator will evaluate the evidence submitted by
10 the Class Member and Defendant and will make the final decision as to the merits of the
11 dispute. If necessary, Class Counsel will be allowed to access the class contact information for
12 those individuals who dispute the information on the Class Notice, in order to answer those
13 individual Class Member's questions or otherwise provide representations about the class.

14 44(a). Eligible PAGA Members will not be able to exclude themselves from
15 receiving their portion of the PAGA Payment. The Class Notice will inform Eligible PAGA
16 Members that they cannot opt out of the PAGA portion of the settlement and explain that they
17 will not be permitted to pursue any action under PAGA against the Released Parties for any
18 claim that arose during the PAGA Period, even if they elect to Opt-Out of the Class Action
19 Settlement.

20 45. Requests for Exclusion. Any Class Member wishing to opt-out from the
21 settlement of the Class Claims must sign and postmark a written Request for Exclusion to the
22 Settlement Administrator within the Response Deadline. The postmark date will be the
23 exclusive means to determine whether a Request for Exclusion has been timely submitted. The
24 Parties and their counsel will not solicit or encourage any Class Member, directly or indirectly,
25 to opt out of the Settlement Agreement. More specifically, a Class Member may request to be
26 excluded from the settlement of the Class Claims, and any payment of amounts under this
27 Agreement excluding the PAGA Payment by timely mailing a Request for Exclusion letter to
28 the Settlement Administrator stating that the Class Member wants to be excluded from

1 settlement of the Class Claims. This letter must include the Class Member's name, address,
2 telephone number, and signature. To be valid and timely, the Request for Exclusion must be
3 postmarked by the Response Deadline date that will be specified in the Class Notice (no less
4 than forty-five (45) days from the initial mailing of the Class Notice by the Settlement
5 Administrator). However, if a Notice of Class Action Settlement needs to be re-mailed then that
6 individual Class Member will be provided forty-five (45) days to object or submit a Request for
7 Exclusion from the settlement from the date of the new mailing. A Class Member who
8 properly submits a valid and timely Request for Exclusion from the Action will not receive any
9 payment of the Class Claims in connection with this Agreement or this Action, will not be
10 bound by or receive any benefit of this Agreement other than the PAGA Payment, and will have
11 no standing to object to the Settlement of the Class Claims. Class Members who do not timely
12 submit a Request for Exclusion will be bound by the releases herein and receive an individual
13 settlement payment ("Participating Class Members"). A Request for Exclusion must be mailed
14 to the Settlement Administrator at its address to be provided in the Class Notice, and the
15 Settlement Administrator will promptly transmit the Requests for Exclusion to counsel for the
16 Parties.

17 46. Defective Submissions. If a Class Member's Request for Exclusion is defective
18 as to the requirements listed herein, that Class Member will be given an opportunity to cure the
19 defect(s). The Settlement Administrator will mail the Class Member a cure letter within three
20 (3) business days of receiving the defective submission to advise the Class Member that his or
21 her submission is defective and that the defect must be cured to render the Request for
22 Exclusion valid. The Class Member will have until the later of (i) the Response Deadline or (ii)
23 fifteen (15) calendar days from the date of the cure letter, whichever date is later, to postmark a
24 revised Request for Exclusion. If the revised Request for Exclusion is not postmarked and
25 mailed within that period, it will be deemed untimely.

26 47. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class
27 Member who does not affirmatively opt out of the Settlement Agreement by submitting a
28 timely and valid Request for Exclusion will be bound by all of its terms, including those

1 pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if
2 it grants final approval of the Settlement. If a PAGA Member submits a valid Request for
3 Exclusion from the Class Claims, such PAGA Member will still be deemed to have released the
4 PAGA Claims to the fullest extent permitted by law.

5 48. Objection Procedures. The Notice shall state that Settlement Class Members
6 who wish to object to the Settlement may do so by a written statement of objection (“Notice of
7 Objection”) mailed by the Response Deadline to the Settlement Administrator or by appearing
8 at the hearing for Final Approval. If a Settlement Class Members wishes to submit a written
9 objection, the Objection must be signed by the Class Member and contain all information
10 required by this Settlement Agreement. The postmark date of the filing and service will be
11 deemed the exclusive means for determining that the Objection is timely. The Notice of
12 Objection must state: (1) the case name and number; (2) the name of the Settlement Class
13 Member; (3) the address of the Settlement Class Member; and (4) the basis for the objection.
14 The Settlement Class Member may appear at the Final Approval Hearing even if he does not
15 submit a Notice of Objection and may object orally. The Settlement Administrator will
16 promptly provide any Notices of Objection to the Parties’ counsel upon receiving them. Class
17 Counsel will include all objections received and Plaintiff’s response(s) with Plaintiff’s motion
18 for final approval of the Settlement. Settlement Class Members may also have a right to have
19 their objections heard at the Final Approval/Settlement Fairness Hearing, however they will
20 need to adhere to the Court’s COVID-19 protocols which will be outlined in the Class Notice
21 attached hereto as Exhibit A. Class Counsel will not represent any Class Members with respect
22 to any such Objections to this Settlement, and any Class Members who request exclusion from
23 the Settlement will have no standing to object to the settlement of the Class Claims.

