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(continued on next page)

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

TERESA ALVAREZ, individually, and on
behalf of all others similarly situated; and
MIRNA REYES, individually, and on behalf of
all others similarly situated,

Plaintiffs,

vs.

LIQUID GRAPHICS, INC., a California
Corporation; LYNEER STAFFING
SOLUTIONS, LLC, a limited liability company;
and DOES 1 through 50, inclusive,

Defendants.

Case No.: 30-2022-01251702-CU-OE-CXC

*[Assigned for all purposes to the Hon.
William Claster, Dept. CX104]*

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

Complaint filed: March 22, 2022
Preliminary Approval: Not set

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I. DEFINITIONS

B. Agreement, Settlement Agreement, or Stipulation of Settlement. The terms “Agreement,” or “Settlement Agreement,” and “Stipulation of Settlement” are used synonymously herein to mean this Joint Stipulation of Settlement of Class and Representative Action.

D. Class Notice or Notice. The terms “Class Notice” or “Notice,” as used herein, mean and refer to the Notice of Proposed Class Action Settlement, provided in English and Spanish, attached as **Exhibit “A”** to this Stipulation of Settlement.

F. Court. The term “Court” as used herein means the Superior Court of the State of California for the County of Orange.

1 **G. Defendants.** The term “Defendants” as used herein means LIQUID GRAPHICS,
2 INC. and LYNEER STAFFING SOLUTIONS, LLC.

3 **H. Eligible Workweeks.** The term “Eligible Workweeks” means the number of
4 Workweeks that a Settlement Class Member worked for Defendants in California during the Class
5 Period.

6 **I. Employer Taxes.** The term “Employer Taxes” refers to the employer-funded taxes
7 and contributions imposed on the wage portions of the Settlement Payments under the Federal
8 Insurance Contributions Act, the Federal Unemployment Tax Act, and any similar state taxes and
9 contributions required of employers, such as for unemployment insurance.

10 **J. Final Approval.** The term “Final Approval” means: (1) the date of final affirmation
11 of the Final Approval Order from any appeal, the expiration of the time for, or the denial of, a petition
12 to review the Final Approval Order, or if review is granted, the date of final affirmation of the Final
13 Approval Order following review pursuant to that grant; or (2) the date of final dismissal of any
14 appeal from the Final Approval Order or the final dismissal of any proceeding to review the Final
15 Approval Order, provided that the Final Approval Order is affirmed and/or not reversed in any part;
16 or (3) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from
17 the Court’s Final Approval Order, as determined under Rule 8.104(a)(3) of the California Rules of
18 Court.

19 **K. Gross Settlement Amount.** The term “Gross Settlement Amount” means and refers
20 to the total value of the Settlement, which is Seven Hundred Fifty Thousand Dollars and Zero Cents
21 (\$750,000.00). This is the gross amount Defendants can be required to pay under this Settlement,
22 which includes, without limitation: (1) the Net Settlement Amount to be paid to Settlement Class
23 Members; (2) an award of attorneys’ fees and costs to Class Counsel, as approved by the Court,
24 pursuant to Section XIII; (3) the Service Enhancements paid to Named Plaintiffs, as approved by the
25 Court, pursuant to Section XIV; (4) Administration Costs, as approved by the Court, pursuant to
26 Section VIII; and (5) the PAGA Payment to the LWDA and to PAGA Allegedly Aggrieved
27 Employees, as approved by the Court, pursuant to Section XVI. Defendants’ portion of payroll taxes
28 on the portion of the Settlement Amount allocated to wages as the Class Members’ current or former

1 employer is excluded from the Gross Settlement Amount and will be paid by Defendants separately.
2 No portion of the Gross Settlement Amount will revert to Defendants for any reason. This amount is
3 all-inclusive of all payments contemplated in this resolution and excluding any employer-side payroll
4 taxes on the portion of the Settlement Payments, if any are allocated to wages.

5 **L. Judgment.** The term “Judgment” means the final judgment entered by the Court
6 following the Final Fairness and Approval Hearing.

7 **M. Litigation.** The term “Litigation” as used herein means the action entitled filed in
8 Orange County Superior Court, Case No. 30-2022-01251702-CU-OE-CXC.

9 **N. LWDA.** The term “LWDA” refers to the California Labor and Workforce
10 Development Agency.

11 **O. Named Plaintiffs.** The term “Named Plaintiffs” as used herein means TERESA
12 ALVAREZ and MIRNA REYES.

13 **P. Net Settlement Amount.** The term “Net Settlement Amount” as used herein means
14 the Gross Settlement Amount minus any award of attorneys’ fees and Litigation costs, Administration
15 Costs, Service Enhancements to Named Plaintiffs, and penalties recoverable pursuant to PAGA and
16 as provided in Sections VIII, XIII, XIV, and XVI.

17 **Q. PAGA.** The term “PAGA” means and refers to the California Private Attorneys
18 General Act, Labor Code sections 2698, et seq.

19 **R. PAGA Allegedly Aggrieved Employee(s).** The term “PAGA Allegedly Aggrieved
20 Employee(s)” shall refer to all current and former non-exempt employees, whether directly employed
21 by Liquid Graphics, Inc. or assigned by Lyneer Staffing Solutions, LLC to perform work as a
22 temporary worker at Liquid Graphics, Inc., who worked at any Liquid Graphics, Inc.’s California
23 facilities during the PAGA Period. This includes approximately 1,529 putative class members, 623
24 of which are considered aggrieved employees.

25 **S. PAGA Amount.** The term “PAGA Amount” refers to the amount of the Gross
26 Settlement Amount agreed upon by the Parties to be allocated to penalties under PAGA, which is
27 Fifty Thousand Dollars and Zero Cents (\$50,000.00).

28 **T. PAGA Payment(s).** The term “PAGA Payment(s)” shall refer to payments made to

PAGA Allegedly Aggrieved Employees as part of the Settlement.

U. PAGA Period. The term “PAGA Period” refers to the period of February 15, 2021 through April 29, 2023.

V. Preliminary Approval or Preliminary Approval Order. The terms “Preliminary Approval” and “Preliminary Approval Order” refer to the order entered by the Court following the Preliminary Approval Hearing approving of the proposed Settlement.

