

1 **CLASS ACTION AND PAGA SETTLEMENT AGREEMENT**

2 This Class Action and PAGA Settlement Agreement is entered into by and between
3 Plaintiff Wilquin Orozco, individually and on behalf of all others similarly situated, and
4 Defendants Taylored Services, LLC, Taylored FMI, LLC and Taylored Transload, LLC, and is
5 approved by their respective counsel of record, subject to the terms and conditions hereof and the
6 Court's approval.

7 **A. Definitions**

8 1. "Action" or "Lawsuit" means and refers to the case entitled *Wilquin Orozco v.*
9 *Taylored Services, LLC*, Case No. CIVSB2133520, filed in San Bernardino Superior Court.

10 2. "Aggrieved Employees" include all persons who are or were previously employed
11 by Defendants in California classified as a non-exempt employee at any time from December 2,
12 2020 through August 15, 2022, or the preliminary approval date, whichever occurs first.

13 3. "Agreement," "Settlement Agreement," "Settlement," or "Stipulation" shall mean
14 this Class Action and PAGA Settlement Agreement and Release of Claims, including any
15 attached Exhibits.

16 4. "Class Claims" or "Released Class Claims" will include all claims that were pled
17 or which could have been pled in the Action based on the factual allegations therein, including,
18 but not limited to: (1) claims for unpaid wages, overtime, missed or late meal breaks, missed rest
19 breaks, waiting time penalties, wage statements, unreimbursed business expenses; (2) any related
20 wage, hour or related record keeping claims arising under the California Labor Code, the
21 applicable wage orders of the California Industrial Welfare Commission, and any applicable state
22 or federal law; (3) any claims for failure to indemnify necessary business expenses; (4) any related
23 claims for unfair business practices (including unlawful, deceptive, or unfair business practices
24 prohibited by the California Business and Professions Code §§ 17200, et seq.) arising out of
25 alleged violations of wage, hour and related record-keeping provisions of the California Labor
26 Code, the applicable wage orders of the California Industrial Welfare Commission, and any
27 applicable state law; (5) any related claims that Defendants did not comply with laws, regulations
28 and ordinances, and/or common law of California; (6) any related claims that Defendants did not

1 comply with Federal laws, regulations and ordinances, and/or common law; and (7) claims for
2 civil penalties under the Private Attorney General Act. .

3 5. “Class Counsel” refers to Mehrdad Bokhour of Bokhour Law Group, P.C. and
4 Joshua Falakassa of Falakassa Law, P.C.

5 6. “Class Data” means a complete list that Defendants will diligently and in good
6 faith compile from its records and provide to the Settlement Administrator on one spreadsheet
7 and shall include the Settlement Class Members’ full names; last known addresses; telephone
8 numbers; Social Security Numbers; and dates of employment and/or number of Workweeks
9 Worked as non-exempt or hourly employees of Defendants during the Class Period and the PAGA
10 Period for each Settlement Class Member.

11 7. “Class Period” and “Class Release Period” shall mean December 7, 2017 through
12 August 15, 2022, or the preliminary approval date, whichever occurs first.

13 8. “Class Representative” or “Plaintiff” means and refers to Wilquin Orozco.

14 9. “Complaint” refers to the First Amended Complaint filed in the San Bernardino
15 County Superior Court action entitled *Wilquin Orozco v. Taylored Services, LLC*, Case No.
16 CIVSB2133520.

17 10. “Court” means the California Superior Court, County of San Bernardino or any
18 Court of competent jurisdiction taking jurisdiction of the Action.

19 11. “Defendants” means and refers to Taylored Services, LLC, Taylored FMI, LLC
20 and Taylored Transload, LLC.

21 12. “Defendant’s Counsel” or “Defense Counsel” mean and refer to Melanie L. Ronen
22 and Bryce M. Cullinane of Keesal, Young & Logan.

23 13. “Effective Date” means ten (10) calendar days following the date the Court enters
24 an order granting final approval of the Settlement, assuming no appeal is filed; or if a timely
25 appeal is filed, the date of final resolution of that appeal (including any requests for rehearing
26 and/or petitions for *certiorari*), resulting in final judicial approval of the Settlement.

27 14. “Final” means that the Settlement has been granted “Final Approval” by the Court
28 and the “Effective Date” has occurred.

1 15. “Final Approval” refers to the order of the Court granting final approval of this
2 Settlement Agreement and entering a judgment approving this Settlement on substantially the
3 same terms provided herein or as may be modified by subsequent agreement of the Parties or
4 order of the Court.

5 16. “Final Settlement Class” means, collectively, all Participating Class Members and
6 all Aggrieved Employees.

7 17. “Individual Settlement Amount” shall have the meaning ascribed to it in Paragraph
8 48(d) below.

9 18. “Net Settlement Amount” shall have the meaning ascribed to it in Paragraph 48(c)
10 below.

11 19. “Notice” means the notice of settlement of class action and PAGA Settlement that
12 will be sent to the Settlement Class Members.

13 20. “Notice Response Deadline” is 45 calendar days from the date the Notice is mailed
14 to the Settlement Class Members.

15 21. “Objecting Settlement Class Member” means a Settlement Class Member, other
16 than Plaintiff, who submits a valid and timely objection to the terms of this Agreement with
17 respect to the Class Claims pursuant to Paragraph 70(a) below.

18 22. “PAGA” shall refer to the California Labor Code Private Attorneys General Act
19 of 2004, California Labor Code Sections 2698-2699.5.

20 23. “PAGA Claims” or “Released PAGA Claims” shall include any and all claims for
21 civil penalties pursuant to PAGA based on the allegations stated in the PAGA Notice and that
22 were pled in the operative First Amended Complaint based on the facts alleged therein, including
23 claims for failure to pay minimum and overtime wages and/or failure to pay such wages at the
24 correct rate(s) of pay), meal and rest break violations, failure to provide accurate itemized wage
25 statements, failure to timely pay all wages upon separation of employment, failure to maintain
26 records, unreimbursed business expenses, and unfair and unlawful business practices.

27 24. “PAGA Notice” shall refer to the notice sent by Plaintiff, by and through counsel,
28 on or about December 3, 2021, to the LWDA and to Defendant Taylored Services, LLC, alleging

1 that Defendant Taylored Services, LLC engaged in violations of the California Labor Code and
2 California Wage Order(s), as well as the supplemental notice sent by Plaintiff, by and through
3 his counsel on or about July 18, 2022.

4 25. "PAGA Period" and "PAGA Release Period" shall mean December 2, 2020
5 through August 15, 2022, or the preliminary approval date, whichever occurs first.

6 26. "Participating Class Member" means all Settlement Class Members who are
7 deemed to participate and receive an Individual Settlement Amount for the Class Claims and who
8 do not opt-out of the settlement of the Class Claims by submitting timely valid Requests for
9 Exclusion.

10 27. "Parties" or "Settling Parties" mean Plaintiff, the Settlement Class Members, the
11 Aggrieved Employees, and Defendants, collectively.

12 28. "Preliminary Approval Date" means the date the Court preliminarily approves the
13 Settlement Agreement, and the exhibits thereto, and enters the Preliminary Approval Order.

14 29. "Preliminary Approval Order" means the judicial Order to be entered by the Court,
15 upon the application or motion of the Plaintiff, preliminarily approving this Settlement and
16 providing for the issuance of the Notice to the Settlement Class Members, an opportunity to opt
17 out of settlement of the Class Claims, an opportunity to submit timely objections to the terms of
18 this Settlement related to the Class Claims, and setting a hearing on the fairness of the terms of
19 Settlement, including approval of attorneys' fees and costs.