24 49. Settlement Administrator Reports. The Settlement Administrator will provide
25 Defendant’s counsel and Class Counsel a weekly report of the number of Class Members who
26 have submitted valid Requests for Exclusion, Objections, and disputes regarding Pay Periods
27 calculations. Additionally, the Settlement Administrator will provide to counsel for both Parties
28

1 any updated reports regarding the administration of the Settlement Agreement as needed or
2 requested.

3 50. Distribution and Timing of Payments. Within 30 calendar days of the Effective
4 Date, and after Defendant has fully funded the Qualified Settlement Fund with the Maximum
5 Settlement Amount, the Settlement Administrator will issue payments to: (i) all Class Members
6 who have not submitted a valid and timely Request for Exclusion, including any Class Member
7 whose notice was returned as undeliverable; (ii) all PAGA Members, (iii) Plaintiff; (iv) Class
8 Counsel; and (iv) the LWDA. The Settlement Administrator will also issue a payment to itself
9 for Court-approved services performed in connection with the Settlement. The Settlement
10 Administrator will pay Individual Settlement Payments from the Net Settlement Amount to all
11 Participating Class Members and PAGA Members. The Settlement Administrator will do so by
12 sending a check in the appropriate amount to the Class Member and/or PAGA Member at the
13 address indicated in the list of Class Member names and addresses provided by Defendant, or
14 as subsequently determined by the Settlement Administrator to be correct. Those Class
15 Members who are also PAGA Members will receive two checks, one for their Class Member
16 share and a separate check proportional to their PAGA Member share.

17 51. Un-Cashed Settlement Checks. Class Members and PAGA Members will
18 receive checks for their respective Individual Settlement Payments. Checks will remain
19 negotiable for 180 days ("Check-Cashing Deadline"). Any check not cashed within 180
20 calendar days will be void. The funds from the uncashed checks shall be distributed by the
21 Settlement Administrator to the State Controller's Unclaimed Property Fund.

22 Any costs associated with administering the remaining funds under this section (e.g.,
23 bank stop-payment charges, settlement administration costs associated with any reserve
24 amount) or payments to the State Controller's Unclaimed Property Fund will be deducted
25 before the deposit into the State Controller's Unclaimed Property Fund.

26 52. Certification of Completion. Upon completion of administration of the
27 Settlement, the Settlement Administrator will provide a written declaration under oath to certify
28 such completion to the Court and counsel for all Parties.

1 53. Allocation of Individual Settlement Payments. All Individual Settlement
2 Payments will be allocated as follows: (a) 15% as wages and (b) 85% as penalties and interests.
3 The Settlement Administrator will be responsible for issuing to each claimant a form W-2 for
4 amounts deemed “wages” and an IRS Form 1099 for the portions allocated to penalties.

5 54. Administration of Taxes by the Settlement Administrator. The Settlement
6 Administrator will be responsible for issuing to Plaintiff, Class Members, PAGA Members, and
7 Class Counsel tax forms as may be required by law for all amounts paid pursuant to this
8 Settlement. The Settlement Administrator will also be responsible for forwarding all taxes and
9 penalties to the appropriate government authorities as may be required by law.

10 55. Tax Liability. Defendant makes no representation as to the tax treatment or
11 legal effect of the payments called for hereunder, and Plaintiff, Class Members, and PAGA
12 Members are not relying on any statement, representation, or calculation by Defendant or by
13 the Settlement Administrator in this regard. Plaintiff, Class Members, and PAGA Members
14 understand and agree that they will be solely responsible for the payment of any taxes and
15 penalties assessed on the payments described herein and will defend, indemnify, and hold
16 Defendant free and harmless from and against any claims resulting from treatment of such
17 payments as non-taxable damages.

18 56. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
19 PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
20 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER
21 PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
22 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN
23 OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR
24 WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
25 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN
26 THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31
27 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED
28 EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX

1 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
2 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
3 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO
4 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
5 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY
6 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
7 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
8 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
9 OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF
10 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
11 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
12 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
13 AGREEMENT.

14 57. No Prior Assignments. The Parties and their counsel represent, covenant, and
15 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
16 to assign, transfer, or encumber to any person or entity any portion of any liability, claim,
17 demand, action, cause of action or right herein released and discharged.

18 58. Nullification of Settlement Agreement. In the event that: (i) the Court does not
19 finally approve the Settlement as provided herein; (ii) the Court's final approval of the
20 Settlement is reversed or materially modified on appeal; or (iii) the Settlement does not become
21 final for any other reason, then this Settlement Agreement, and any documents generated to
22 bring it into effect, will be null and void, and the Parties will be deemed to be in the same
23 positions as if no settlement in principle had been reached with no waiver of any arguments or
24 defenses. Any order or judgment entered by the Court in furtherance of this Settlement
25 Agreement will likewise be treated as void from the beginning.