W. Settlement. The term “Settlement” as used herein means this Agreement to resolve the Litigation.

X. Settlement Administrator. The term “Settlement Administrator” as used herein means and refers to CPT Group, which will be responsible for the administration of the Settlement, as defined below, and all related matters.

Y. Settlement Class and Settlement Class Members. For settlement purposes only, the Parties agree to the certification of a class pursuant to California Code of Civil Procedure § 382 defined as:

All current and former non-exempt hourly employees, whether directly employed by Liquid Graphics, Inc. or assigned by Lyneer Staffing Solutions, LLC to perform work as a temporary worker at Liquid Graphics, Inc., who worked at any of Liquid Graphics, Inc.’s California facilities during the Class Period.

Z. Settlement Payment(s). The term “Settlement Payment(s)” shall refer to payments made to individual members of the Settlement Class as part of the Settlement, including wages, penalties, and interest.

AA. Workweek(s). The term “Workweek(s)” is defined as any week in which a Settlement Class Member worked at least one (1) day during the calendar week.

BB. Workweek Dispute Form. The term “Workweek Dispute Form,” as used herein, means and refers to the Workweek Dispute Form attached as **Exhibit “B”** to this Stipulation of Settlement, which notifies each Settlement Class Member of the number of his or her Eligible Workweeks and estimated Settlement Payment, estimated PAGA Payment, informs Settlement Class Members of their right to challenge their number of Eligible Workweeks, and provides a mechanism for Settlement Class Members to challenge their number of Eligible Workweeks.

1 **II. BACKGROUND**

2 **A.** In the Litigation, Named Plaintiffs allege, *inter alia*, on behalf of themselves and all
3 others similarly situated, that Defendants violated California state wage and hour laws under the
4 California *Labor Code* and Industrial Welfare Commission (“IWC”) Wage Orders, California
5 *Business and Professions Code* sections 17200, et seq., and PAGA, as a result of Defendants’
6 California wage and hour policies and practices. Specifically, Named Plaintiffs allege that
7 Defendants: failed to pay employees at or above the applicable minimum wage rates; failed to pay
8 appropriate overtime and double time pay; failed to provide legally compliant meal breaks (including
9 first and second meal breaks); failed to authorize and permit legally compliant rest breaks; and failed
10 to provide one day’s rest in seven. Named Plaintiffs further allege that the aforementioned wage and
11 hour violations resulted in the employees receiving inaccurate wage statements and the underpayment
12 of wages to employees upon termination and/or resignation.

13 Class Counsel conducted informal discovery concerning the claims set forth in the Litigation,
14 such as a sample of Settlement Class Members’ timekeeping and payroll records, Defendants’
15 policies and procedures concerning the payment of wages, the provision of meal and rest breaks,
16 issuance of wage statements, and paying all wages at separation, as well as information regarding the
17 number of putative Settlement Class Members and the mix of current versus former employees, the
18 wage rates in effect, and the amount of meal and rest period premium wages paid to Settlement Class
19 Members.

20 **B.** Named Plaintiff and Class Counsel have engaged in good faith, arms-length
21 negotiations with Defendants and their respective counsel concerning possible settlement of the
22 claims asserted in the Litigation. The Parties participated in two days of mediation before Kelly
23 Knight, Esq., a well-respected wage and hour class action mediator, that resulted in a tentative
24 settlement of the Litigation, subject to the approval of the Court, and finalization of a formal
25 Stipulation of Settlement. The Parties have engaged in extensive negotiations about the terms and
26 conditions of the Settlement at the mediation and subsequent thereto. The Parties have now
27 formalized the Settlement Agreement for submission to the Court for Preliminary and Final
28 Approval.

1 C. Class Counsel has conducted an investigation of the law and facts relating to the
2 claims asserted in the Litigation and has concluded, taking into account the sharply contested issues
3 involved, the defenses asserted by Defendants, the expense and time necessary to pursue the
4 Litigation through trial and any appeals, the risks and costs of further prosecution of the Litigation,
5 the risk of an adverse outcome, the uncertainties of complex litigation, and the substantial benefits to
6 be received by Named Plaintiffs and the members of the Settlement Class pursuant to this Agreement,
7 that a settlement with Defendants on the terms and conditions set forth herein is fair, reasonable,
8 adequate, and in the best interests of the Settlement Class. Named Plaintiffs, on their own behalf and
9 on behalf of the Settlement Class, have agreed to settle the Litigation with Defendants on the terms
10 set forth herein.

11 D. Defendants have concluded that, because of the substantial expense of defending
12 against the Litigation, the length of time necessary to resolve the issues presented herein, the
13 inconvenience involved, and the concomitant disruption to their business operations, it is in
14 Defendants' best interests to accept the terms of this Agreement. Defendants deny each of the
15 allegations and claims asserted against them in the Litigation. However, Defendants nevertheless
16 desire to settle the Litigation for the purpose of avoiding the burden, expense, and uncertainty of
17 continuing litigation and for the purpose of putting to rest the controversies engendered by the
18 Litigation.

19 E. This Agreement is intended to and does effectuate the full, final, and complete
20 settlement of all allegations and claims that were asserted, or could have been asserted, in the
21 Litigation by Named Plaintiffs and members of the Settlement Class as set forth in Section II(A).

22 **III. JURISDICTION**

23 The Court has jurisdiction over the Parties and the subject matter of this Litigation. The
24 Litigation includes claims that, while Defendant denies them in their entirety, would, if proven,
25 authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted
26 Final Approval of the Settlement and after the Court has ordered the entry of Judgment pursuant to
27 California *Code of Civil Procedure* Section 664.6, the Court shall retain jurisdiction of this action
28 solely for the purpose of interpreting, implementing, and enforcing this Settlement consistent with

the terms set forth herein.

IV. STIPULATIONS TO FILING OF AMENDED COMPLAINT AND CLASS CERTIFICATION

For purposes of this Settlement only, Defendants stipulate to Named Plaintiffs' filing of a First Amended Class Action and Representative Action Complaint to include a ninth cause of action for penalties under PAGA, to effectuate a full and complete settlement of the Litigation.