20 30. "QSF" means the Qualified Settlement Fund set up by the Settlement
21 Administrator for the benefit of the Final Settlement Class, and from which the settlement
22 payments shall be made, and which is intended to be a fund that qualifies under Internal Revenue
23 Code Section 468.

24 31. "Release" shall mean the release and discharge of the Class Claims by Plaintiff
25 and all of the Participating Class Members and the release and discharge of the PAGA Claims by
26 Plaintiff and all of the Aggrieved Employees.

27 32. "Released Parties" shall refer to Defendants and any of their present and former
28 parent companies, subsidiaries, divisions, concepts, related or affiliated companies and their

1 shareholders, partners, members, managers, owners, officers, directors, employees, agents,
2 attorneys, insurers, successors, and assigns, and any individual or entity that could be liable for
3 any of the Released Claims.,.

4 33. “Request for Exclusion” shall have the meaning ascribed to it in Paragraph 70(a)
5 below.

6 34. “Service Payment” or “Service Award” means the amount approved by the Court
7 to be paid to Class Representative in addition to his Individual Settlement Amount as a
8 Participating Class Member.

9 35. “Settlement Administration Costs” means the costs payable from the Settlement
10 Amount to the Settlement Administrator for administering this Settlement, including, but not
11 limited to, printing, distributing, and tracking documents for this Settlement, tax reporting, due
12 diligence, reporting and remittance obligations, distributing the Settlement Amount, and
13 providing necessary reports and declarations, as requested by the Parties. The Settlement
14 Administration Costs shall be paid from the Settlement Amount.

15 36. “Settlement Administrator” means and refers to a settlement administrator
16 mutually agreed to by the Parties, that will provide the Notice to the Class Members and distribute
17 the settlement amounts as described in this Agreement.

18 37. “Settlement Amount” or “Gross Settlement Amount” shall have the meaning
19 ascribed to it in Paragraph 48(a) below.

20 38. “Settlement Class Member” or “Class Member” refers to individual members of
21 the Settlement Class.

22 39. “Settlement Class” and “Settlement Class Members” refers to all persons who are
23 or were previously employed by Defendants in California classified as a non-exempt employee
24 during the Class Period.

25
26 40. “Workweeks Worked” for each Settlement Class Member and Aggrieved
27 Employee means any workweek during the Class Period and/or the PAGA Period, as applicable,
28 in which the Settlement Class Member and/or Aggrieved Employee was employed by Defendants

as a non-exempt employee in California and worked at least one shift during the workweek for or on behalf of Defendants for which a prior release of claims has not been signed. Workweeks Worked will be calculated based on Defendants' business records.

B. General Terms

41. On or about December 7, 2021, Plaintiff filed a class action complaint in the Court against Defendant Taylored Services, LLC, including allegations of: (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) meal period violations, (4) rest period violations, (5) wage statement violations, (6) waiting time penalties, (7), unfair competition. The Parties stipulated to the filing of a First Amended Complaint which added the following claims as class claims and predicate violations to the PAGA claim for failure to reimburse business expenses and failure to maintain adequate records. The First Amended Complaint included Taylored FMI, LLC and Taylored Transload, LLC as additional defendants.

42. Defendants deny Plaintiff's claims and allegations and contend that the Action is not suitable for class certification and/or representative treatment.

43. Class Representative believes he can proceed with his class and representative claims, that the Action is meritorious, and that class certification is appropriate.

44. The Parties have conducted a thorough investigation into the facts of the Action. This includes conducting extensive exchange of informal discovery, including Defendant's written policies and practices and the production of payroll and timekeeping records for Settlement Class Members and Aggrieved Employees. Class Counsel is both knowledgeable about and has done extensive research with respect to the applicable law and potential defenses to the claims of the Settlement Class Members and Aggrieved Employees. Class Counsel has diligently pursued an investigation of the Class Members' claims against Defendants. Based on the foregoing data and on their own independent investigation and evaluation, Class Counsel is of the opinion that the settlement with Defendants for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Settlement Class Members and Aggrieved Employees in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation,

various defenses asserted by Defendants , and numerous potential appellate issues.

45. On June 15, 2022, the Parties participated in mediation before Hon Carl J. West (Ret.), a highly experienced wage and hour class action mediator. After a full-day mediation and subsequent negotiations, the Parties reached a settlement.

46. The Parties agree that neither the Parties' Settlement, this Agreement, nor the acts to be performed or judgments to be entered pursuant to the terms of the Settlement and Agreement, shall be construed as an admission by Defendants of any wrongdoing or violation of any statute or law or liability on the claims or allegations in the Action.

47. Stipulation for Class Certification and Representative Treatment. For settlement purposes only, Defendants will stipulate that the Settlement Class Members described herein who do not Request Exclusion from the Settlement Class may be conditionally certified as a settlement class and that the Aggrieved Employees are appropriate for representative treatment for purposes of settlement. This stipulation to certification and representative treatment is in no way an admission that class action certification and/or representative treatment is proper and shall not be admissible in this or in any other action except for the sole purposes of enforcing this Agreement. Should, for whatever reason, the Court fail to issue Final Approval, the Parties' stipulation to class certification and representative treatment as part of the Settlement shall become null and void *ab initio* and shall have no bearing on and shall not be admissible in connection with the issue of whether or not class certification and/or representative treatment would be appropriate in a non-settlement context. Defendants expressly reserve their right and declare that they will continue to oppose class certification, representative treatment, and the substantive merits of the case should the Court fail to issue Final Approval. Plaintiff expressly reserves his rights and declares that he will continue to pursue class certification and representative treatment and a trial should the Court fail to issue Final Approval.

C. Terms of Settlement

48. The financial terms of the Settlement are as follows:

(a) Gross Settlement Amount: The Parties agree to settle this Action for Six Hundred Thousand Dollars (\$600,000) ("the Settlement Amount"). The Settlement Amount is the

1 maximum amount that will be paid by Defendants, and includes Individual Settlement Amounts,
2 attorneys' fees of Class Counsel, costs and expenses, the Service Payment to Class
3 Representative, all Settlement Administration Costs, and payment to the Labor Workforce
4 Development Agency (LWDA) for PAGA penalties. Defendants shall separately pay the
5 employers' share of applicable payroll taxes. Except for any employer payroll taxes, it is
6 understood and agreed that Defendants' maximum total liability under this Settlement shall not
7 exceed the Gross Settlement Amount.

8 (b) The Settlement is based on Defendants' representation that there are
9 approximately 17,871 workweeks worked by the Settlement Class Members. In the event that the
10 actual number of workweeks worked by all Settlement Class Members during this same period
11 increases by 12.5% or more, then Defendants shall increase the Maximum Settlement Amount on
12 a proportional basis over the 12.5% (i.e., if there was an 13.5% increase in the number of
13 workweeks, Defendants will increase the maximum settlement amount by 1%).

14 (c) Net Settlement Amount: The "Net Settlement Amount" is defined as the
15 Settlement Amount less attorneys' fees and litigation costs as approved and awarded by the Court,
16 the Service Payment to Class Representative as approved and awarded by the Court, the
17 Settlement Administration Costs, as approved and awarded by the Court, and the Ten Thousand
18 Dollars (\$10,000.00) allocated to payment for PAGA penalties as described in paragraph 42
19 below. In the event that the Court reduces the attorneys' fees and litigation costs or Service
20 Awards, Settlement Administration Costs, or either increases or decreases the amount allocated
21 to PAGA penalties, the Net Settlement Sum shall be increased or decreased accordingly.

