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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

MARION JONES, individually and on
behalf of all other similarly situated,

Plaintiff,

vs.

MICHAEL STAPLETON ASSOCIATES,
LTD., D/B/A MSA SECURITY, a Delaware
corporation; and DOES 1 through 20,
inclusive,

Defendants.

Case No.: 37-2022-00001449-CU-OE-CTL

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

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

2 This Joint Stipulation of Class Action Settlement and Release (“Settlement” or “Settlement
3 Agreement”) is made and entered into by and between Plaintiff Marion Jones (“Plaintiff” or “Class
4 Representative”), as an individual and on behalf of all others similarly situated, and Defendant Michael
5 Stapleton Associates, Ltd. d/b/a MSA Security (“Defendant” or “MSA”) (collectively with Plaintiff, the
6 “Parties”).

7 **DEFINITIONS**

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

10 1. “Action” means, the action entitled *Marion Jones v. Michael Stapleton Associates, Ltd.*,
11 *d/b/a MSA Security*, Case No. 37-2022-00001449-CU-OE-CTL (San Diego County Superior Court).

12 2. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and
13 approved by the Court for Class Counsel’s litigation and resolution of the Action, and all out-of-pocket
14 costs incurred and to be incurred by Class Counsel in the Action (including costs not otherwise provided
15 by Cal. Civ. Proc. Code § 1033.5, such as expert witness fees, courier fees, and travel-related costs and
16 expenses), such as costs associated with documenting the Settlement, providing any notices required as
17 part of the Settlement or Court order, securing the Court’s approval of the Settlement, administering the
18 Settlement, and obtaining entry of a Judgment terminating the Action. Class Counsel will request
19 attorneys’ fees of up to thirty-three and one-third (33 1/3%) of the Gross Settlement Amount (\$1,800,000)
20 and reasonable costs of up to Twenty-Thousand Dollars (\$20,000). Any attorneys’ fees and costs not
21 approved by the Court shall become part of the Net Settlement amount. Defendant has agreed not to
22 oppose Class Counsel’s request for fees and reimbursement of costs as set forth above.

23 3. “Class Counsel” means Counsel for Plaintiff Marion Jones, Lebe Law, APLC.

24 4. “Class List” means a complete list of all Class Members that Defendant will diligently
25 and in good faith compile from its records and provide to the Settlement Administrator within fourteen
26 (14) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted as a
27 Microsoft Excel spreadsheet containing the following information for each Class Member: (1) full name;
28 (2) last known home address; (3) last known telephone number; (4) social security number; (5) start and

1 end dates of active employment as a non-exempt employee of Defendant in the State of California; (6) total
2 Workweeks during the Class Period; (7) total Workweeks during the PAGA Period; and (8) any other
3 information required by the Settlement Administrator in order to effectuate the terms of the Settlement
4 (“Class List”).

5 5. “Class Member(s),” “PAGA Member(s)” or “Settlement Class” means all current and
6 former hourly-paid, non-exempt employees of Defendant who were employed by Defendant in the State
7 of California at any time during the Class Period or PAGA Period.

8 6. “Class Period” shall be defined as the period commencing on July 17, 2017. and ending
9 on either (1) the date of the order approving Plaintiff’s Motion for Preliminary Approval or (2) May 4,
10 2023 (i.e., ninety days from the Parties’ acceptance of the mediator’s proposal), whichever date occurs
11 earlier.

12 7. “PAGA Period” shall be defined as the period commencing on July 17, 2020. and ending
13 on either (1) the date of the order approving Plaintiff’s Motion for Preliminary Approval or (2) May 4,
14 2023 (i.e., ninety days from the Parties’ acceptance of the mediator’s proposal), whichever date occurs
15 earlier.

16 8. “Class Representative Enhancement Payments” or “Plaintiff’s Incentive Payment” means
17 the amounts to be paid to Plaintiff Monge in recognition of his effort and work in prosecuting the Action
18 on behalf of Class Members, and for his general release of claims. Subject to the Court granting final
19 approval of this Settlement Agreement and subject to the exhaustion of any and all appeals, Plaintiff will
20 request Court approval of a Class Representative Enhancement Payment of Ten-Thousand Dollars
21 (\$10,000). Defendant agrees not to oppose Plaintiff’s request for Plaintiff’s Incentive Payment.