The Parties further stipulate to the certification of this Settlement Class for purposes of this Settlement only. This stipulation is contingent upon the Preliminary and Final Approval and certification of the Settlement Class only for purposes of the Settlement. Should the Settlement not become final, for whatever reason, the fact that the Parties were willing to stipulate provisionally to class certification as part of the Settlement shall have no bearing on, and shall not be admissible in connection with, the issue of whether a class should be certified in a non-settlement context in the Litigation. Defendants expressly reserve the right to oppose class certification and/or proactively move to deny certification should this Settlement be modified or reversed on appeal or otherwise not become final.

V. MOTION FOR PRELIMINARY APPROVAL

Named Plaintiffs will bring a motion before the Court for an order preliminarily approving the Settlement including the Notice of Proposed Class Action Settlement, and Workweek Dispute Form, which are attached hereto as **Exhibits "A" and "B,"** respectively, and including certification of the Settlement Class for settlement purposes only.

Class Counsel will prepare the Motion for Preliminary Approval and will provide Defendants' counsel the opportunity to review it and provide input before it is filed. On the same date on which it is filed with the Court, Class Counsel shall concurrently submit the Motion for Preliminary Approval to the LWDA in compliance with the provisions of PAGA.

VI. STATEMENT OF NO ADMISSION

A. Defendants denies liability to Named Plaintiffs and to the Settlement Class upon any claim or cause of action. This Agreement does not constitute, and is not intended to constitute, an admission by Defendants as to the merits, validity, or accuracy of any of the allegations or claims

made against them in the Litigation.

B. Nothing in this Agreement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of the negotiations leading to this Agreement or the Settlement, is intended by the Parties to constitute, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in this case or any other judicial, arbitral, administrative, investigative or other forum or proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. The Parties themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in this case or any other judicial, arbitral, administrative, investigative, or other forum or proceeding, as purported evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity, or for any other purpose. Notwithstanding the foregoing, this Agreement may be used and filed in any proceeding before the Court that has as its purpose the interpretation, implementation, or enforcement of this Agreement or any orders or judgments of the Court entered in connection with implementation of the Settlement.

C. None of the documents produced or created by Named Plaintiffs or the Settlement Class in connection with the claims procedures or claims settlement procedures constitute, and they are not intended to constitute, an admission by Defendants of any violation of any federal, state, or local law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or in equity.

D. The Parties agree that class certification pursuant to California *Code of Civil Procedure* Section 382 under the terms of this Agreement is for settlement purposes only. Nothing in this Agreement will be construed as an admission or acknowledgement of any kind that any class should be certified or given collective treatment in the Litigation or in any other action or proceeding. Further, neither this Agreement nor the Court's actions with regard to this Agreement will be admissible in any court or other tribunal regarding the propriety of class certification or collective treatment. In the event that this Agreement is not approved by the Court or any appellate court, is terminated, or otherwise fails to be enforceable, Named Plaintiffs will not be deemed to have waived,

1 limited, or affected in any way any claims, rights, or remedies in the Litigation, and Defendants will
2 not be deemed to have waived, limited, or affected in any way any of their objections or defenses in
3 the Litigation.

4 **VII. WAIVER, RELEASE AND CONFIDENTIALITY**

5 **A. Release as to All Settlement Class Members.**

6 Upon the date of the Court's Final Approval Order and after all Settlement Payments are
7 made pursuant to this Agreement, Named Plaintiffs and all members of the Settlement Class, except
8 those that make a valid and timely request to be excluded from the Settlement Class and Settlement,
9 waive, release, discharge, and promise never to assert in any forum any and all wage-related claims
10 that were alleged in the Litigation or which could have been alleged in the Litigation based on the
11 facts asserted in the Litigation arising during the Class Period against Defendants and their divisions,
12 affiliates, predecessors, successors, shareholders, officers, directors, employees, agents, trustees,
13 representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents,
14 subsidiaries, joint employers, insurers, and related corporations, including the following claims: 1)
15 all claims, under any legal theory of liability, for the failure to pay all wages of any kind, including
16 any minimum wage or straight time wages owed, pursuant to California Labor Code sections 204,
17 510, 1194, 1194.2, and 1198, the IWC Wage Orders, or any comparable federal statute under any
18 theory of liability; 2) all claims, under any legal theory of liability, for the failure to pay overtime or
19 double time wages owed pursuant to California Labor Code sections 204, 510, 1194, and 1198, the
20 IWC Wage Orders, or any comparable federal statute under any theory of liability; 3) all claims,
21 under any legal theory of liability, for failure to provide meal periods pursuant to California Labor
22 Code sections 226.7 and 512 and the IWC Wage Orders; 4) all claims, under any legal theory of
23 liability, for the failure to provide rest periods pursuant to California Labor Code section 226.7 and
24 the IWC Wage Orders; 5) all claims, under any legal theory of liability, for the failure to properly
25 calculate and pay any premiums owed and/or paid pursuant to California Labor Code section
26 226.7(b); 6) all claims, under any legal theory of liability, for any penalties of any kind arising from
27 an alleged failure to pay final wages or other amounts allegedly owed to Settlement Class Members
28 pursuant to California Labor Code sections 201-203; 7) all claims, under any legal theory of liability,

1 for any penalties of any kind arising from any alleged wage statement violations pursuant to
2 California Labor Code sections 226 and 1174.5; 8) all claims, under any legal theory of liability, for
3 failing to provide one day's rest in seven pursuant to California Labor Code sections 551, 552, and
4 558; 9) all claims, under any legal theory of liability, for violation of California Business and
5 Professions Code sections 17200, et seq.; 10) all claims, under any legal theory of liability, for
6 penalties pursuant to PAGA (California Labor Code sections 2698, et seq.); and 11) all claims, under
7 any legal theory of liability, for any penalties or any other amounts that could be potentially owed
8 to Settlement Class Members arising out of and/or related to the allegations in the Litigation arising
9 during the Class Period, including penalties owed pursuant to California Labor Code sections 210,
10 226.3, 558, and 1197.1.

11 **B. Effect of PAGA Settlement.**

12 As of the date of Final Approval, this Settlement forever bars Named Plaintiffs, the LWDA,
13 and any other representative, proxy, or agent thereof, including, but not limited to, any and all PAGA
14 Allegedly Aggrieved Employees who worked during the PAGA Period, from pursuing any action
15 under PAGA against Defendants and any of their releasees based on or arising out of alleged
16 violations of the California Labor Code sections alleged to have occurred in the operative Complaint
17 or the LWDA letter.