22 (d) Individual Settlement Amounts for the Settlement Class: The Settlement
23 Administrator will use the Class Data provided by Defendants to calculate each Participating
24 Class Member's and Aggrieved Employee's Individual Settlement Amounts based on the
25 following formula:

26 i. PAGA Amount: \$10,000 of the Gross Settlement Amount has been
27 designated to the PAGA claims. Twenty-five percent (25%) or \$2,500, shall be paid out to
28 Aggrieved Employees. Each Aggrieved Employee shall receive a portion of the \$2,500

proportionate to the number of Workweeks Worked by the Aggrieved Employees during the
PAGA Period compared to the total number of Workweeks Worked by all Aggrieved Employees
during the PAGA Period. Aggrieved Employees shall have their settlement amount for the
Released PAGA claims paid one hundred percent (100%) as civil penalties for which no taxes
will be withheld and for which a Form 1099 will be issued by the Settlement Administrator.

ii. Class Amount: The Net Settlement Amount shall be allocated to each
Participating Class Member based on his/her/their proportionate Workweeks Worked during the
Class Period. This is determined by multiplying the Net Settlement Amount by a fraction, the
numerator of which is the Participating Class Member's total Workweeks Worked during the
Class Period, and the denominator of which is the total Workweeks Worked by all Participating
Class Members during the Class Period. If there are any timely submitted Requests for Exclusion,
the Settlement Administrator shall proportionately increase the Individual Settlement Amounts
for each Participating Class Member so that the amount actually distributed to Participating Class
Members equals 100% of the Net Settlement Amount allocated toward Released Class Claims.

(e) Allocation of Individual Settlement Amounts: The Individual Settlement Amounts
will be allocated for tax purposes based on the allegations in the Action as follows: one-third
(33.33%) will be paid as wages subject to withholding of all applicable local, state, and federal
taxes; and two-thirds (66.67%) will be paid as interest and as civil penalties (pursuant to, e.g.,
California Labor Code sections 203, 226) from which no taxes will be withheld. The Settlement
Administrator will issue to each Participating Class Member an Internal Revenue Service Form
W-2 and comparable state forms with respect to the wage allocation and a Form 1099 with respect
to the civil penalties and interest allocations.

(f) Service Payment to Class Representative: The amount awarded to Class
Representative as a Service Payment will be set by the Court in its discretion, not to exceed
\$10,000. Defendants agree not to oppose this request. The Service Payment to Class
Representative will be paid out of the Gross Settlement Amount. Class Representative will be
issued IRS Form 1099 in connection with this payment. Plaintiff shall be solely and legally
responsible to pay any and all applicable taxes on this payment. The Parties agree that any amount

1 awarded by the Court as the Service Payment to Plaintiff less than the requested amount shall not
2 be a basis for Plaintiff or Class Counsel to void this Stipulation. Should the Court approve a lesser
3 amount for the Service Payment, the difference shall be added to the Net Settlement Amount to
4 be distributed to the Participating Class Members. In the event of any appeal of the amount of the
5 service awards (if any) approved by the Court, if, after the exhaustion of any such appellate
6 review, additional amounts not awarded to Class Representative shall be added to the Net
7 Settlement Amount to be distributed to the Participating Class Members.

8 (g) Attorneys' Fees and Costs: Defendants agree not to oppose a request by Class
9 Counsel to the Court for an award of attorneys' fees of one-third (33.33%) of the Settlement
10 Amount, plus reasonable litigation costs not to exceed \$15,000 ("Attorneys' Fees and Cost
11 Award"). For purposes of this Settlement, Defendants agree not to oppose any contention by Class
12 Counsel that attorneys' fees should be based on the common fund theory. The Attorneys' Fee and
13 Cost Award shall be paid from the Gross Settlement Amount, and except for this award,
14 Defendants shall have no further obligation to pay any attorneys' fees, costs, or expenses to Class
15 Counsel. Should the Court approve a lesser amount than what is sought by Class Counsel, the
16 difference shall be added to the Net Settlement Amount to be distributed to the Participating Class
17 Members. Any Court order awarding less than the amount sought by Class Counsel shall not be
18 grounds to rescind the Settlement Agreement or otherwise void the Settlement. In the event of
19 any appeal of the amount of the awards of attorneys' fees and costs (if any) approved by the Court,
20 final funding and administration of the portion of the attorneys' fees and/or costs award in dispute
21 will be segregated and stayed pending the exhaustion of appellate review. If, after the exhaustion
22 of any such appellate review, additional amounts not awarded to as attorneys' fees and costs shall
23 be added to the Net Settlement Amount to be distributed to the Participating Class Members
24 and/or Aggrieved Employees. The Settlement Administrator shall issue to Class Counsel an IRS
25 Form 1099 reflecting the amount of attorneys' fees and costs awarded by the Court. Class Counsel
26 agrees that any allocation of fees between or among Class Counsel and any other attorney
27 representing or claiming to represent the Class Members shall be the sole responsibility of Class
28 Counsel.

1 (h) Settlement Administration Costs: The fees and other charges of the Settlement
2 Administrator, not to exceed \$8,000 and subject to Court approval, will be paid from the Gross
3 Settlement Amount.

4 (i) PAGA Penalties: The Parties agree that \$10,000 is allocated to PAGA Penalties
5 and is to be paid from the Gross Settlement Amount, subject to Court approval. Of this amount,
6 \$7,500 (75%) shall be paid to the LWDA in satisfaction of Plaintiff's claims for civil penalties
7 under the PAGA and \$2,500 (25%) will be included in the Individual Settlement Amounts,
8 payable to the Aggrieved Employees as set forth in Paragraph 48(d).

9 (j) Tax Liability: Class Counsel, Defendants, and Defendants' Counsel make no
10 representations as to the tax treatment or legal effect of Settlement Amounts called for hereunder,
11 and Plaintiff and the Settlement Class Members are not relying on any statement or representation
12 by Class Counsel, Defendants, or Defendants' Counsel in this regard. Plaintiff and Final
13 Settlement Class Members understand and agree that they will be solely responsible for the
14 payment of any taxes and penalties assessed on their respective Settlement Amounts described
15 herein. Income tax withholding will also be made pursuant to applicable federal, state, and/or
16 local withholding codes or regulations. Forms W-2 and/or Forms 1099 will be distributed at times
17 and in the manner required by the Internal Revenue Code of 1986 (the "Code") and consistent
18 with this Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax
19 law, are changed after the date of this Agreement, the processes set forth in this Section may be
20 modified in a manner to bring Defendants into compliance with any such changes.

21 (k) CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS AGREEMENT (FOR
22 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY
23 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER
24 PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
25 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR
26 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS
27 INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE
28 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN

1 THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31
2 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED
3 EXCLUSIVELY UPON HIS, HER, THEIR, OR ITS OWN, INDEPENDENT LEGAL AND
4 TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH
5 THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON
6 THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR
7 TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
8 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY
9 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
10 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
11 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
12 OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF
13 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
14 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
15 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
16 AGREEMENT.