22 9. “Court” means the San Diego County Superior Court.

23 10. “Defendant” means Michael Stapleton Associates, Ltd. d/b/a MSA Security. and its past,
24 present, and/or future, direct and/or indirect, officers, directors, members, managers, employees, clients,
25 joint employers, joint obligors, agent, representatives, attorneys, insurers, partners, investors, shareholders,
26 administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and
27 joint venturers.

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11. “Effective Date” means the later of the following:

(a) if no timely objections are filed or if all objections are withdrawn, the date upon which the Court enters Final Approval; (b) if an objection is filed and not withdrawn, or if a motion to vacate or equivalent is filed, the date for filing an appeal and so such appeal being filed; **or** (c) if any timely appeals are filed, the date of the resolution (or withdrawal) of any such appeal in a way that does not alter the terms of this settlement. If, however, a motion to vacate the judgment or notice of intent to move to vacate the judgment is filed within 15 calendar days after entry, then the Effective Date will be the sixty-first (61) calendar day following the Court’s order denying the motion to vacate and no appeal is filed therefrom, or if an appeal is filed, the Effective Date will be the date of final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari). If a motion to vacate is filed prior to the mailing of Class Members’ settlement payments, then the administration of the settlement will be stayed, and the Settlement Administrator will return the Class Settlement Amount to Defendant.

12. “Final Approval” means the date on which the Court enters an order granting final approval of the Settlement Agreement.

13. “Gross Settlement Amount” means the Gross Settlement Amount of One Million Eight Hundred Thousand Dollars (\$1,800,000), to be paid by Defendant in full satisfaction of all Released Claims arising from the Action, which includes all (1) payments to the Class, (2) Class Counsel’s fees, (3) Class Counsel’s costs, (4) Settlement Administration Costs, (5) Incentive Payment to Plaintiff, and (6) Payment of PAGA penalties to be paid to the LWDA and PAGA Members. The Gross Settlement Amount is exclusive of the employer share of any applicable payroll taxes, and any such employer-side payroll taxes shall be paid by Defendant separately and in addition to the Gross Settlement Amount. This Gross Settlement Amount has been agreed to by Plaintiff and Defendant based on the aggregation of the agreed-upon settlement value of individual claims. In no event will Defendant be liable for more than the Gross Settlement Amount except as otherwise explicitly set forth herein.

14. “Individual Settlement Payment” means each Participating Class Member’s respective share of the Net Settlement Amount.

15. “Labor and Workforce Development Agency Payment” means the amount that the Parties have agreed to pay to the Labor and Workforce Development Agency (“LWDA”) in connection with the

1 Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”). The
2 Parties have agreed to allocate \$180,000 Dollars (One-Hundred and Eighty Thousand Dollars) of the
3 Gross Settlement Amount as PAGA Penalties. Pursuant to PAGA, Seventy-Five Percent (75%), or One
4 Hundred Thirty-Five Thousand Dollars (\$135,000), of the PAGA Settlement Amount will be paid directly
5 to the California Labor and Workforce Development Agency (“LWDA”). The remaining Twenty-Five
6 Percent (25%) of the PAGA Penalties, or Forty-Five Thousand Dollars (\$45,000) shall be paid to PAGA
7 Members on a *pro rata* basis, based on the total number of Workweeks (full or partial) worked by each
8 PAGA Member during the PAGA Period.

9 16. “Net Settlement Amount” means the funds available for payments to the Class, which
10 shall be an amount remaining after the following amounts are deducted from the Gross Settlement
11 Amount: (1) Class Counsel’s fees, (2) Class Counsel’s costs, (3) Settlement Administration Costs,
12 (4) Incentive Payment to Plaintiff, and (5) PAGA Penalties to be paid to the LWDA and PAGA Members.

13 17. “Notice of Objection” means a Class Member’s valid and timely written objection to the
14 Settlement Agreement. For the Notice of Objection to be valid, it must include: (i) the objector’s full name,
15 signature, address, and telephone number, (ii) a written statement of all grounds for the objection
16 accompanied by any legal support for such objection; (iii) copies of any papers, briefs, or other documents
17 upon which the objection is based; and (iv) a statement whether the objector intends to appear at the final
18 fairness hearing. Any Class Member who does not submit a timely written objection to the Settlement,
19 fails to appear at the Final Approval Hearing and voice an oral objection, or fails to otherwise comply with
20 the specific and technical requirements of this section, will be foreclosed from objecting to the Settlement
21 and seeking any adjudication or review of the Settlement, by appeal or otherwise.