18 **C. General Release by Named Plaintiffs Only.**

19 In addition to the release made in Section VII (A), Named Plaintiffs make the additional
20 following general release of all claims, known or unknown. Named Plaintiffs release Defendants,
21 and each of its respective subsidiaries, affiliates, predecessors or successors in interest, officers,
22 directors, shareholders, employees, attorneys, agents, assigns, insurers, and re-insurers of any of
23 them, from all claims, demands, rights, liabilities and causes of action of every nature and description
24 whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract,
25 or for violation of any state or federal statute, rule or regulation arising out of, relating to, or in
26 connection with Named Plaintiffs' employment with Defendants as well as any and all acts or
27 omissions by or on the part of Defendants. (The release set forth in this Paragraph B shall be referred
28 to hereinafter as the "General Release.")

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2 With respect to the General Release, Named Plaintiffs stipulate and agree that, upon the
3 Court's Final Approval of the Settlement, Named Plaintiffs shall be deemed to have expressly waived
4 and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits of Section
5 1542 of the California Civil Code, or any other similar provision under federal or state law, which
6 provides:

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

14 Accordingly, if the facts relating in any manner to this Settlement are found hereafter to be other than
15 or different from the facts now believed to be true, the release of claims contained herein shall be
16 effective as to all unknown claims.

17 **D. Confidentiality.**

18 Neither Named Plaintiffs nor Class Counsel will make any public disclosure regarding the
19 terms of this Settlement Agreement until after the Motion for Preliminary Approval has been filed.
20 Class Counsel will take all steps necessary to ensure Named Plaintiffs are aware of, and will
21 encourage them to adhere to, the restriction against any public disclosure of the terms of this
22 Agreement until after the Motion for Preliminary Approval has been filed. Following Preliminary
23 Approval of this Settlement, neither Named Plaintiffs nor Class Counsel will have any
24 communications with any media, other than to direct any media inquiries to the public records of the
25 Litigation on file with the Court.

26 **VIII. SETTLEMENT ADMINISTRATOR**

27 Named Plaintiffs and Defendants, through their respective counsel, have selected CPT Group
28 as the Settlement Administrator to administer the Settlement, which includes, but is not limited to,
distributing and responding to inquiries about the Notice of Proposed Class Action Settlement and
Workweek Dispute Form, determining the validity of any disputes and opt-outs, and calculating all

amounts to be paid from the Net Settlement Amount. Settlement Administration Costs, estimated to be no more Fifteen Thousand Five Hundred Dollars and Zero Cents (\$15,500.00), will be paid from the Gross Settlement Amount. Any charges and expenses of the Settlement Administrator greater than the allocated \$15,500.00 will come from the Gross Settlement Amount. If the actual Administration Costs are less than the Parties' estimation, the difference between the actual and estimated Administration Costs will revert to the participating Settlement Class Members. The Parties agree that this Agreement may be provided to the Settlement Administrator to effectuate its implementation of the settlement procedures herein.

IX. CLASS NOTICE, OBJECTIONS AND EXCLUSION RIGHTS

A. Class Notice.

Named Plaintiffs and Defendants, through their respective attorneys, have jointly prepared a Class Notice and a Workweek Dispute Form, which in substance will be provided to the members of the Settlement Class, in English and Spanish, as follows:

As soon as practicable following Preliminary Approval of the Settlement, but no later than fourteen (14) days after the Court's Preliminary Approval Order, Defendants will provide to the Settlement Administrator the following information about each Settlement Class Member ("Class List"): (1) name; (2) last known home address; (3) number of Eligible Workweeks during the Class Period and PAGA Period. Defendants further agree to consult with the Settlement Administrator prior to the production date to ensure that the format will be acceptable to the Settlement Administrator. Class Counsel shall also receive a redacted Class List that shall only disclose an identification number attributed to each Settlement Class Member and the number of Eligible Workweeks for each Settlement Class Member.

The Settlement Administrator shall run all the addresses provided through the United States Postal Service National Change of Address database (which provides updated addresses for any individual who has moved in the previous four years who has notified the U.S. Postal Service of a forwarding address) to obtain current address information, and shall mail the Notice and Workweek Dispute Form to the members of the Settlement Class via first-class regular U.S. Mail using the most current mailing address information available, within ten (10) calendar days of the receipt of the Class

1 List from Defendants. The Notice shall provide the members of the Settlement Class sixty (60) days'
2 notice of all applicable dates and deadlines.

3 The Notice will also include information regarding the nature of the Litigation; a summary of
4 the terms of the Settlement; the definition of the Settlement Class; a statement that the Court has
5 preliminarily approved the Settlement; the nature and scope of the claims being released; the
6 procedure and time period for objecting to the Settlement; the date and location of the Final Approval
7 Hearing; information regarding the opt-out procedure; Defendants' calculation of the number of
8 Eligible Workweeks that each Settlement Class Member has worked during the Class Period and
9 PAGA Period, and the estimated potential recovery for the proposed Settlement Class Member and
10 PAGA Allegedly Aggrieved Employee. The Notice shall enclose the Workweek Dispute Form for
11 Settlement Class Members.

12 For each Settlement Class Member, the Workweek Dispute Form will identify the number of
13 Eligible Workweeks that s/he was employed and inform the employee of his or her right to dispute
14 this number by completing and returning the form within sixty (60) days of the postmark date of the
15 Workweek Dispute Form. A Settlement Class Member's receipt of his or her Settlement Payment is
16 not conditional on the submission of the Workweek Dispute Form. Absent the receipt of a signed
17 Workweek Dispute Form, the number of Workweeks identified in the Workweek Dispute Form shall
18 be deemed accurate. The settlement of any disputes concerning the number of Eligible Workweeks
19 is discussed in Section X, below.

20 If a Notice is returned from the initial notice mailing, the Settlement Administrator will
21 perform a skip trace in an attempt to locate a more current address. If the Settlement Administrator
22 is successful in locating a new address, it will re-mail the Notice to the Settlement Class member.
23 Further, any Notices returned with a forwarding address to the Settlement Administrator, as non-
24 deliverable before the deadline date, shall be sent to the forwarding address affixed thereto.