26 59. Preliminary Approval Hearing. Plaintiff will obtain a date for hearing before the
27 Court to request the Preliminary Approval of the Settlement Agreement, and the entry of a
28 Preliminary Approval Order for: (i) conditional certification of the Settlement Class for

1 settlement purposes only, (ii) preliminary approval of the proposed Settlement Agreement, (iii)
2 setting a date for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval
3 Order will provide for the Notice of Class Action Settlement to be sent to all Class Members as
4 specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit
5 this Settlement Agreement, which sets forth the terms of this Settlement, and will include the
6 proposed Notice of Class Action Settlement.

7 60. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of
8 the deadlines to postmark Requests for Exclusion and/or Objections to the Settlement
9 Agreement, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will
10 be conducted to determine the Final Approval of the Settlement Agreement along with the
11 amounts properly payable for (i) Individual Settlement Payments; (ii) the Class Representative
12 Enhancement Payment; (iii) Attorneys' Fees and Costs; (iv) all Settlement Administration
13 Costs; and (v) the Class Members' and Defendant's share of any employment taxes. The Final
14 Approval/Settlement Fairness Hearing will be held no earlier than the date when all deadlines
15 for Class Members to object or exclude themselves have elapsed. Class Counsel will be
16 responsible for drafting all documents necessary to obtain final approval. Class Counsel will
17 also be responsible for drafting the attorneys' fees and costs application to be heard at the final
18 approval hearing.

19 61. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by
20 the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the
21 Judgment to the Court for its approval. After entry of the Judgment, the Court will have
22 continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement
23 of the terms of the Settlement, (ii) Settlement administration matters, and (iii) such post-
24 Judgment matters as may be appropriate under court rules or as set forth in this Settlement
25 Agreement.

26 62. General Release by Plaintiff. In exchange for the consideration set forth in this
27 Agreement, Plaintiff, for herself, her heirs, successors and assigns, does waive, release, acquit
28 and forever discharge the Released Parties, from any and all claims, actions, charges,

1 complaints, grievances and causes of action, of whatever nature, whether known or unknown,
2 which exist or may exist on Plaintiff's behalf as of the date of this Agreement, including but not
3 limited to any and all tort claims, contract claims, wage claims, wrongful termination claims,
4 disability claims, benefit claims, public policy claims, retaliation claims, statutory claims,
5 personal injury claims, emotional distress claims, invasion of privacy claims, defamation
6 claims, fraud claims, quantum meruit claims, and any and all claims arising under any federal,
7 state or other governmental statute, law, regulation or ordinance, including any claims arising
8 under the California Fair Employment and Housing Act (FEHA), the California Labor Code,
9 the Wage Orders of California's Industrial Welfare Commission, other state wage and hour
10 laws, the Americans with Disabilities Act, the Age Discrimination in Employment Act
11 (ADEA), the Equal Pay Act, the Employee Retirement Income Security Act, Title VII of the
12 Civil Rights Act of 1964, the California Family Rights Act, the Family and Medical Leave Act,
13 the Fair Labor Standards Act (to the maximum extent permitted by law), California's
14 Whistleblower Protection Act, California Business & Professions Code Section 17200 et seq.,
15 and any and all claims arising under any federal, state or other governmental statute, law,
16 regulation or ordinance. Plaintiff hereby expressly waives and relinquish any and all claims,
17 rights or benefits that they may have under California Civil Code § 1542, which provides as
18 follows:

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

25 Plaintiff may hereafter discover claims or facts in addition to, or different from, those
26 which she now knows or believes to exist, but she expressly agrees to fully, finally and forever
27 settle and release any and all claims against the Released Parties, known or unknown, suspected
28 or unsuspected, which exist or may exist against any Released Party at the time of execution of

1 this Agreement, including, but not limited to, any and all claims relating to or arising from
2 Plaintiff's employment with Defendant. The Parties further acknowledge, understand and
3 agree that this representation and commitment is essential to the Agreement and that this
4 Agreement would not have been entered into were it not for this representation and
5 commitment.

6 63. Release by All Settlement Class Members. Plaintiff and all Class Members who
7 do not submit a valid and timely Request for Exclusion, on behalf of himself or herself, his or
8 her heirs, descendants, dependents, executors, administrators, assigns, and successors, fully and
9 finally release and discharge the Released Parties from any and all of the Released Claims for
10 the entirety of the Class Period. This waiver and release will be final and binding on the date in
11 which Defendant fully funds the settlement, and will have every preclusive effect permitted by
12 law. Plaintiff and the Settlement Class Members may hereafter discover facts or legal
13 arguments in addition to or different from those they now know or currently believe to be true
14 with respect to the Released Claims. Regardless, the discovery of new facts or legal arguments
15 shall in no way limit the scope or definition of the Released Claims, and by virtue of this
16 Agreement, Plaintiff and the Settlement Class Members shall be deemed to have, and by
17 operation of the final judgment approved by the Court, shall have, fully, finally, and forever
18 settled and released all of the Released Claims. The Parties understand and specifically agree
19 that the scope of the release described in this Paragraph: (i) is a material part of the
20 consideration for this Agreement; (ii) was critical in justifying the agreed upon economic value
21 of this settlement and without it Defendant would not have agreed to the consideration
22 provided; and (iii) is narrowly drafted and necessary to ensure that Defendant is obtaining
23 peace of mind regarding the resolution of claims that were or could have been alleged based on
24 the facts, causes of action, and legal theories contained in the operative complaint in the Action.