22 18. “Notice Packet” means the Notice of Class Action Settlement, substantially in the form
23 attached as Exhibit A.

24 19. “Parties” means Plaintiff and Defendant collectively.

25 20. “Participating Class Members” means all Class Members who do not submit timely and
26 valid Requests for Exclusion.

27 21. “Plaintiff” means Plaintiff Marion Jones.

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22. “Preliminary Approval” means the date on which the Court enters an order granting preliminary approval of the Settlement Agreement.

23. “Released Claims” means any and all claims and remedies asserted or that could have been asserted in the Actions arising out of the factual and legal allegations in the Action during the Class Period, including but not limited to statutory, constitutional, tort, common law, and/or contract claims and associated relief related to the alleged failure to pay minimum wages, overtime and double time wages, reporting time pay, the alleged use of non-neutral rounding practices, failure to provide meal and rest breaks, failure to pay meal period premiums, failure to provide accurate itemized wage statements, failure to reimburse all business expense, and failure to pay wages on separation. This release includes all such claims arising under Labor Code §§ 201-204, 210, 216, 218, 218.5, 218.6, 221, 222, 223, 225, 225.5, 226, 226.3, 226.6, 226.7, 227.3, 256, 510, 512, 551, 552, 553, 558, 558.1, 1174, 1174.5, 1175, 1182.11, 1182.12, 1193.6, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2800, 2802, 2804, and §§ 2698 *et seq.* (Private Attorneys General Act), Business & Professions Code §§ 17200 *et seq.*, and California Code of Regulations Title 8, § 11000 *et seq.*, Industrial Welfare Commission Wage Order 5, and the Industrial Welfare Commission’s Minimum Wage Order against Defendant, their former and present officers, directors, employees, attorneys, insurers, predecessors, successors, corporate parents, related entities, and subsidiaries, (collectively referred to herein as “Released Parties”) during the Class Period.

24. “Request for Exclusion” means a timely letter submitted by a Class Member indicating a request to be excluded from the Settlement. The Request for Exclusion must: (i) set forth the name, address, telephone number and last four digits of the Social Security Number of the Class Member requesting exclusion; (ii) be signed by the Class Member; (iii) be returned to the Settlement Administrator; (iv) clearly state that the Class Member does not wish to be included in the Settlement; and (v) be faxed or postmarked on or before the Response Deadline. _

25. “Response Deadline” means the deadline by which Class Members must postmark or fax to the Settlement Administrator Requests for Exclusion, or postmark Notices of Objection to the Settlement Administrator. The Response Deadline will be forty-five (45) calendar days from the initial mailing of the Notice Packet by the Settlement Administrator, unless the forty-fifth (45th) calendar day

falls on a Sunday or State holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.

26. “Settlement Administration Costs” means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Gross Settlement Amount, maintaining a website for the settlement which will provide Class Members of notice of the date and time of the Final Approval Hearing (including any changes to it) and which will post the final approval order and judgment following the Final Approval Hearing, and providing necessary reports and declarations, as requested by the Parties. The Settlement Administration Costs will be paid from the Gross Settlement Amount, including, if necessary, any such costs in excess of the amount represented by the Settlement Administrator as being the maximum costs necessary to administer the Settlement. The Settlement Administration Costs are currently estimated to be Twenty-Thousand dollars (\$20,000).

27. “Settlement Administrator” means CPT Group, or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for the purposes of administering this Settlement. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

28. “Workweek(s)” refers to Defendant’s workweek used for payroll purposes, in which a Class Member or PAGA Member worked at least one day. All Class Members will be credited with at least one Workweek.