25 Should any member of the Settlement Class timely submit a Workweek Dispute Form with a
26 deficiency, the Settlement Administrator shall, within five (5) calendar days of receipt by the
27 Settlement Administrator of each timely submitted Workweek Dispute Form, send a deficiency
28 notice. The deficiency notice will provide the member of the Settlement Class no more than fourteen

(14) days from the mailing of the deficiency notice to postmark a written response to cure all deficiencies. The failure of a member of Settlement Class to timely submit a Workweek Dispute or timely respond to a notice of deficiency shall invalidate the dispute unless all Parties' counsel agree to allow the dispute.

No later than twenty-one (21) days before the Final Approval Hearing, the Settlement Administrator shall provide counsel for Defendant and Class Counsel with a declaration attesting to the completion of the Notice process, including the number of attempts to obtain valid mailing addresses for and re-sending of any returned Notices, as well as the number of valid Workweek Dispute Forms, opt-outs and deficiencies that the Settlement Administrator received.

B. Objections.

In order for any Settlement Class Member to object to the non-PAGA portion of the Settlement, or any term of it, the person making the objection must not submit a request for exclusion (i.e., must not opt out). To object to the Settlement in writing, a Class Member must send the objection to the Settlement Administrator within sixty (60) days after the Notice of Proposed Class Action Settlement was initially mailed to the Settlement Class Members. A Settlement Class Member making an objection may appear at the Final Approval Hearing with or without submitting any written objection. The Settlement Class Member may appear personally or through an attorney, at his or her own expense, at the Final Approval Hearing to present his or her objection directly to the Court. If a Settlement Class Member objects to the Settlement, the Settlement Class Member will remain a member of the Settlement Class and if the Court approves this Agreement, the Settlement Class Member will be bound by the terms of the Settlement and Final Approval Order in the same way and to the same extent as a Settlement Class Member who does not object. The date of mailing of the Notice to the objecting Settlement Class Member shall be conclusively determined according to the records of the Settlement Administrator. The Court retains final authority with respect to the consideration and admissibility of any Settlement Class Member objections. Any Settlement Class Member who submits an objection may also participate in the settlement.

Named Plaintiffs hereby endorse the Settlement as fair, reasonable, and adequate and in the best interests of the Settlement Class.

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2 **C. Opportunity to be Excluded and Defendant's Opt-Out Threshold.**

3 In order for any Settlement Class Member to validly exclude himself or herself from the
4 Settlement Class (i.e., to validly opt out), a written request for exclusion ("Opt-Out Form") must be
5 signed by the Settlement Class Member or his or her authorized representative and must be sent to
6 the Settlement Administrator, postmarked by no later than sixty (60) days after the date the Settlement
7 Administrator initially mails the Notice to the Settlement Class Members. The Notice shall contain
8 instructions on how to opt out.

9 The date of the initial mailing of the Notice, and the date the signed Opt-Out Form was
10 postmarked, shall be conclusively determined according to the records of the Settlement
11 Administrator. Any Settlement Class Member who timely and validly submits an Opt-Out Form will
12 not be entitled to any portion of the Net Settlement Amount, will not be bound by the terms and
13 conditions of the Settlement, and will not have any right to object, appeal, or comment thereon.

14 Any member of the Settlement Class who does not timely file and mail an Opt-Out Form will
15 be deemed included in the Settlement Class in accordance with this Agreement. There is no ability
16 for a PAGA Allegedly Aggrieved Employee to opt out of the PAGA Settlement.

17 In the event that ten percent (10%) or more of the Class Members exercise their right to
18 exclude themselves and opt out of the Settlement, Defendants retain the exclusive right, but not the
19 obligation, to withdraw from and terminate the Settlement and the Settlement Agreement and return
20 all Parties back to their same position before the Settlement was reached and the Settlement
21 Agreement was entered into. In the event that Defendants exercise such rights under this paragraph,
22 Named Plaintiffs and Defendants shall resume the Litigation through and until there is a final
23 settlement of the Litigation. Defendants must notify Class Counsel and the Court of such a decision
24 to withdraw and terminate the Settlement no later than five (5) days prior to the date of the Final
25 Approval Hearing. In the event of Defendants' withdrawal, no party may use the fact that the Parties
26 agreed to the Settlement for any reason, and Defendants shall pay all administration expenses
27 incurred through the date of their termination of the Settlement.

28 ///

1 ///

2 **D. Cooperation**

3 The Parties and their respective counsel agree not to encourage members of the Settlement
4 Class to refrain from participating in the Settlement, to opt out of the Settlement, or to object to the
5 Settlement, directly or indirectly, through any means. However, if a Settlement Class Member
6 contacts Class Counsel, Class Counsel may discuss the terms of the Settlement and the Settlement
7 Class Member's options.

8 **X. DISPUTE PROCEDURE**

9 Named Plaintiffs and Defendants have agreed upon the following payment formula to resolve
10 all disputes submitted by Settlement Class Members:

11 The Settlement Administrator will calculate the total number of Workweeks for all Settlement
12 Class Members who were employed by Defendants during the Class Period and/or PAGA Period
13 ("Total Workweeks"). The value of each Workweek shall be determined by the Settlement
14 Administrator by dividing the Net Settlement Amount by the total number of Workweeks available to
15 the Settlement Class Members who do not opt out in accordance with Section IX(C) above during the
16 Class Period and/or PAGA Period ("Workweek Point Value").

17 An individual Settlement Payment for each Settlement Class Member will then be determined
18 by multiplying a Settlement Class Member's Eligible Workweeks in the Class Period by the
19 Workweek Point Value. The Settlement Payment will be reduced by any required legal deductions
20 for each participating Settlement Class Member.

21 The individual PAGA Payment for each Allegedly Aggrieved Employee will be determined
22 by dividing the PAGA Allegedly Aggrieved Employee's number of Eligible Workweeks within the
23 PAGA Period by the total number of Eligible Workweeks worked by all PAGA Allegedly Aggrieved
24 Employees during the PAGA Period and multiplying that amount by the portion of the PAGA
25 Amount not going to the LWDA (i.e., \$12,500.00).