17 (l) Settlement Payments Do Not Give Rise to Additional Benefit. All Settlement
18 Payments to individual Settlement Class Members shall be deemed to be paid to such Settlement
19 Class Member solely in the year in which such payments actually are received by the Settlement
20 Class Member. It is expressly understood and agreed that the receipt of such Settlement Payments
21 will not entitle any Settlement Class Member to additional compensation or benefits under any
22 company bonus, contest or other compensation or benefit plan or agreement in place during the
23 period covered by the Settlement, nor will it entitle any Settlement Class Member to any increased
24 retirement, 401(k) benefits or matching benefits or deferred compensation benefits. It is the intent
25 that the Settlement Payments provided for in this Settlement are the sole payments to be made by
26 Defendants to the Settlement Class Members, and that the Settlement Class Members are not
27 entitled to any new or additional compensation or benefits as a result of having received the
28 Settlement Payments (notwithstanding any contrary language or agreement in any benefit or

1 compensation plan document that might have been in effect during the period covered by this
2 Settlement).

3 49. “Non-Reversionary” Settlement. This is a “non-reversionary” settlement. Under
4 no circumstances will any portion of the Settlement Amount revert to Defendants. Final
5 Settlement Class Members will not have to make a claim to receive an Individual Settlement
6 Amount. Distributions, in the form of Individual Settlement Amounts, will be made directly to
7 each Final Settlement Class Member. The Settlement Administrator shall be responsible for
8 accurately and timely reporting any remittance obligations with respect to unclaimed funds as a
9 result of a Final Settlement Class Member not cashing an Individual Settlement Amount by the
10 check cashing deadline, as set forth herein.

11 50. Class Counsel and Plaintiff believe that the Settlement is fair and reasonable, and
12 adequate, and will so represent same to the Court.

13 **D. Release by Plaintiff and the Final Settlement Class**

14 51. Upon the Effective Date of this Settlement, Plaintiff and each Participating Class
15 Member, for themselves and for their respective spouses, domestic partners, marital community,
16 children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors,
17 administrators, trustees, conservators, guardians, assigns, and representatives, will forever
18 completely release and discharge the Released Parties from the Released Class Claims for the
19 Class Release Period.

20 52. Each Participating Class Member will be deemed to have made the foregoing
21 Release as if by manually signing it.

22 53. Upon the Effective Date of this Settlement, Plaintiff, the LWDA, and each
23 Aggrieved Employee, for themselves and for their respective spouses, domestic partners, marital
24 community, children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees,
25 executors, administrators, trustees, conservators, guardians, assigns, and representatives, will
26 forever completely release and discharge the Released Parties from the Released PAGA Claims
27 for the PAGA Release Period.
28

1 54. Each Aggrieved Employee and the LWDA will be deemed to have made the
2 foregoing Release as if by manually signing it.

3 55. Plaintiff and Defendants intend that the Settlement described in this Agreement
4 will release and preclude any further claim, whether by lawsuit, administrative claim or action,
5 arbitration, demand, or other action of any kind, by each and all of the Participating Class
6 Members to obtain a recovery based on, arising out of, and/or related to any and all of the Released
7 Class Claims. The Settlement Class Members shall be so notified in the Notice. This paragraph
8 does not apply to any Settlement Class Member who timely and validly opts out of the Settlement
9 for purposes of Class Claims.

10 56. Plaintiff and Defendants intend that the Settlement described in this Agreement
11 will release and preclude any further claim, whether by lawsuit, administrative claim or action,
12 arbitration, demand, or other action of any kind, by each and all of the Aggrieved Employees and
13 the LWDA to obtain a recovery based on, arising out of, and/or related to any and all of the
14 Released PAGA Claims. The Aggrieved Employees and the LWDA shall be so notified in the
15 Notice.

16 57. Class Representative, on behalf of himself and the Participating Settlement Class
17 Members, acknowledges and agrees that the claims asserted in the Action, including but not
18 limited to claims for unpaid wages, unreimbursed expenses, missed meal and rest breaks, , and
19 untimely payment of wages in the Action, are disputed, and that the payments set forth herein
20 constitute payment of all sums allegedly due to them. Class Representative, on behalf of himself
21 and the Participating Settlement Class Members, acknowledge and agree that California Labor
22 Code Section 206.5 is not applicable to the Parties hereto. Section 206.5 provides in pertinent part
23 as follows:

24 An employer shall not require the execution of any release of any claim or right on
25 account of wages due, or to become due, or made as an advance on wages to be
26 earned, unless payment of those wages has been made.

27 **E. Release by Class Representative**

28 58. As a material inducement to Defendants to enter into this Settlement Agreement,

1 in addition to Class Representative's release of the Released Class Claims and Released PAGA
2 Claims, as discussed in Paragraphs 51 and 53 above, Class Representative does hereby, for
3 himself and for his respective spouses, domestic partners, marital community, children, estates,
4 trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors, administrators,
5 trustees, conservators, guardians, assigns, and representatives, forever completely release and
6 discharge the Released Parties from any and all charges, complaints, claims, liabilities,
7 obligations, promises, agreements, contracts, controversies, damages, actions, causes of action,
8 suits, rights, demands, costs, losses, debts, and expenses (including for back wages, statutory
9 penalties, civil penalties, liquidated damages, exemplary damages, interest, attorneys' fees, and
10 costs) of any nature whatsoever, from the beginning of time through the execution of this
11 Agreement, whether known or unknown, suspected or unsuspected, concealed or hidden,
12 including but not limited to all claims arising out of, based upon, or relating to Class
13 Representative's employment with Defendants or the remuneration for or termination of such
14 employment (collectively, the "Class Representative's Claims").

15 59. Without limiting the generality of the foregoing, Class Representative also
16 expressly releases all claims or rights against Released Parties arising out of or relating to alleged
17 violations of any contracts, express or implied (including but not limited to any contract of
18 employment); any contract or covenant of good faith and fair dealing (express or implied); any
19 tort, including but not limited to, negligence, fraud, misrepresentation and violation of California
20 Labor Code section 970, negligent infliction of emotional distress, intentional infliction of
21 emotional distress, defamation, "retaliation" claims and claims for violation of public policy, any
22 claim for improper or unauthorized wage deductions, failure to pay the applicable wage, unpaid
23 wages, unpaid vacation benefits, penalties, liquidated damages, other damages, overtime, and
24 alleged "off the clock" work under federal and state law, including, but not limited to, California
25 Labor Code Sections 204 and 558, waiting time penalties pursuant to California Labor Section
26 203, damages, or penalties pursuant to California Labor Code Section 226, meal period and rest
27 break payments and penalties pursuant to California Labor Code Sections 226.7 and 512, failure
28 to provide itemized wage statements pursuant to California Labor Code Section 226, statutory or