TERMS OF AGREEMENT

The Plaintiff, on behalf of himself and the Settlement Class, and Defendant agree as follows:

29. Funding of the Gross Settlement Amount. Defendant will make a one-time deposit of the Gross Settlement Amount of One Million Eight Hundred Thousand Dollars (\$1,800,000) into a Qualified Settlement Account to be established by the Settlement Administrator. Defendant will pay the employer’s share of payroll taxes separately. After the Effective Date, the Gross Settlement Amount will be used for: (i) Individual Settlement Payments; (ii) the Labor and Workforce Development Agency Payment; (iii) the Class Representative Enhancement Payments; (iv) Attorneys’ Fees and Costs; and (v) Settlement

Administration Costs. Defendant will deposit the Gross Settlement Amount and the employer's share of payroll taxes within fourteen (14) calendar days of the Effective Date.

30. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application or motion by Class Counsel for Attorneys' Fees of up to thirty-three and one-third percent (33 1/3%) of the Gross Settlement Amount (\$600,000) and reasonable costs of up to Twenty-Thousand Dollars (\$20,000), both of which will be paid from the Gross Settlement Amount. Any amount of the Incentive Payment not approved by the Court shall become part of the Net Settlement Amount.

31. Class Representative Enhancement Payment. In exchange for a general release, and in recognition of his effort and work in prosecuting the Action on behalf of Class Members, Defendant agrees not to oppose or impede any application or motion for Class Representative Enhancement Payments of Ten-Thousand Dollars (\$10,000) to Plaintiff. The Class Representative Enhancement Payment will be paid from the Gross Settlement Amount and will be in addition to Plaintiff's Individual Settlement Payment paid pursuant to the Settlement. Plaintiff will be solely and legally responsible to pay any and all applicable taxes on the Class Representative Enhancement Payments.

32. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross Settlement Amount, which are currently estimated to be Twenty-Thousand dollars (\$20,000). These costs, which will be paid from the Gross Settlement Amount, will include, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing Notice Packets, calculating and distributing the Gross Settlement Amount, and providing necessary reports and declarations.

33. Labor and Workforce Development Agency Payment. Subject to Court approval, the Parties agree that the amount of Two Hundred Forty Thousand Dollars (\$180,000) from the Gross Settlement Amount will be designated for satisfaction of Plaintiff's and Class Members' PAGA claims. Pursuant to PAGA, Seventy-Five Percent (75%), or One Hundred Eighty Thousand Dollars (\$135,000), of this sum will be paid to the LWDA and Twenty-Five Percent (25%), or Sixty Thousand Dollars (\$45,000), will become part of the Net Settlement Amount.

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1 34. Net Settlement Amount. The entire Net Settlement Amount will be distributed to
2 Participating Class Members. No portion of the Net Settlement Amount will revert to or be retained by
3 Defendant.

4 35. Individual Settlement Payment Calculations. Individual Settlement Payments will be
5 designated as 20% wages and 80% non-wages. The Individual Settlement Payments will be calculated
6 and apportioned from the Net Settlement Amount based on the number of Workweeks a Class Member
7 worked during the Class Period. Specific calculations of Individual Settlement Payments will be made as
8 follows:

9 35(a) Defendant or the Settlement Administrator will calculate the total number of
10 Workweeks worked by each Class Member during the Class Period and the
11 aggregate total number of Workweeks worked by all Class Members during
12 the Class Period.

13 35(b) To determine each Class Member's estimated "Individual Settlement
14 Payment," the Settlement Administrator will use the following formula: The
15 Net Settlement Amount will be calculated by dividing each participating
16 Class Member's individual Workweeks by the total Workweeks of all
17 Participating Class Members and multiplying the resulting fraction by the Net
18 Settlement Amount.

19 35(c) The Individual Settlement Payment will be reduced by any required
20 deductions for each Participating Class Member as specifically set forth
21 herein, including employee-side tax withholdings or deductions.

22 35(d) The entire Net Settlement Amount will be disbursed to all Class Members
23 who do not submit timely and valid Requests for Exclusion. If there are any
24 valid and timely Requests for Exclusion, the Settlement Administrator shall
25 proportionately increase the Individual Settlement Payment for each
26 Participating Class Member according to the number of Workweeks worked,
27 so that the amount actually distributed to the Settlement Class equals 100%
28 of the Net Settlement Amount.

1 36. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
2 Participating Class Members under this Settlement, as well as any other payments made pursuant to this
3 Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any
4 Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k)
5 plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather,
6 it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or
7 amounts to which any Class Members may be entitled under any benefit plans.

8 37. Administration Process. The Parties agree to cooperate in the administration of the
9 settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in
10 administration of the Settlement.