26 If a member of the Settlement Class does not dispute the number of Eligible Workweeks set
27 forth in the Workweek Dispute Form, such person need not take further action to participate in the
28 Settlement. If a member of the Settlement Class disputes the number of Eligible Workweeks set forth

in the Workweek Dispute Form, such person must follow the directions in the Workweek Dispute Form and in the Notice, including preparing a statement setting forth the number of Eligible Workweeks that such person believes in good faith is correct, and stating that the member of the Settlement Class authorizes the Settlement Administrator to review the Settlement Class Member's personnel file and leave management records to determine such information, and attaching any relevant documentation in support thereof. The Settlement Class Member must mail the signed and completed statement no later than sixty (60) days after the date of the mailing of the Workweek Dispute Form, or the number of Eligible Workweeks set forth in the Notice and Workweek Dispute Form will govern the Settlement Payment to the Settlement Class Member.

Upon timely receipt of any such dispute, the Settlement Administrator, in consultation with Class Counsel and counsel for Defendants, will review the pertinent payroll records showing the dates the Settlement Class Member was employed and the pertinent leave(s) taken, which records Defendants agree to make available to the Settlement Administrator and Class Counsel.

After consulting with Class Counsel and counsel for Defendants, the Settlement Administrator shall compute the number of Eligible Workweeks to be used in computing the Settlement Class Member's pro rata share of the Net Settlement Amount. In the event there is a disparity between the dates a Settlement Class Member claims he or she worked during the Class Period or PAGA Period and the dates indicated by Defendants' records, Defendants' records will control unless inconsistent with paycheck stub(s) (or bona fide copies thereof) provided by the Settlement Class Member, in which case the paycheck stub(s) will control. The Settlement Administrator's decision as to the total number of Eligible Workweeks shall be final and non-appealable. The Settlement Administrator shall send written notice of the decision on any such claim to the Settlement Class Member, Class Counsel, and counsel for Defendants within ten (10) calendar days of receipt of the dispute.

XI. COMPUTATION AND DISTRIBUTION OF PAYMENTS

A. Distribution Formula.

Members of the Settlement Class who do not opt out of the Settlement will receive a lump sum payment as good and valuable consideration for the waiver and release of claims set forth in

Section VII(A) above, in an amount determined by the Settlement Administrator in accordance with the provisions of this Agreement.

The lump sum payment to each member of the Settlement Class not excluding him/herself will be determined in accordance with the procedure set forth in Section X.

B. Funding of Settlement.

Payment of the Settlement Amount shall be made to the Settlement Administrator within thirty (30) calendar days following the date on which the Court grants Final Approval of the Settlement and a determination of the Settlement Administrator of the final Gross Settlement Amount, inclusive of the Employer Taxes. At no time prior to Final Approval of the Settlement shall Defendants be required to escrow any portion of the Settlement Amount.

C. Increase in Number of Workweeks.

Defendants represented at mediation that there were approximately 37,140 workweeks during the Class Period. In the event that the actual number of workweeks exceeds the estimated number of workweeks by more than 10% (i.e., 40,854 workweeks), the Class Period released in this action shall end on the day that the 10% threshold is exceeded. For example, if the number of workweeks to be released reaches 40,854 workweeks on January 1, 2023, then the Class Period shall cut off on January 1, 2023.

D. Time for Distribution.

The Settlement Administrator shall cause the Gross Settlement Amount (inclusive of the Court-approved attorney's fees and Litigation costs, Court-approved Service Enhancements to Named Plaintiffs, and PAGA Amount) and the Employer Taxes to be mailed within twenty-one (21) calendar days following the date of funding set forth in Section XI(B).

If a check is returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace search and, if another address is identified, shall mail the check to the newly identified address. Any settlement checks remaining uncashed after one hundred and eighty (180) days shall be deemed unpaid residue pursuant to California *Code of Civil Procedure* section 384(a). In accordance with California *Code of Civil Procedure* section 384, the Parties shall follow the procedure set forth in (1)

– (5) below in regard to unpaid residue:

- (1) The full amount of unpaid residue (resulting from uncashed or returned checks) will be distributed by the Settlement Administrator to the State Controller’s Unclaimed Property Fund, thereby leaving no “unpaid residue” subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). No later than ten (10) calendar days after the expiration of the 180-day period, the Settlement Administrator shall deposit the total amounts contained in the settlement checks, and all interest that has accrued, to the State Controller’s Unclaimed Property Fund. The Settlement Administrator shall provide a declaration of deposit with the State Controller’s Unclaimed Property Fund, which will be served on Class Counsel and Defendant’s Counsel within ten (10) calendar days of payment of the residual to such beneficiary. Any costs associated with administering the remaining funds under this section (e.g., bank stop-payment charges, settlement administration costs associated with any reserve amount) or payments to the State Controller’s Unclaimed Property Fund will be deducted before the deposit into the State Controller’s Unclaimed Property Fund.
- (2) Class Counsel shall file with the Motion for Final Approval a stand-alone Stipulation to Amend Judgment and Proposed Stipulated Amended Judgment (Section 384) memorializing the Parties’ agreement to amend the judgment to adopt the Settlement Administrator’s determination of amount of unpaid residue, plus interest at the legal rate of 10% from the date of entry of the initial judgment, to be paid to the State Controller’s Unclaimed Property Fund;
- (3) Class Counsel shall attach to the Stipulation to Amend Judgment a [Proposed] Stipulated Amended Judgment form with a signature line for the Court and blanks for the amount of residue plus interest to be added to the judgment and the total amount of the amended judgment;
- (4) Along with the Final Report, the Settlement Administrator shall file with the Court a photocopy of the Parties’ Stipulation to Amend Judgment along with a [Proposed] Stipulated Amended Judgment form with the amount of residue plus interest to be added

to the judgment and the total amount of the judgment, plus interest, filled in; and
(5) The Court signs and enters the Stipulated Amended Judgment.

XII. NO CONTRIBUTIONS TO EMPLOYEE BENEFIT PLAN

The amounts paid under this Agreement do not represent a modification of any previously credited hours of service under any employee benefit plan, policy, or bonus program sponsored by Defendants. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under, benefit plans (self-insured or not) sponsored by Defendants, policies or bonus programs. Any payments made under the terms of this Settlement shall not be applied retroactively, currently or on a going forward basis as salary, earnings, wages, or any other form of compensation for the purposes of Defendants' benefit plan, policy or bonus program. Defendants retain the right to modify the language of their benefit plans, policies, and bonus programs to effect this intent and to make clear that any amounts paid pursuant to this Settlement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purpose of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement.