1 civil penalties pursuant to California Labor Code Sections 210, failure to indemnify for business
2 expenses pursuant to Labor Code section 2802, failure to provide one day of rest in seven pursuant
3 to California Labor Code Sections 551 and 552, unfair competition and unfair business practices
4 pursuant to Business and Professions Code Section 17200 *et seq.*, interest and costs pursuant to
5 California Civil Code Section 3287 and California Labor Code Section 218.6, statutory or
6 common law rights to attorneys' fees and costs, including those pursuant to California Labor
7 Code Section 1194 *et seq.*; claims under the Private Attorneys General Act of 2004, Labor Code
8 section 2699 *et seq.*, and the alleged violation or breach of any other state or federal statute, rule,
9 and or regulation; including all applicable Industrial Welfare Commission Wage Orders, and all
10 similar causes of action, including but not limited to, any claim for restitution, equitable relief,
11 interest, penalties, costs, or attorneys' fees in connection with any of the foregoing, negligent
12 infliction of emotional distress, intentional infliction of emotional distress, and defamation; any
13 "wrongful discharge," "constructive discharge," and "retaliation" claims; any claims relating to
14 any breach of public policy; any legal restrictions on Defendant's right to discharge employees;
15 and any federal, state, or other governmental statute, regulation, or ordinance, including, without
16 limitation: (1) Title VII of the Civil Rights Act of 1964 (race, color, religion, sex, and national
17 origin discrimination or harassment, including retaliation for reporting discrimination or
18 harassment); (2) 42 U.S.C. § 1981 (discrimination); (3) Equal Pay Act, 29 U.S.C. § 209(d)(1) and
19 California Labor Code 1197.5 (equal pay); (4) Americans with Disabilities Act, 42 U.S.C. §
20 12100 *et seq.* (disability discrimination); (5) Family and Medical Leave Act, 29 U.S.C. § 2601 *et*
21 *seq.* (family/medical leave); (6) California Fair Employment and Housing Act, Cal. Government
22 Code § 12900 *et seq.* (discrimination or harassment in employment and/or housing, including
23 discrimination or harassment based on race, religious creed, color, national origin, ancestry,
24 disability, marital status, sex (including pregnancy), or age, including retaliation for reporting
25 discrimination or harassment); (7) California Family Rights Act, Cal. Government Code §
26 12945.1 *et seq.* (family/medical leave); (8) California Labor Code, including Section 1720 *et seq.*,
27 or any Industrial Welfare Commission Wage Order; (9) Executive Order 11246 (race, color,
28 religion, sex, and national origin discrimination or harassment); (10) Executive Order 11141 (age

discrimination); (11) Sections 503 and 504 of the Rehabilitation Act of 1973 (handicap discrimination); (12) the Fair Labor Standards Act; (13) Employee Retirement Income Security Act, 29 U.S.C. § 1000 *et seq.* (employee benefits); (14) the California Civil Code; (15) the California Labor Code; (16) the California Constitution; (17) the National Labor Relations Act; and (18) any other federal, state, or local statute or legislation.

60. Class Representative expressly waives and relinquishes all rights and benefits afforded by Section 1542 of the Civil Code of the State of California and do so understanding and acknowledging the significance of the waiver of Section 1542. Section 1542 of the Civil Code of the State of California states:

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

Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release and discharge of all parties, Class Representative, and Class Counsel expressly acknowledge that this Settlement Agreement is intended to include in its effect, without limitation, all claims that Class Representatives knew of, as well as all claims that they do not know or suspect to exist in their favor against the Released Parties, or any of them, for the time period from the beginning of time to the execution of this Settlement Agreement, and that this Settlement Agreement contemplates the extinguishment of any such Class Representative's claims.

F. Interim Stay of Proceedings

61. Pending completion of all of the prerequisites necessary to effectuate this Settlement including amending the operative pleading, the Parties agree, subject to Court approval, to a stay of all proceedings in the Action except such as are necessary to effectuate the Settlement, including amending the operative complaint.

G. Notice Process

62. Appointment of Settlement Administrator. The Parties have agreed to the

1 appointment of the Settlement Administrator to perform the duties of a settlement administrator,
2 including mailing the Notice, using standard devices to obtain forwarding addresses,
3 independently reviewing and verifying documentation associated with any claims or opt-out
4 requests, resolving any disputes regarding the calculation or application of the formula for
5 determining the Individual Settlement Amounts, drafting and mailing the settlement checks to
6 Final Settlement Class Members, issuing Forms W-2 and 1099, reporting to taxing authorities,
7 due diligence, reporting and remittance obligations, and performing such other tasks as set forth
8 herein or as the Parties mutually agree or that the Court orders.

9 63. Disputes Regarding Settlement Administration. All disputes relating to
10 administration of the Settlement by the Settlement Administrator (except for disputes regarding
11 Class Data) shall be referred to the Court, if necessary, which will have continuing jurisdiction
12 over the terms and conditions of this Settlement Agreement, until Plaintiff and Defendants notify
13 the Court that all payments and obligations contemplated by this Settlement Agreement have been
14 fully carried out. Prior to presenting any issue to the Court, counsel for the Parties will confer in
15 good faith to resolve the dispute without the necessity of Court intervention. The Settlement
16 Administrator shall also be responsible for issuing to Plaintiff, Final Settlement Class Members,
17 and Class Counsel any Forms W-2, Forms 1099, or other Tax Forms as may be required by law
18 for all amounts paid pursuant to this Agreement. The Settlement Administrator shall also be
19 responsible for setting up all necessary tax accounts and forwarding all payroll taxes and penalties
20 to the appropriate government authorities.

21 64. Class Data. Within seven (7) days after entry of the Preliminary Approval Order,
22 Defendants shall provide the Class Data to the Settlement Administrator. The Settlement
23 Administrator will run a check of the Class Members' addresses against those on file with the
24 U.S. Postal Service's National Change of Address List. The Class Data provided to the Settlement
25 Administrator will not be provided to Class Counsel and it will remain confidential, it shall be
26 used solely to administer the Settlement, and it will not be used or disclosed to anyone, except as
27 required by applicable tax authorities, pursuant to Defendant's express written consent, or by
28 order of the Court.

1 65. Notice. The Notice, as approved by the Court, shall be sent by the Settlement
2 Administrator to the Settlement Class Members, by first class mail, in English and Spanish, within
3 seven (7) calendar days following the Settlement Administrator's receipt of the Class Data. The
4 Settlement Administrator shall use standard devices, including a skip trace, to obtain forwarding
5 addresses of Settlement Class Members if any envelopes are returned.

6 66. Returned Notices. The Settlement Administrator will take steps to ensure that the
7 Notice is received by all Settlement Class Members, including utilization of the National Change
8 of Address Database maintained by the United States Postal Service to review the accuracy of
9 and, if possible, update a mailing address. Notices will be re-mailed to any Settlement Class
10 Member for whom an updated address is located within ten (10) calendar days following both the
11 Settlement Administrator learning of the failed mailing and its receipt of the updated address. The
12 Notice shall be identical to the original Notice, except that it shall notify the Settlement Class
13 Member that the exclusion (opt-out) request or objection must be returned by the later of the
14 Notice Response Deadline or fifteen (15) days after the remailing of the Notice.

15 67. Presumption Regarding Receipt of Notice. It will be conclusively presumed that
16 if an envelope has not been returned within thirty (30) days of the mailing that the Settlement
17 Class Member received the Notice.

18 68. Disputes Regarding Class Data. Settlement Class Members are deemed to
19 participate in the Settlement unless they opt-out. The Notice will inform Settlement Class
20 Members of his/her/their estimated Individual Settlement Amount and the number of Workweeks
21 Worked during the Class Period and during the PAGA Period. Settlement Class Members may
22 dispute their Workweeks Worked if they feel they were employed more workweeks in the Class
23 Period in California than Defendants' records show by timely submitting evidence to the
24 Settlement Administrator. Defendants' records will be presumed determinative absent reliable
25 evidence to rebut Defendants' records, but the Settlement Administrator will evaluate the
26 evidence submitted by the Settlement Class Member and provide the evidence submitted to Class
27 Counsel and Defense Counsel who agree to meet and confer in good faith about the evidence to
28 determine the Class Member's actual number of Workweeks Worked and estimated Individual

1 Settlement Amount. If Class Counsel and Defense Counsel are unable to agree, they agree to
2 submit the dispute to the Settlement Administrator to render a final decision. Settlement Class
3 Members will have until the Notice Response Deadline to dispute Workweeks Worked, object,
4 or opt out, unless extended by the Court. In the event that the Settlement Administrator increases
5 the number of Workweeks Worked for any Settlement Class Member, then the Settlement
6 Administrator will recalculate the Participating Class Members' Individual Settlement Amounts;
7 accordingly, in no event will Defendants be required to increase the Gross Settlement Amount.