25 64. Release by All Settlement PAGA Members: Plaintiff agrees that upon
26 Defendant fully funding the settlement agreement, Plaintiff and the PAGA Members will
27 release any and all PAGA Released Claims against Defendant that arose during the PAGA
28 Period. Upon Defendant fully funding the settlement agreement, Plaintiff and the PAGA

1 Members will be forever barred from pursuing any and all of the PAGA Released Claims that
2 arose during the PAGA Period against Defendant.

3 65. Exhibits Incorporated by Reference. The terms of this Settlement Agreement
4 include the terms set forth in any attached Exhibits, which are incorporated by reference as
5 though fully set forth herein. Any Exhibits to this Settlement Agreement are an integral part of
6 the Settlement.

7 66. Publicity Agreement. Plaintiff and Class Counsel agree not to disclose or
8 publicize the Settlement, including the fact of the Settlement, its terms or contents, and the
9 negotiations underlying the Settlement, in any manner or form, directly or indirectly, to any
10 person or entity, except potential class members and as shall be contractually required to
11 effectuate the terms of the Settlement. For the avoidance of doubt, this section means Plaintiff
12 and Class Counsel agree not to issue press releases, communicate with, or respond to any
13 media or publication entities, publish information in manner or form, whether printed or
14 electronic, on any medium or otherwise communicate, whether by print, video, recording or
15 any other medium, with any person or entity concerning the Settlement, including the fact of
16 the Settlement, its terms or contents and the negotiations underlying the Settlement, except as
17 shall be contractually required to effectuate the terms of the Settlement. However, for the
18 limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions
19 for the limited purpose of showing to the court that the case has settled, Class Counsel may
20 disclose the name of the Parties in this action and the venue/case number of this action (but not
21 any other settlement details) for such purposes. The Parties and their counsel agree that they
22 will not engage in any advertising or distribute any marketing materials specifying any material
23 terms relating to the Settlement, including but not limited to any postings on any websites
24 maintained by Class Counsel.

25 67. No Unalleged Claims. Plaintiff and Class Counsel represent that they are not
26 currently aware of any: (a) unalleged claims in addition to, or different from, those which are
27 finally and forever settled and released against the Released Parties by this Settlement; and (b)
28 unalleged facts or legal theories upon which any claims or causes of action could be brought

1 against Defendant, except such facts and theories specifically alleged in the operative
2 complaints in this Action. Plaintiff and Class Counsel will further represent that, other than the
3 instant Action, they have no current intention of asserting any other claims against Defendant in
4 any judicial or administrative forum and do not currently know of or represent any persons who
5 have expressed any interest in pursuing litigation or seeking any recovery against Defendant.
6 The Parties acknowledge, understand and agree that the representations described in this
7 paragraph are essential to the Settlement Agreement and that this Settlement Agreement would
8 not have been entered into were it not for this representation.

9 68. Defendant's Option to Revoke Settlement. If, after the Response Deadline, (i)
10 the number of Settlement Class Members who submitted timely and valid written Requests for
11 Exclusion from the Settlement is at least ten percent (10%) of all Settlement Class Members, or
12 (ii) a number of Class Members whose share of the Net Settlement is 10% or more either opt
13 out of and/or object to the Settlement, or both (i) and (ii), Defendant shall have, in its sole
14 discretion, the option to terminate this Settlement and all actions taken in its furtherance of it
15 will be thereby null and void. If Defendant exercises the option to terminate this Settlement,
16 Defendant shall: (a) provide written notice to Class Counsel within thirty (30) calendar days
17 after the Settlement Administrator notifies the Parties of the total number of opt-outs, and (b)
18 pay all Settlement Administration Costs incurred up to the date.

19 69. Entire Agreement. This Settlement Agreement and any attached Exhibits
20 constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous
21 written or oral agreements may be deemed binding on the Parties.

22 70. Amendment or Modification. This Settlement Agreement may be amended or
23 modified only by stipulation signed by both parties and with approval from the Court.

24 71. Authorization to Enter Into Settlement Agreement. Counsel for all Parties
25 warrant and represent they are expressly authorized by the Parties whom they represent to
26 negotiate this Settlement Agreement and to take all appropriate action required or permitted to
27 be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to
28 execute any other documents required to effectuate the terms of this Settlement Agreement. The

1 Parties and their counsel will cooperate with each other and use their best efforts to effect the
2 implementation of the Settlement. If the Parties are unable to reach agreement on the form or
3 content of any document needed to implement the Settlement, or on any supplemental
4 provisions that may become necessary to effectuate the terms of this Settlement, the Parties
5 may seek the assistance of the Court to resolve such disagreement.