XIII. CLASS COUNSEL ATTORNEYS' FEES AND LITIGATION COSTS

Defendants shall not oppose an application by Class Counsel for, and Class Counsel shall not seek or receive an amount in excess of Two Hundred Forty-Nine Thousand Nine Hundred SeventyFive Dollars and Zero Cents (\$249,975.00), which represents 33 and 1/3% of the Gross Settlement Amount for all past and future attorneys' fees necessary to prosecute, settle, and administer the Litigation and this Settlement. Additionally, Defendants shall not oppose an application by Class Counsel for, and Class Counsel shall not seek or receive an amount in excess of Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), which represents all past and future Litigation costs and expenses necessary to prosecute, settle, and administer the Litigation and this Settlement. Any attorneys' fees or Litigation costs awarded to Class Counsel by the Court as part of the Settlement shall be deducted from the Gross Settlement Amount for the purpose of determining the Net Settlement Amount. The "future" aspect of these amounts include, without limitation, all time and expenses expended by Class Counsel in defending the Settlement and securing Preliminary and

Final Approval (including any appeals thereof). There will be no additional charge of any kind to either the members of the Settlement Class or request for additional consideration from Defendants for such work. This amount shall include all attorneys' fees, Litigation costs, and expenses for which Named Plaintiffs and Class Counsel could claim under any legal theory whatsoever. Within twenty-one (21) calendar days following the date the Settlement is funded pursuant to Section XI(B), the Settlement Administrator shall disburse payment from the Gross Settlement Amount for the amounts of attorneys' fees and Litigation costs approved by the Court to Class Counsel. Should the Court approve a lesser percentage or amount of fees and/or Litigation costs than the amount that Class Counsel ultimately seeks, then any such unapproved portion or portions shall revert into the Net Settlement Amount to be distributed between the participating Settlement Class Members on a pro rata basis.

XIV. SERVICE ENHANCEMENT TO NAMED PLAINTIFFS

Defendants shall not oppose an application by Named Plaintiffs, and Named Plaintiffs shall not seek or receive an amount in excess of Five Thousand Dollars and Zero Cents (\$5,000.00) each, for their participation in and assistance with the Litigation (i.e., Named Plaintiffs' class representative Service Enhancements).s Any Service Enhancements awarded to Named Plaintiffs by the Court as part of the Settlement shall be deducted from the Gross Settlement Amount for the purpose of determining the Net Settlement Amount, and shall be reported on IRS Form 1099. If the Court approves a Service Enhancement of less than \$5,000.00 to Named Plaintiffs, then the unapproved portion(s) shall revert into the Net Settlement Amount to be distributed between the participating Settlement Class Members on a pro rata basis.

XV. TAXATION AND ALLOCATION

The Parties agree that all employment taxes and other legally required withholdings will be withheld from payments to the members of the Settlement Class and Named Plaintiffs based on the Parties' stipulated allocation of the Net Settlement Amount as provided for in this Section.

In Defendants' sole discretion, and to which Named Plaintiffs and Class Counsel do not object, the amount of federal income tax withholding will be based upon a flat withholding rate for supplemental wage payments in accordance with Treas. Reg. § 31.3402(g)-1(a)(2) as amended or

supplemented. Income tax withholding will also be made pursuant to applicable state and/or local withholding codes or regulations.

For withholding tax characterization purposes and payment of taxes, the Net Settlement Amount shall be deemed and is allocated by the Parties as follows: 20 % as wages; 40 % as interest; and 40% as penalties.

IRS Forms W-2 and/or Forms 1099 will be distributed by the Settlement Administrator at times and in the manner required by the Internal Revenue Code of 1986 (the “Code”) and consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax law is changed after the date of this Agreement, the processes set forth in this Section may be modified in a manner to bring Defendants into compliance with any such changes.

Finally, any and all Employer Taxes which Defendants normally would be responsible for paying based on the Settlement Payments made to the individual Settlement Class Members will be paid and borne by Defendants in proportion of their respective contribution to the Gross Settlement Amount in addition to and not as a deduction from the Gross or Net Settlement Amounts.

XVI. PAGA ALLOCATION

In order to implement the terms of this Settlement and to settle claims alleged under PAGA, the Parties agree to allocate Fifty Thousand Dollars and Zero Cents (\$50,000.00) from the Gross Settlement Amount as penalties authorized by PAGA. Seventy-five percent (75%) of this amount, or Thirty-Seven Thousand Five Hundred Dollars and Zero Cents (\$37,500.00) will be paid to the LWDA and twenty-five percent (25%) of this amount, or Twelve Thousand Five Hundred Dollars and Zero Cents (\$12,500.00) will be distributed on a pro rata basis to PAGA Allegedly Aggrieved Employees through the Settlement Administrator and at no additional cost to Defendants. Within twenty-one (21) calendar days following the date the Settlement is funded pursuant to Section XI(B), the Settlement Administrator shall disburse the LWDA’s share of the PAGA Amount to the LWDA and will provide notice to the LWDA of the fact that the Settlement has been approved by the Court along with a copy of the Settlement Agreement and the Court’s order confirming the approval of the Settlement. The Settlement Administrator will report 100% of the Individual PAGA Payments on IRS 1099 Forms.

1 **XVII. COURT APPROVAL**

2 This Agreement and the Settlement is contingent upon Final Approval by the Court and the
3 entry of Judgment. Named Plaintiffs and Defendants agree to take all steps as may be reasonably
4 necessary to secure both Preliminary Approval and Final Approval of the Settlement, to the extent
5 not inconsistent with the terms of this Agreement, and will not take any action adverse to each other
6 in obtaining Court approval, and, if necessary, appellate approval, of the Settlement in all respects.
7 Named Plaintiffs and Defendants expressly agree that they will not file any objection to the terms of
8 the Settlement or assist or encourage any person or entity to file any such objection.

9 In the event it becomes impossible to secure approval of the Settlement, the Parties shall be
10 restored to their respective positions in the Litigation, as of the date of the hearing on the Motion for
11 Preliminary Approval, except as otherwise provided in Section XVIII, below.

12 **XVIII. MISCELLANEOUS PROVISIONS**

13 **A. Stay of Litigation.**

14 Named Plaintiffs and Defendants agree to the stay of all discovery in the Litigation, pending
15 Final Approval of the Settlement by the Court.