8 69. Declaration of Due Diligence. The Settlement Administrator shall provide counsel
9 for the Parties, at least twenty-five (25) days prior to the final approval hearing, a declaration of
10 due diligence and proof of mailing with regard to the mailing of the Notice.

11 70. Settlement Class Members' Rights. Each Settlement Class Member will be fully
12 advised of the Settlement, the ability to object to the provisions in the Settlement related to the
13 Class Claims, and the ability to opt out or request exclusion from the Class Claims provisions of
14 the Settlement. The Notice will inform the Settlement Class Members of the Court-established
15 deadlines for filing objections or requesting exclusion from the Class Claims provisions of the
16 Settlement in accordance with the following guidelines:

17 (a) Requests for Exclusion from Participating Settlement Class. Any
18 Settlement Class Member, other than Plaintiff, may request to be excluded from the Participating
19 Settlement Class by submitting a "Request for Exclusion" to the Settlement Administrator,
20 postmarked on or before the Notice Response Deadline. The Request for Exclusion should state
21 in words to this effect:

22 "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN
23 THE OROZCO V. TAYLORED SERVICES LAWSUIT. I
24 UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE
25 SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM
THE SETTLEMENT OF THE CLASS CLAIMS IN THIS LAWSUIT.

26 Any Request for Exclusion must include the full name, address, telephone number, last
27 four digits of the social security number or date of birth, and signature of the Settlement Class
28 Member requesting exclusion. The Request for Exclusion must be returned by mail to the

1 Settlement Administrator at the specified address. Any such Request must be made in accordance
2 with the terms set forth in the Notice. A Request for Exclusion will be timely only if postmarked
3 by the Notice Response Deadline, unless the Parties otherwise agree in writing. Any Settlement
4 Class Member who timely requests exclusion in compliance with these requirements: (i) will not
5 have any rights under this Agreement with respect to the Class Claims, including the right to
6 object, appeal, or comment on the Settlement; (ii) will not be entitled to receive any payments
7 under this Agreement with respect to Class Claims; and (iii) will not be bound by this Agreement,
8 or the Judgment, with respect to the Class Claims.

9 (b) Binding Effect on Final Settlement Class Members. Except for those
10 Settlement Class Members who exclude themselves in compliance with the procedures set forth
11 above, all Settlement Class Members will: (i) be deemed to be Final Settlement Class Members
12 for all purposes under this Agreement; (ii) will be bound by the terms and conditions of this
13 Agreement, the Judgment, and the releases set forth herein; and (iii) except as otherwise provided
14 herein, will be deemed to have waived all objections and oppositions to the fairness,
15 reasonableness, and adequacy of the Settlement.

16 (c) Objections to Settlement of Class Claims. Any Settlement Class Member,
17 other than Plaintiff, may object to the terms of this Agreement with respect to the Class Claims
18 and may appear at the Final Approval Hearing and object whether or not they have filed a written
19 objection as outlined herein. To object, a Settlement Class Member shall inform the Settlement
20 Administrator, in writing, of his/her/their objection, which must be postmarked by the Notice
21 Response Deadline at the address set forth in the Notice. Such objection shall include the full
22 name, address, telephone number, dates of employment with Defendants of the Objecting
23 Settlement Class Member, the case name and number, the basis for the objection, including any
24 legal support and each specific reason in support of the objection, as well as any documentation
25 or evidence in support thereof, and, if the Objecting Settlement Class Member is represented by
26 counsel, the name and address of his/her/their counsel. If any Objecting Settlement Class Member
27 wishes to speak at the Final Approval Hearing with respect to the Class Claims, that Objecting
28 Settlement Class Member's written submission should include a request to be heard, and the Court

1 will determine whether Objecting Settlement Class Members will be permitted to speak. The
2 Settlement Administrator shall provide objections, if any, to Class Counsel and Defense Counsel
3 within three (3) days of receipt, and the Settlement Administrator shall attach the same to its
4 declaration of due diligence Plaintiff files with the Court prior to the Final Approval Hearing.
5 Any Participating Class Member who files an objection remains eligible to receive monetary
6 compensation from the Settlement. Plaintiff and Defendants shall not be responsible for any fees,
7 costs, or expenses incurred by any Class Member and/or his/her/their counsel related to any
8 objections to the Settlement. Submitting an objection does not preserve the right to appeal a final
9 judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and
10 properly intervening or filing a motion to vacate the judgment under Code of Civil Procedure
11 section 663. Settlement Class Members and Aggrieved Employees may not object to or opt out
12 of the Settlement with respect to the PAGA Claims.

13 (d) Failure to Object. Any Settlement Class Member who desires to object
14 with respect to the Class Claims but fails to timely submit a written objection waives any right to
15 object will be foreclosed from making any objection to this Settlement. Any Settlement Class
16 Member who does not timely and properly become a party of record by intervening or filing a
17 motion to vacate the judgment waives any and all rights to appeal from the Judgment, including
18 all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate
19 judgment, motion for new trial, a motion under California Code of Civil Procedure section 473,
20 and extraordinary writs.

21 (e) Responses to Objections. Counsel for the Parties may file a response to any
22 objections submitted by Objecting Settlement Class Members at least five (5) court days before
23 the date of the Final Approval Hearing.

24 71. Settlement Class Members will have until the Notice Response Deadline to object
25 or submit a Request for Exclusion to the Settlement Administrator by U.S. Mail. The Settlement
26 Administrator shall disclose jointly to Class Counsel and Defendant's counsel what objections or
27 Requests for Exclusion were timely submitted on a weekly basis, and upon the request of Class
28 Counsel or Defense Counsel.

1 72. Funding of the Settlement Amount. Defendants shall make a one-time deposit into
2 the QSF of the Settlement Amount, as described in Paragraph 48(a) that is necessary to make all
3 payments required under this Settlement, within fourteen (14) days after the Effective Date, plus
4 Defendants shall separately pay its share of employer payroll taxes as calculated and directed by
5 the Settlement Administrator.

6 73. Distribution of Funds. No later than seven (7) calendar days after deposit of the
7 payment into the QSF, the Settlement Administrator will mail the payments to the Participating
8 Class Members, the payment for the attorneys' fees and costs to Class Counsel, any Service
9 Payment to the Class Representatives, the payment to the LWDA for PAGA penalties, and will
10 pay itself the Settlement Administration Costs.