6 72. Binding on Successors and Assigns. This Settlement Agreement will be binding
7 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously
8 defined.

9 73. California Law Governs. All terms of this Settlement Agreement and Exhibits
10 hereto will be governed by and interpreted according to the laws of the State of California.

11 74. Execution and Counterparts. This Settlement Agreement is subject only to the
12 execution of all Parties. However, the Settlement may be executed in one or more counterparts.
13 All executed counterparts and each of them, including facsimile and scanned copies of the
14 signature page, will be deemed to be one and the same instrument provided that counsel for the
15 Parties will exchange among themselves original signed counterparts.

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

26 76. Invalidity of Any Provision. Before declaring any provision of this Settlement
27 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest
28

1 extent possible consistent with applicable precedents so as to define all provisions of this
2 Settlement Agreement valid and enforceable.

3 77. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate
4 to class certification for purposes of this Settlement only; except, however, that Plaintiff or
5 Class Counsel may appeal any reduction in Attorneys' Fees and Costs below the amount they
6 request from the Court, and either party may appeal any court order that materially alters the
7 Settlement Agreement's terms. If, for any reason, the Settlement is not approved, this Joint
8 Stipulation of Class Action Settlement will have no force or effect.

9 78. Non-Admission of Liability. The Parties enter into this Settlement to resolve the
10 dispute that has arisen between them and to avoid the burden, expense and risk of continued
11 litigation. In entering into this Settlement, Defendant does not admit, and specifically denies,
12 that it violated any federal, state, or local law; violated any regulations or guidelines
13 promulgated pursuant to any statute or any other applicable laws, regulations or legal
14 requirements; breached any contract; violated or breached any duty; engaged in any
15 misrepresentation or deception; or engaged in any other unlawful conduct with respect to its
16 employees. Neither this Settlement, nor any of its terms or provisions, nor any of the
17 negotiations connected with it, will be construed as an admission or concession by Defendant
18 of any such violations or failures to comply with any applicable law. Except as necessary in a
19 proceeding to enforce the terms of this Settlement, this Settlement and its terms and provisions
20 will not be offered or received as evidence in any action or proceeding to establish (i) any
21 liability or admission on the part of Defendant; (ii) the existence of any condition constituting a
22 violation of, or a non-compliance with, federal, state, local or other applicable law; or (iii) that
23 a class should be certified as Plaintiff proposes.

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

1 80. Mutual Preparation. The Parties have had a full opportunity to negotiate the
2 terms and conditions of this Settlement. Accordingly, this Settlement Agreement will not be
3 construed more strictly against one party than another merely by virtue of the fact that it may
4 have been prepared by counsel for one of the Parties. It being recognized that, because of the
5 arms-length negotiations between the Parties, all Parties have contributed to the preparation of
6 this Settlement Agreement.

7 81. Representation By Counsel. The Parties acknowledge that they have been
8 represented by counsel throughout all negotiations that preceded the execution of this
9 Settlement Agreement, and that this Settlement Agreement has been executed with the consent
10 and advice of counsel. Further, Plaintiff and Class Counsel warrant and represent that there are
11 no liens on the Settlement Agreement.

12 82. All Terms Subject to Final Court Approval. All amounts and procedures
13 described in this Settlement Agreement herein will be subject to final Court approval.

14 83. Cooperation and Execution of Necessary Documents. All Parties will cooperate
15 in good faith and execute all documents to the extent reasonably necessary to effectuate the
16 terms of this Settlement Agreement.

17 ///

18 ///

19 ///

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

SO AGREED AND STIPULATED

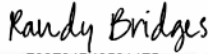
PLAINTIFF

Dated: 08/10/2022


Janine Nelson

DEFENDANT

Dated: 8/10/2022

DocuSigned by:

722F34D436844F6...
By: Carl Randall Bridges
Title: Chief Executive Officer of
Captek Softgel International, Inc.
JUSTICE LAW CORPORATION.

DATED: 8/10/22

By 
Douglas Han
Shunt Tatavos-Gharajeh
Jason Rothman
Attorneys for Plaintiff Janine Nelson, and
all others similarly situated

CDF LABOR LAW LLP

DATED: 8/11/2022

By 
Leigh Ann White
Allison Chua
Attorneys for Defendant, Captek Softgel
International, Inc.

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Janine Nelson v Captek Softgel International, Inc., et al.

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced matter.

You do not need to take any action to receive a settlement payment and, unless you request to be excluded from the settlement, your legal rights may be affected.

This Notice is designed to advise you of your rights and options with respect to the settlement.

By order of the Superior Court of California for the County of Los Angeles (the "Court" or "Los Angeles County Superior Court"), you are notified that: preliminary approval of a class action settlement reached between Janine Nelson ("Plaintiff") and Defendant Captek Softgel International, Inc., a California corporation ("Defendant") was granted on August 19, 2022, in the case entitled *Janine Nelson v Captek Softgel International, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV21184, which may affect your legal rights.