11 38. Delivery of the Class List. Within fourteen (14) calendar days after the date on which the
12 Court enters and order granting Preliminary Approval, Defendant will provide the Class List to the
13 Settlement Administrator.

14 39. Notice by First-Class U.S. Mail. Within seven (7) calendar days after receiving the Class
15 List from Defendant, the Settlement Administrator will mail a Notice Packet to all Class Members via
16 regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

17 40. Confirmation of Contact Information in the Class Lists. Prior to mailing, the Settlement
18 Administrator will perform a search based on the National Change of Address Database for information
19 to update and correct for any known or identifiable address changes. Any Notice Packets returned to the
20 Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via
21 regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator
22 will indicate the date of such re-mailing on the Notice Packet. If no forwarding address is provided, the
23 Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or
24 other search using the name, address and/or Social Security number of the Class Member involved, and
25 will then perform a single re-mailing. Those Class Members who receive a re-mailed Notice Packet,
26 whether by skip-trace or by request, will have either (i) an additional fifteen (15) calendar days or (ii) until
27 the Response Deadline, whichever is later, to submit a Request for Exclusion or an objection to the
28 Settlement.

1 41. Notice Packets. All Class Members will be mailed a Notice Packet. Each Notice Packet
2 will provide: (i) information regarding the nature of the Action; (ii) a summary of the Settlement's
3 principal terms; (iii) the Settlement Class definition; (iv) the total number of Workweeks each respective
4 Class Member worked for Defendant during the Class Period; (v) each Class Member's estimated
5 Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (vi) the
6 dates which comprise the Class Period; (vii) instructions on how to submit Requests for Exclusion or
7 Notices of Objection; (viii) the deadlines by which the Class Member must postmark or fax Request for
8 Exclusions, or postmark Notices of Objection to the Settlement; and (ix) the claims to be released.

9 42. Disputed Information on Notice Packets. Class Members will have an opportunity to
10 dispute the information provided in their Notice Packets. To the extent Class Members dispute their
11 employment dates or the number of Workweeks on record, Class Members may produce evidence to the
12 Settlement Administrator showing that such information is inaccurate. The Settlement Administrator will
13 decide the dispute. Defendant's records will be presumed correct, but the Settlement Administrator will
14 evaluate the evidence submitted by the Class Member and will make the final decision as to the merits of
15 the dispute. All disputes will be decided within ten (10) business days of the Response Deadline.

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

24 44. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
25 Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement
26 Administrator within the Response Deadline. In the case of Requests for Exclusion that are mailed to the
27 Settlement Administrator, the postmark date will be the exclusive means to determine whether a Request
28 for Exclusion has been timely submitted. Class Members who submit timely requests to opt out of the

1 Settlement will not receive payment from Settlement and will not be bound by the terms of the proposed
2 Settlement or the final Judgment (with the exception of claims arising under PAGA.) Eligible PAGA
3 Members will receive their share of the employee portion of the PAGA Penalties and will be deemed to
4 have released any claims arising out of PAGA as set forth in Paragraph 23, regardless of whether they opt-
5 out from the release of their claims.

6 45. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member
7 who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid Request
8 for Exclusion will be bound by all of its terms, including those pertaining to the Released Claims, as well
9 as any Judgment that may be entered by the Court if it grants final approval to the Settlement.

10 46. Option to Void. If more than ten percent (10%) of the class opt out of the settlement,
11 Defendant shall have the option of voiding the Settlement Agreement. If Defendant voids the Settlement
12 Agreement, then Defendant will be responsible for all Settlement Administration Costs incurred up to the
13 date of voidance.

14 47. Escalator Clause. In the event that the number of workweeks as of June 5, 2022, exceeds
15 24,000 by more than 10%, the Gross Settlement Amount shall be proportionately increased, on a
16 percentage basis, to the extent that such workweeks exceed the 10% threshold. For example, if the number
17 of workweeks as of June 5, 2022, exceeds 24,000 by 11%, then the Gross Settlement Amount would be
18 increased by 1% or \$18,000. Alternatively, in the event that this clause is triggered, Defendant may at its
19 own election, shorten the release period to stay within this 10% threshold.