11 74. Deadline for Cashing Settlement Checks. Final Settlement Class Members shall
12 have 180 calendar days after mailing by the Settlement Administrator to cash their settlement
13 checks. If any Final Settlement Class Member's check is not cashed within that period, the check
14 will be void and a stop-payment will be issued. All unclaimed funds shall be sent to the California
15 Unclaimed Property Fund in the name of the class member. The release will be binding upon all
16 Final Settlement Class Members who do not cash their checks within the 180-day period. In the
17 event that any settlement check is returned to the Settlement Administrator within 180 days of
18 mailing, the Settlement Administrator will, within five (5) business days of receipt of the returned
19 settlement check, perform a skip trace to locate the individual. If a new address is located by these
20 means, the Administrator will have ten (10) business days to re-issue the check and will notify
21 Defense Counsel and Class Counsel that a re-issued check has been sent. Neither Defendants,
22 Defense Counsel, Class Counsel, Plaintiff, nor the Settlement Administrator will have any
23 liability for lost or stolen settlement checks, forged signatures on settlement checks, or
24 unauthorized negotiation of settlement checks. Without limiting the foregoing, in the event a Final
25 Settlement Class Member notifies the Settlement Administrator that he/she/they believe that a
26 settlement check has been lost or stolen, the Settlement Administrator shall immediately stop
27 payment on such check. If the check in question has not been negotiated prior to the stop payment
28 order, the Settlement Administrator will issue a replacement check.

1 75. No person shall have any claim against Defendants, Defendants' Counsel,
2 Plaintiff, Class Counsel, or the Settlement Administrator based on mailings, distributions,
3 payments, or reports made in accordance with or pursuant to this Agreement. This provision does
4 not, however, prevent a Party from seeking enforcement of this Agreement.

5 76. Without prejudice to any other remedies, the Settlement Administrator shall agree
6 to be responsible for any breach of its obligations (whether committed by the Settlement
7 Administrator or its agents) and to indemnify and hold the Parties and their counsel harmless from
8 and against all liabilities, claims, causes of action, costs and expenses (including legal fees and
9 expenses) arising out of any breach committed by the Settlement Administrator or its agents.

10 **H. Duties of the Parties Prior to the Court's Approval**

11 77. Upon completion of confirmatory discovery, Plaintiff will move the Court for
12 Preliminary Approval of this Settlement and entry of the Preliminary Approval Order
13 accomplishing the following:

14 (a) Scheduling the Final Approval Hearing on the issue of whether this
15 Settlement should be finally approved as fair, reasonable, and adequate as to the Class Members
16 and a hearing on fees, costs, and the Service Payment;

17 (b) Approving as to form and content the proposed Notice;

18 (c) Directing the mailing of the Notice by first class mail to the Settlement
19 Class Members;

20 (d) Preliminarily approving this Settlement; and

21 (e) Preliminarily certifying the class for purposes of this Settlement.

22 78. Reallocation of Settlement Proceeds. In the event the Court fails, on its first
23 hearing, to approve this Agreement because the amount of the PAGA penalties is not adequate,
24 then the Parties shall cooperate in good faith to reallocate the total settlement proceeds, within
25 this Agreement, to try to achieve Final Approval of the Agreement upon any subsequent Court
26 hearings.

27 **I. Duties of the Parties Following Court's Final Approval**

28 79. In connection with the Final Approval Hearing provided for in this Settlement

Agreement, Class Counsel shall submit a proposed Final Approval Order:

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

(b) Approving Class Counsel's application for an award of attorneys' fees and reimbursement of litigation costs and expenses, the Service Payment to the Class Representative, and the payment to the Settlement Administrator for costs of administering the settlement; and

(c) Entering judgment approving settlement, thereby permanently barring all Participating Class Members from prosecuting any Released Class Claims against any of the Released Parties and permanently barring all Aggrieved Employees and the LWDA from prosecuting any Released PAGA Claims against any of the Released Parties.

J. Voiding the Agreement

80. If the Court fails or refuses to issue the Final Approval Order or fails to approve any material condition of this Settlement Agreement which effects a fundamental change of the Settlement, the entire Settlement Agreement shall be rendered voidable and unenforceable as to all Parties herein at the option of either Party.

81. If ten percent (10%) or more of the Settlement Class Members timely submit a Request for Exclusion, Defendants shall have the option of terminating or modifying this Agreement without prejudice to its pre-settlement positions and defenses in the Action. If Defendants exercise such option under this paragraph, they shall be relieved of any obligation to pay the Settlement Amount or any other obligations from the Settlement by giving notice to Plaintiff's Counsel and the Settlement Administrator within ten (10) days of the Notice Response Deadline. If Defendants exercise their option under this paragraph, Defendants shall be solely responsible for all Settlement Administration Costs incurred.

82. If the Settlement is voided or fails for any reason, Plaintiff and Defendants will have no further obligations under the Settlement, including any obligation by Defendants to pay the Settlement Amount, or any amounts that otherwise would have been owed under this Settlement.

83. If the Settlement is voided or fails for any reason, any costs incurred by the Settlement Administrator shall be borne equally by Defendants and Plaintiff, unless otherwise specified in this Agreement.

K. Other Terms

84. Full and Complete Defense. This Agreement may be pleaded by any Released Party as a full and complete defense to and may be used as the basis for an injunction against, any action, suit, or other proceeding that has been or may be instituted, prosecuted, or attempted, asserting any Released Claim.

85. Waiver. The waiver by one Party of any breach of this Agreement by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

86. Parties' Authority. The signatories hereto represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

87. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Class Counsel shall, with the assistance and cooperation of Defendants and Defendants' Counsel, take all necessary steps to secure the Court's preliminary and final approval of the settlement and the final entry of judgment.

88. No Prior Assignments. The Parties hereto 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 rights released and discharged by this Settlement Agreement.

1 89. No Admission. Defendants deny all liability to Plaintiff and/or any Settlement
2 Class Member in this Action, as to all causes of action that were asserted or that might have been
3 asserted in this Action, and further deny that they have engaged in any unlawful activity, has
4 failed to comply with the law in any respect, or has any liability to anyone under the claims
5 asserted in the Action. With respect to Plaintiff's claims, Defendants contend, among other things,
6 that Plaintiff and the Class Members have been paid proper wages, have been provided meal
7 periods, have been provided rest periods, have been paid timely wages upon separation of
8 employment, have had all necessary business expenses reimbursed, and have been provided with
9 accurate itemized wage statements. Defendants contend, among other things, that they have
10 complied at all times with the California Labor Code and the applicable Wage Orders of the
11 Industrial Welfare Commission. Furthermore, with respect to all claims, Defendant contends that
12 it has complied at all times with the California Business and Professions Code. Nonetheless,
13 Defendants wish to settle and compromise to avoid further substantial expense and the
14 inconvenience and distraction of protracted litigation. Defendants also have considered the
15 uncertainty and risks inherent in litigation, and without conceding any infirmity in the defenses
16 that they have asserted or could assert against Plaintiff, have determined that it is desirable and
17 beneficial that Plaintiff's claims be settled in the manner and upon the terms and conditions set
18 forth in this Agreement. Nothing contained herein, nor the consummation of this Settlement, is
19 to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on
20 the part of Defendants.

21 90. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval
22 Order, nothing contained herein, nor the consummation of this Settlement Agreement, is to be
23 construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part
24 of Defendants or any of the other Released Parties. Each of the Parties hereto has entered into this
25 Settlement Agreement with the intention of avoiding further disputes and litigation with the
26 attendant inconvenience and expenses. This Settlement Agreement is a settlement document, and
27 it, along with all related documents such as the notices, and motions for preliminary and final
28 approval, shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of

Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to approve the settlement, and/or interpret or enforce this Settlement Agreement. The stipulation for class certification as part of this Settlement Agreement is for settlement purposes only and if, for any reason the settlement is not approved, the stipulation will be of no force or effect.