If you are a Class Member (or member of the Class), you need not take any action to receive a settlement payment, but you have the opportunity to request exclusion from the settlement (in which case you will not receive payment under the settlement), object to the settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Section III below.

I. IMPORTANT DEFINITIONS

"Class Member" means all current and former non-exempt employees who are or who have been employed by Defendant in California at any time from May 29, 2016, to December 31, 2021.

"PAGA Member" means all current and former non-exempt employees who are or who have been employed by Defendant in California at any time from May 29, 2019, to December 31, 2021.

"Class Period" means the period from May 29, 2016, through December 31, 2021.

"PAGA Period" means the period from May 29, 2019, through December 31, 2021.

II. BACKGROUND OF THE ACTION

On May 29, 2020, Plaintiff Janine Nelson filed a complaint in the Superior Court of California, County of Los Angeles, entitled *Janine Nelson v Captek Softgel International, Inc., et al.*, Case No. 20STCV21184 ("Action" or "Litigation") wherein Plaintiff alleged on behalf of herself and the Class a claim for Violation of Business & Professions Code § 17200, *et seq.*

On February 28, 2022, Plaintiff filed her First Amended Complaint which added additional causes of action for (1) Failure to Pay Wages and Overtime under Labor Code §§ 510 and 1198, (2) Meal Period Liability under Labor Code §§ 226.7 and 512(a), (3) Rest Period Liability under Labor Code § 226.7, (4) Failure to Pay Minimum Wages, (5) Violation of Labor Code §§ 201-203, (6) Violation of Labor Code § 226(a), (7) Reimbursement of Necessary Expenditures under Labor Code §§ 2800 and 2802, and (8) penalties pursuant to Labor Code § 2699, *et seq.*

Plaintiff alleges that Defendant violated the California Labor Code and California Business and Professions Code with respect to herself and the Class Members by, *inter alia*, failing to properly pay for all hours worked, failing to provide timely meal and rest breaks or one hour of premium pay in lieu thereof, failing to reimburse all necessary business expenditures, failing to provide accurate wage statements, and associated waiting time penalties thereby engaging in unfair business practices and owing penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* ("PAGA").

Defendant denies all of the allegations in the Action or that it violated any law. Defendant contends that at all times it has

fully complied with all applicable federal, state, and local laws. Defendant further contends that it paid employees for all time worked, accurately recorded all hours worked, accurately calculated pay, enforced California compliant meal and rest periods or provided one hour of premium pay in lieu thereof, and reimbursed any employees for any necessary business expenses which they paid or incurred. It is Defendant's position that, if litigation continued, class certification would be denied on all claims and/or the claims would be subject to motions for summary adjudication and/or summary judgment. Defendant contends that the theories put forth by the Plaintiff in the Action are contrary to the facts and that the PAGA claim lacks merit. Defendant further contends that the Plaintiff is not an adequate class representative, her claims are not typical of the Class Members, and individual issues predominate over common ones.

On November 18, 2021, the Parties reached a settlement with the assistance of a respected class action mediator. The Parties have since entered into the Joint Stipulation of Class Action Settlement ("Settlement" or "Settlement Agreement").

On August 19, 2022, the Court entered an order preliminarily approving the Settlement. The Court has appointed CPT Group, Inc., as the administrator of the settlement ("Settlement Administrator"), Plaintiff as representative of the Class ("Class Representative"), and the following law firm as counsel for the Class ("Class Counsel"):

Douglas Han
Shunt Tatavos-Gharajeh
Jason Rothman
JUSTICE LAW CORPORATION
751 Fair Oaks Avenue, Suite 101
Pasadena, California 91103

The settlement represents a compromise and settlement of highly disputed claims. Nothing in the settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiff or to Class Members. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the settlement is fair, reasonable and adequate, and that the settlement is in the best interests of the Class Members.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total Maximum Settlement Amount is Eight Hundred and Fifty Thousand Dollars and Zero Cents (\$850,000.00) (the "Maximum Settlement Amount"). The portion of the Maximum Settlement Amount that is available for payment to Class Members who do not timely and validly request exclusion from the settlement ("Participating Class Members") is referred to as the "Net Settlement Amount." The Net Settlement Amount will be the Maximum Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys' fees in the amount of up to \$283,333.33 and reimbursement of litigation costs and expenses in the amount of up to \$20,000.00 to Class Counsel ("Attorneys' Fees and Costs"); (2) service award to Plaintiff Janine Nelson in the amount of up to \$10,000.00 ("Service Payment"); (3) fees and expenses of administration of the Settlement to the Settlement Administrator is expected not to exceed \$13,500.00 ("Settlement Administration Costs"); (4) the Class Members' and Defendant's employment taxes; and (5) the seventy-five percent (75%) share of PAGA Penalties ("LWDA Payment") in the amount of \$18,750.00 to the California Labor and Workforce Development Agency ("LWDA").