20 48. Releases by Participating Class Members. Upon the Effective Date, and except as to such
21 rights or claims as may be created by this Settlement Agreement, each Participating Class Member,
22 together and individually, on their behalf and on behalf of their respective spouses, heirs, executors,
23 administrators, agents, and attorneys, shall fully and forever release and discharge all of the Released
24 Parties, or any of them, from each of the Released Claims during the Class Period.

25 49. Objection Procedures. To submit a written objection to the Settlement Agreement, a Class
26 Member must postmark a valid Notice of Objection to the Settlement Administrator on or before the
27 Response Deadline. The Notice of Objection must be signed by the Class Member and contain all
28 information required by this Settlement Agreement. The postmark will be deemed the exclusive means

1 for determining that the Notice of Objection is timely. The Class Member may also appear personally or
2 through an attorney, at his or her own expense, at the Final Approval hearing. However, it is not necessary
3 for the Class Member or his or her attorney to appear at the Final Approval Hearing in order for the
4 objection to be considered by the Court. Nor is a Class Member precluded from appearing at the Final
5 Approval Hearing if he/she fails to submit an objection, and may provide an oral objection to the
6 Settlement Agreement at the Final Approval Hearing if the Class Member so chooses. Any attorney who
7 represents a Class Member objecting to this Settlement must file a notice of appearance with the Court on
8 or prior to the Response Deadline and serve Class Counsel and Defense Counsel. Plaintiff and Defendant
9 will be permitted to respond in writing to any such Objections no later than seven (7) calendar days before
10 the Final Approval hearing. At no time will any of the Parties or their counsel seek to solicit or otherwise
11 encourage Class Members to submit written objections to the Settlement Agreement or appeal from the
12 Order and Judgment. Class Counsel will not represent any Class Members with respect to any such
13 objections to this Settlement.

14 50. Certification Reports Regarding Individual Settlement Payment Calculations. The
15 Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report that
16 certifies the number of Class Members who have submitted valid Requests for Exclusion, objections to
17 the Settlement, and whether any Class Member has submitted a challenge to any information contained in
18 their Notice Packet. Additionally, the Settlement Administrator will provide to counsel for both Parties
19 any updated reports regarding the administration of the Settlement Agreement as needed or requested.

20 51. Distribution Timing of Individual Settlement Payments. Within twenty (20) calendar days
21 of the Effective Date, the Settlement Administrator will issue payments to: (i) Participating Class
22 Members; (ii) the Labor and Workforce Development Agency; (iii) Plaintiff; and (iv) Class Counsel. The
23 Settlement Administrator will also issue a payment to itself for Court-approved services performed in
24 connection with the Settlement.

25 52. Un-cashed Settlement Checks. Funds represented by Individual Settlement Payment
26 checks returned as undeliverable and Individual Settlement Payment checks remaining un-cashed for more
27 than one hundred and eighty (180) calendar days after issuance will be tendered to Unclaimed Property
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1 Division maintained by the California State Controller's Office, in the name of the Class Members who do
2 not cash their checks.

3 53. Certification of Completion. Upon completion of administration of the Settlement, the
4 Settlement Administrator will provide a written declaration under oath to certify such completion to the
5 Court and counsel for all Parties.

6 54. Treatment of Individual Settlement Payments. All Individual Settlement Payments will
7 be allocated as follows: (i) Twenty Five Percent (20%) of each Individual Settlement Payment will be
8 allocated as wages for which IRS Forms W-2 will be issued; and (ii) Seventy Five Percent (80%) will be
9 allocated as non-wages for which IRS Forms 1099-MISC will be issued.

10 55. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
11 will be responsible for issuing to Plaintiff, Participating Class Members, and Class Counsel any W-2, 1099,
12 or other tax forms as may be required by law for all amounts paid pursuant to this Settlement. The
13 Settlement Administrator will also be responsible for forwarding all payroll taxes and penalties to the
14 appropriate government authorities.

15 56. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect of
16 the payments called for hereunder, and Plaintiff and Participating Class Members are not relying on any
17 statement, representation, or calculation by Defendant or by the Settlement Administrator in this regard.

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

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

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

16 59. Nullification of Settlement Agreement. In the event that: (i) the Court does not finally
17 approve the Settlement as provided herein (except that the parties shall work in good faith to modify the
18 Settlement if so asked for by the Court in the process of seeking approval of this Settlement); or (ii) the
19 Settlement does not become final for any other reason, then this Settlement Agreement, and any documents
20 generated to bring it into effect, will be null and void. Any order or judgment entered by the Court in
21 furtherance of this Settlement Agreement will likewise be treated as void from the beginning.