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

To the Settlement Class Members and Aggrieved Employees:

Mehrdad Bokhour <i>mehrdad@bokhourlaw.com</i> 1901 Avenue of the Stars, Suite 450 Los Angeles, California 90067 Tel: (310) 975-1493; Fax: (310) 675-0861	Joshua Falakassa <i>josh@falakassalaw.com</i> 1901 Avenue of the Stars, Suite 450 Los Angeles, California 90067 Tel: (818) 456-6168; Fax: (888) 505-0868
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To Defendants:

Melanie L. Ronen <i>Melanie.ronen@kyl.com</i> 400 Oceangate, Suite 1400 Long Beach, California 90802 Tel: (562) 436-2002; Fax: (562) 436-7416

92. Construction. The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms' length negotiations between the Parties and that this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or their counsel participated in the drafting of this Settlement Agreement. Plaintiff and Defendants expressly waive the common-law and statutory rule of construction that ambiguities should be construed against the drafter of an agreement and further agree, covenant, and represent that the language in all parts of this Agreement shall be in all cases construed as a whole, according to its fair meaning.

1 93. Captions and Interpretations. Paragraph titles or captions contained herein are
2 inserted as a matter of convenience and for reference, and in no way define, limit, extend, or
3 describe the scope of this Settlement Agreement or any provision hereof. Each term of this
4 Settlement Agreement is contractual and not merely a recital.

5 94. Modification. This Settlement Agreement may not be changed, altered, or
6 modified, except in writing and signed by the Parties hereto, and approved by the Court. This
7 Settlement Agreement may not be discharged except by performance in accordance with its terms
8 or by a writing signed by all of the Parties hereto.

9 95. Dispute Resolution. Prior to instituting legal action to enforce the provisions of
10 this Agreement or to declare rights and/or obligations under this Agreement, a Party shall provide
11 written notice to the other Party and allow an opportunity to cure the alleged deficiencies, and
12 Plaintiff and Defendants agree to seek the help of the mediator identified in this Agreement to
13 resolve any dispute they are unable to resolve informally. During this period, the Parties shall
14 bear their own attorneys' fees and costs. This provision shall not apply to any legal action or other
15 proceeding instituted by any person or entity other than Plaintiff or Defendant.

16 96. Court Retains Jurisdiction. The Parties agree that upon the entry of judgment of
17 dismissal pursuant to the terms of this Agreement, that, pursuant to Code of Civil Procedure
18 section 664.6, the Court shall retain exclusive and continuing equity jurisdiction of this Action
19 over all Parties to interpret, enforce, and effectuate the terms, conditions, intents, and obligations
20 of this Agreement.

21 97. Enforceability. Pursuant to California Evidence Code section 1123(a) and (b), this
22 Agreement is intended by the Parties to be, and shall be, enforceable, binding and admissible in
23 a court of law.

24 98. Choice of Law. This Settlement Agreement shall be governed by and construed,
25 enforced, and administered in accordance with the laws of the State of California, without regard
26 to its conflicts-of-law rules.

27 99. Integration Clause. This Settlement Agreement contains the entire agreement
28 between the Parties relating to the settlement and transaction contemplated hereby, and all prior

or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

100. Binding On Assigns. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

101. Signatures of All Class Members Unnecessary to be Binding. It is agreed that, because the members of the Settlement Class are numerous, it is impossible or impractical to have each Final Class Member execute this Settlement Agreement. The Notice will advise all Settlement Class Members of the binding nature of the releases provided herein and such shall have the same force and effect as if this Settlement Agreement were executed by each Final Settlement Class Member.

102. Counterparts. This Settlement Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully signed Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic signatures shall have the same force and effect as an original.

APPROVAL AND EXECUTION BY PARTIES:

Dated: August __, 2022

CLASS REPRESENTATIVE:

Wilquin Orozco

Dated: August __, 2022

DEFENDANTS:

TAYLORED SERVICES, LLC, TAYLORED FMI, LLC
AND TAYLORED TRANSLOAD, LLC

By
Its

or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

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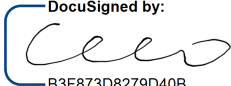
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APPROVAL AND EXECUTION BY PARTIES:

Dated: August __, 2022
8/27/2022

CLASS REPRESENTATIVE:

DocuSigned by:

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Wilquin Orozco

Dated: August __, 2022

DEFENDANTS:

TAYLORED SERVICES, LLC, TAYLORED FMI, LLC
AND TAYLORED TRANSLOAD, LLC

By
Its

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2 or written and whether by a Party or such Party's legal counsel, are merged herein. No rights
3 hereunder may be waived except in writing.

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5 to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators,
6 successors, and assigns.

7 101. Signatures of All Class Members Unnecessary to be Binding. It is agreed that,
8 because the members of the Settlement Class are numerous, it is impossible or impractical to have
9 each Final Class Member execute this Settlement Agreement. The Notice will advise all
10 Settlement Class Members of the binding nature of the releases provided herein and such shall
11 have the same force and effect as if this Settlement Agreement were executed by each Final
12 Settlement Class Member.

13 102. Counterparts. This Settlement Agreement may be executed in counterparts, and
14 when each Party has signed and delivered at least one such counterpart, each counterpart shall be
15 deemed an original, and, when taken together with other signed counterparts, shall constitute one
16 fully signed Settlement Agreement, which shall be binding upon and effective as to all Parties.
17 Electronic signatures shall have the same force and effect as an original.

18 **APPROVAL AND EXECUTION BY PARTIES:**

19 Dated: August __, 2022

CLASS REPRESENTATIVE:

20
21 _____
22 Wilquin Orozco

23 Dated: August **29** 2022

DEFENDANTS:

24 TAYLORED SERVICES, LLC, TAYLORED FMI, LLC
25 AND TAYLORED TRANSLOAD, LLC
26

27
28 By
Its

President + CEO

APPROVED AS TO FORM:

CLASS COUNSEL

Dated: August __, 2022
8/27/2022

FALAKASSA LAW, P.C.

DocuSigned by:
Joshua Falakassa
15A628B2C5A149C...
Joshua Falakassa
Attorneys for Plaintiff

Dated: August __, 2022
8/27/2022

BOKHOUR LAW GROUP, P.C.

DocuSigned by:
Mehrdad Bokhour
D8D3643F274940F...
Mehrdad Bokhour
Attorneys for Plaintiff

Dated: August __, 2022

DEFENDANTS' COUNSEL:

KEESAL, YOUNG & LOGAN, PC.

Melanie L. Ronen
Attorneys for Defendants,
Taylored Services, LLC, Taylored FMI, LLC and Taylored
Transload, LLC

1 **APPROVED AS TO FORM:**

2 **CLASS COUNSEL**

3 Dated: August __, 2022

FALAKASSA LAW, P.C.

4
5
6 Joshua Falakassa
7 Attorneys for Plaintiff

8 Dated: August __, 2022

BOKHOUR LAW GROUP, P.C.

9
10
11 Mehrdad Bokhour
12 Attorneys for Plaintiff

13 Dated: August 31, 2022

DEFENDANTS' COUNSEL:

14 **KEESAL, YOUNG & LOGAN, PC.**

15
16 
17 _____
18 Melanie L. Ronen
19 Attorneys for Defendants,
20 Taylored Services, LLC, Taylored FMI, LLC and Taylored
21 Transload, LLC
22
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