Participating Class Members will be entitled to receive payment under the settlement of their share of the Net Settlement Amount ("Individual Settlement Amount") based on the numbers of workweeks worked by Class Members as a non-exempt hourly employee for Defendant in California from May 29, 2016, to December 31, 2021 ("Workweeks"). Workweeks were calculated based on the start and end dates of each Class Member's employment during the Class Period.

Participating PAGA Members will receive payment under the settlement for their share of the PAGA Payment based on the numbers of pay periods worked by PAGA Members as a non-exempt hourly employee for Defendant in California from May 29, 2019, to December 31, 2021 ("Pay Period"). Pay Periods were calculated based on the start and end dates of each PAGA Member's employment during the PAGA Period. **Eligible PAGA Members will not be able to exclude themselves from receiving their portion of the PAGA Payment.**

The Net Settlement Amount will be divided by the aggregate total number of Workweeks, resulting in the Workweek Value. Each Class Member's "Individual Settlement Amount" will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value.

Each Individual Settlement will be allocated as fifteen percent (15%) wages (which will be reported on an IRS Form W2), and eighty-five percent (85%) penalties and interest (which will be reported on an IRS Form 1099, if applicable). Each Individual Settlement Amount will be subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Amount, resulting in a net payment to the Settlement Class Member referred to as the "Individual Settlement Payment."

If the Court grants final approval of the settlement, Individual Settlement Payments will be mailed to Participating Class Members and PAGA Members at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure your receipt of payment that you may be entitled to.**

B. Your Workweeks Based on Defendant's Records

According to Defendant's payroll records:

From May 29, 2016 to December 31, 2021, you worked [REDACTED] Workweeks for Captek Softgel International, Inc.

A description of how Workweeks were calculated and credited to Class Members is described above in Section III.A. If you wish to dispute the Workweeks credited to you, you may submit such dispute (a "Workweeks Dispute") in writing to the Settlement Administrator. The written dispute must: (a) contain your full name, address, telephone number, and signature; (b) contain the case name and number of the action *Janine Nelson v Captek Softgel International, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV21184; (c) contain a clear statement indicating that you dispute the number of Workweeks credited to you; (d) documentation that supports your belief that you should be credited with a different number of Workweeks; and (e) be mailed to the Settlement Administrator at the address listed in Section IV.B below, postmarked **no later than November 16, 2022.**

C. Your Estimated Individual Settlement Amount

As explained above, your estimated Individual Settlement Payment is based on the number of Workweeks credited to you.

Your Individual Class Member Settlement Amount is estimated to be \$ [REDACTED].

Your Individual PAGA Member Settlement Amount is estimated to be \$ [REDACTED].

The Individual Settlement Amount is subject to reduction for employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Amount and will only be distributed if the Court approves the settlement and after the settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Amount reflected in this Notice is only an estimate. Your actual Individual Settlement Payment may be higher or lower.

D. Released Claims

Upon the Effective Date, each of the Participating Class Members (including the Class Representatives) will be deemed to have, and by operation of the Judgment will have fully, finally, and forever released, relinquished and discharged Defendant and the Released Parties from any and all Released Claims.

"Released Claims" means all causes of action and factual or legal theories that were alleged in the operative complaints or that could have been alleged against Defendant based on the facts contained in the operative complaints, including all of the following claims for relief: (a) failure to pay all wages, including but not limited to minimum wages and overtime wages due; (b) failure to provide proper meal and rest periods, and to properly provide premium pay in lieu thereof; (c) failure to provide complete, accurate or properly formatted wage statements; (d) waiting time penalties; (e) failure to reimburse business expenditures, (f) unfair business practices that could have been premised on the facts, claims, causes

of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; (g) any other claims or penalties under the California Labor Code or other wage and hour laws pleaded in the Action, including but not limited to California Labor Code Sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204, 205.5, 218.5, 221, 226, 226(a), 226(g), 226.3, 226.7, 510, 512(a), 558, 1174(d), 1021.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802; (h) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief, and, exclusively to PAGA Members, (i) all claims under the California Labor Code Private Attorneys General Act of 2004 that could have been premised on the facts, claims, the letter to the LWDA dated December 10, 2021, and causes of action or legal theories described above or any of the facts, claims, causes of action or legal theories of relief pleaded in the operative complaint.

“Released Parties” means Captek Softgel International, Inc., a California corporation, and their past, present and/or future, direct and/or indirect, owners, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, legal representatives, and joint venturers, if any.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount of up to one-third (1/3) of the Maximum Settlement Amount (i.e., an amount of up to \$283,333.33) and reimbursement of litigation costs and expenses in an amount of up to Twenty Thousand Dollars (\$20,000.00), to be paid from the Maximum Settlement Amount, subject to approval by the Court. Class Counsel has been prosecuting the Action on behalf of Plaintiff and Class Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Service Payment to Plaintiff