22 60. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request
23 the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order
24 for: (i) conditional certification of the Settlement Class for settlement purposes only, (ii) preliminary
25 approval of the proposed Settlement Agreement, and (iii) setting a date for a final fairness hearing. The
26 Preliminary Approval Order will provide for the Notice Packet to be sent to all Class Members as specified
27 herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this Settlement
28 Agreement, which sets forth the terms of this Settlement, and will include the proposed Notice of Class

1 Action Settlement, attached as Exhibit A. Class Counsel will be responsible for drafting all documents
2 necessary to obtain preliminary approval.

3 61. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
4 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the
5 Court's permission, a final fairness hearing will be conducted to determine the Final Approval of the
6 Settlement Agreement along with the amounts properly payable for: (i) Attorneys' Fees and Costs; (ii) the
7 Class Representative Enhancement Payment; (iii) Individual Settlement Payments; (iv) the Labor and
8 Workforce Development Agency Payment; (v) all Settlement Administration Costs. The final fairness
9 hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Class Counsel
10 will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will also
11 be responsible for drafting the attorneys' fees and costs application to be heard at the final approval hearing.

12 62. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the Court
13 or after the final fairness hearing, the Parties will present the Judgment to the Court for its approval. After
14 entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the
15 interpretation and enforcement of the terms of the Settlement, (ii) Settlement administration matters, and
16 (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement
17 Agreement.

18 63. Release by Plaintiff. Upon the Effective Date, in addition to the claims being released by
19 all Participating Class Members, Plaintiff will release and forever discharge the Released Parties, to the
20 fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and not
21 asserted, which Plaintiff has or may have against the Released Parties as of the date of execution of this
22 Settlement Agreement. The general release will further include a release of any and all charges filed by
23 Plaintiff Jones against Released Parties with the Department of Fair Employment and Housing, Labor
24 Commissioner, Department of Labor, and/or the Equal Employment Opportunity Commission. To the
25 extent the foregoing release is a release to which Section 1542 of the California Civil Code or similar
26 provisions of other applicable law may apply, Plaintiff expressly waives any and all rights and benefits
27 conferred upon them by the provisions of Section 1542 of the California Civil Code or similar provisions
28 of applicable law which are as follows:

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

7 64. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the
8 terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
9 herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

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

17 66. Amendment or Modification. No amendment, change, or modification to this Settlement
18 Agreement will be valid unless in writing and signed, either by the Parties or their counsel.

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

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

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

70. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and scanned copies of the signature page, will be deemed to be one and the same instrument.

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

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

73. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only; except, however, that Plaintiff or Class Counsel may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court, and either party may appeal any court order that materially alters the Settlement Agreement's terms.

74. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to class action certification for purposes of the Settlement only. If, for any reason, the Settlement is not approved, the stipulation to certification will be void. The Parties further agree that certification for purposes of the Settlement is not an admission that class action certification is proper under the standards applied to contested certification motions and that this Settlement Agreement will not be admissible in this

1 or any other proceeding as evidence that either (i) a class action should be certified or (ii) Defendant is
2 liable to Plaintiff or any Class Member, other than according to the Settlement's terms.

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

16 76. No Public Comment: The Parties and their counsel agree that they will not issue any press
17 releases, initiate any contact with the press, respond to any press inquiry, or have any communication with
18 the press about the fact, amount or terms of the Settlement.

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

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

27 79. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
28 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed

1 more strictly against one party than another merely by virtue of the fact that it may have been prepared by
2 counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between
3 the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

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

8 81. All Terms Subject to Final Court Approval. All amounts and procedures described in this
9 Settlement Agreement herein will be subject to final Court approval. If the Court fails to approve this
10 Settlement for any reason, the Parties agree to attend mediation again in an effort to reach a settlement
11 approved by the Court.

12 82. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
13 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement
14 Agreement. Defendant will provide confirmatory discovery as reasonably requested by Plaintiff,
15 including a declaration confirming the factual and numerical information contained in Defendant's pre-
16 mediation informal discovery responses.

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

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