Plaintiff Janine Nelson will seek an amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) as a Service Payment in recognition of her services in connection with the Action. The Service Payment will be paid from the Maximum Settlement Amount subject to approval by the Court, and if awarded, it will be paid to Plaintiff in addition to her Individual Settlement Payment that she is entitled to under the settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator CPT Group is estimated not to exceed Thirteen Thousand and Five Hundred Dollars and Zero Cents (\$13,500.00) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the settlement, processing Requests for Exclusion, Workweeks Disputes, and objections, calculating Individual Settlement Payments, and distributing payments and tax forms under the settlement, and shall be paid from the Maximum Settlement Amount subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to receive your Individual Settlement Payment from the settlement, you do not have to do anything. You will automatically be issued your Individual Settlement Payment in the form of a check unless you decide to exclude yourself from the settlement. Unless you elect to exclude yourself from the Settlement, you will be bound by the terms of the settlement and any judgment that may be entered by the Court based thereon, and you will be deemed to have released the Released Claims against the Released Parties as described in Section III.D above. You will have 180 days to cash the check. If you do not cash the check, the money will revert to the state, but you will still be deemed to have released your claims. As a Class Member, you will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney’s fees and expenses.

B. Request Exclusion from the Settlement

If you do not wish to participate in the class action portion of the settlement, you may seek exclusion from the settlement by submitting a written request to be excluded from the settlement (“Request for Exclusion”) to the Settlement Administrator at the following address:

A request for exclusion must: (a) contain your full name, address, and signature; (b) contain the case name and number of the Action (*Janine Nelson v Captek Softgel International, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV21184); (c) contain a statement indicating that you intend to be excluded from the Class Member portion of the settlement; and (4) be mailed to the Settlement Administrator at the address listed above, postmarked **no later than November 16, 2022**.

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be entitled to receive any payment from the Class Member portion of the settlement, will not be bound by the settlement (and the release of Released Claims stated in Section III.D above), except for the release of PAGA claims which is binding on all PAGA Members, and will not have any right to object to, appeal, or comment on the settlement. Any Class Members who do not submit a timely and valid Request for Exclusion will be deemed Participating Class Members and will be bound by all terms of the settlement, including those pertaining to the release of Released Claims stated in Section III.D above, as well as any judgment that may be entered by the Court based thereon.

C. Objecting to the Settlement

You can object to the terms of the Class Member settlement as long as you have not submitted a Request for Exclusion.

To object, you must do so by way of a written objection that: (a) contains your full name, dates of employment as a non-exempt or hourly-paid employee of Defendant in California, and signature; (b) contains the case name and number of the Action (*Janine Nelson v Captek Softgel International, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV21184); (c) all legal and factual bases for the objection to the Settlement; (d) whether you intend to appear at the Final Approval Hearing; (e) whether you are represented by legal counsel, and if so, identify the legal counsel and their address; and (f) is mailed to the Settlement Administrator and postmarked **no later than November 16, 2022**. The Settlement Administrator will have until December 5, 2022, to respond to any Class Member objections and submit its report to the Parties and provide a declaration in support of the Final Approval motion.

V. FINAL APPROVAL HEARING

Plaintiff will file her motion for Final Approval of the Class Action Settlement, along with all supporting documents, no later than October 17, 2022. The Court will then hold a Final Approval Hearing in Department 06 of the Los Angeles County Superior Court located at 312 N. Spring Street., Los Angeles, CA 90012, on **December 15, 2022**, at **10:00 a.m.**. This hearing will determine whether the Settlement should be finally approved as fair, reasonable, and adequate and whether the attorneys' fees, costs to Class Counsel, the Service Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator should be awarded.

The hearing may be continued without further notice to the Class Members. It is not necessary for you to appear at the Final Approval Hearing.

- i. If you wish to appear in person at the Final Approval hearing: You must adhere to the Los Angeles Superior Court's COVID-19 guidelines. There are currently no social distancing requirements within Los Angeles Superior Court, however face masks are mandatory in order to enter the building. This protocol may change from the time of this notice to the date of the final approval hearing and if you wish to appear in-person you are strongly encouraged to first review the court's website which has up-to-date COVID-19 precautions. The website is at the following address www.lacourt.org and covid protocol information can be found on the front page.
- ii. If you wish to appear virtually at the Final Approval hearing: You must visit www.lacourt.org and on the front page will be the following phrase "Visit the AccessLACourt | Your Way News Center for more information on remote courtroom appearances via LACourtConnect (more information **here**) and remote service options you can access without coming to court." The word "here" (bolded above for reference) is a link that will allow you to schedule a remote appearance. You then need to select the picture with the word "Civil" on it and follow the prompts. You will need to create an account and you may need to pay a remote appearance fee to the court. The attorneys for Plaintiff and/or Defendant are not responsible for any fees you incur associated with the remote

appearance.

A. Notice of Final Judgment

Notice of final judgment, once granted by the court, will be posted on the claim administrator's website at the following website address < [REDACTED] >.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other court records in the Action at the Los Angeles Superior Court, located at 111 N. Hill Street, Los Angeles, CA 90012, during business hours Or by visiting the court website at < <http://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil> > and typing in the case number

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR CPT GROUP AT THE FOLLOWING TOLL-FREE NUMBER: [REDACTED].

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On August 16, 2022, I served the foregoing document described as