16 **B. Interpretation of the Agreement.**

17 This Agreement constitutes the entire agreement between Named Plaintiffs and Defendants.
18 Except as expressly provided herein, this Agreement has not been executed in reliance upon any other
19 written or oral representations or terms, and no such extrinsic oral or written representations or terms
20 shall modify, vary, or contradict its terms. In entering into this Stipulation of Settlement, the Parties
21 agree that this Agreement is to be construed according to its terms and may not be varied or
22 contradicted by extrinsic evidence. The Agreement will be interpreted and enforced under the laws
23 of the State of California, both in its procedural and substantive aspects, without regard to its conflict
24 of laws provisions. Any claim arising out of or relating to the Agreement, or the subject matter hereof,
25 will be resolved solely and exclusively in the Superior Court of the State of California for the County
26 of Orange, and Named Plaintiffs and Defendants hereby consent to the personal jurisdiction of the
27 Court over them solely in connection therewith. Named Plaintiffs, on their own behalf and on behalf
28 of the Settlement Class, and Defendants participated in the negotiation and drafting of this Agreement

1 and had available to them the advice and assistance of independent counsel. As such, neither Named
2 Plaintiffs nor Defendants may claim that any ambiguity in this Agreement should be construed
3 against the other.

4 The terms and conditions of this Agreement constitute the exclusive and final understanding
5 and expression of all agreements between Named Plaintiffs and Defendants with respect to the
6 Settlement of the Litigation. The Agreement may be modified only by a writing signed by the original
7 signatories and approved by the Court.

8 **C. Further Cooperation.**

9 Named Plaintiffs and Defendants and their respective attorneys shall proceed diligently to
10 prepare and execute all documents, to seek the necessary approvals from the Court, and to do all
11 things reasonably necessary or convenient to consummate the Agreement as expeditiously as
12 possible.

13 **D. Confidentiality of Documents.**

14 After the expiration of any appeals period, Named Plaintiffs, the Settlement Administrator,
15 and Class Counsel shall maintain the confidentiality of all documents, deposition transcripts,
16 declarations, and other information and records obtained in the Litigation, unless necessary for appeal
17 or such documents are ordered to be disclosed by the Court or by a subpoena.

18 **E. Counterparts.**

19 This Agreement may be executed in one or more actual or non-original counterparts, all of
20 which will be considered one and the same instrument and all of which will be considered duplicate
21 originals.

22 **F. Authority.**

23 Each individual signing below warrants that he or she has the authority to execute this
24 Agreement on behalf of the party for whom or which that individual signs.

25 **G. No Third-Party Beneficiaries and No Prior Assignment.**

26 Named Plaintiffs, members of the Settlement Class, and Defendants are direct beneficiaries
27 of this Agreement, and each of the Parties warrants that there are no third-party beneficiaries of this
28 Settlement. However, this Agreement will be binding upon, and inure to the benefit of, the successors

1 and assigns of the Parties, as previously defined.

2 Named Plaintiffs further represent, covenant, and warrant that they have not directly or
3 indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any
4 person or entity any portion of any liability, claim, demand, action, cause of action, or rights herein
5 released and discharged.

6 **H. Modification.**

7 This Agreement may not be changed, altered, or modified, except in a writing signed by the
8 Parties, and approved by the Court. Notwithstanding the foregoing, the Parties agree that any dates
9 contained in this Agreement may be modified by agreement of the Parties in writing without Court
10 approval if the Parties agree and cause exists for such modification. This Agreement may not be
11 discharged except by performance in accordance with its terms or by a writing signed by the Parties.

12 **I. Deadlines Falling on Weekends or Holidays.**

13 To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or
14 legal holiday, that deadline shall be continued until the following business day.

15 **J. Severability.**

16 In the event that any one or more of the provisions contained in this Agreement shall for any
17 reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
18 unenforceability shall in no way effect any other provision if Defendant's Counsel and Class Counsel,
19 on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such
20 invalid, illegal, or unenforceable provision had never been included in this Agreement.

21 **K. Circular 230 Disclaimer.**

22 Each Party to this Agreement (for purposes of this section, the "Acknowledging Party" and
23 each Party to this Agreement other than the Acknowledging Party, an "Other Party") acknowledges
24 and agrees that:

- 25 (1) No provision of this Agreement, and no written communication or disclosure between or
26 among the Parties or their attorneys and other advisors, is or was intended to be, nor shall
27 any such communication or disclosure constitute or be construed or be relied upon as, tax
28 advice within the meaning of U.S. Treasury Dept. Circular 230 (31 C.F.R. Part 10, as

amended);

- (2) The Acknowledging Party (a) has relied exclusively upon his, her, or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any Other Party or any attorney or advisor to any Other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any Other Party to avoid any tax penalty that may be imposed on the Acknowledging Party; and
- (3) No attorney or advisor to any Other Party has imposed any limitation that protects the confidentiality of any such attorney's or advisor's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

L. Exhibits and Headings.

The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

APPROVED AS TO FORM AND CONTENT:

Date: _____, 2024

ON BEHALF OF PLAINTIFF:

By: _____
TERESA ALVAREZ, *Plaintiff*

Date: _____, 2024

ON BEHALF OF PLAINTIFF:

By: _____
MIRNA REYES, *Plaintiff*

Date: _____, 2024

ON BEHALF OF DEFENDANT:

Date: _____, 2024

By: _____
Name: _____
Position: _____
For LIQUID GRAPHICS, INC.

ON BEHALF OF DEFENDANT:

By: _____
Name: _____
Position: _____
For LYNEER STAFFING SOLUTIONS, LLC.

APPROVED AS TO FORM:

Date: May 7, 2024

WILSHIRE LAW FIRM

By: 
Nicol E. Hajjar
Elizabeth M. Votra
Attorneys for Plaintiff

Date: _____, 2024

STACEY COOPER LAW P.C.

By: _____
Stacey M. Cooper
Attorneys for Defendant LYNEER STAFFING SOLUTIONS, LLC

Date: _____, 2024

BUCHALTER LAW FIRM

By: _____
Joshua Mizrahi
Graham G. Lambert
Attorneys for Defendant LIQUID GRAPHICS, INC.

amended);

- (2) The Acknowledging Party (a) has relied exclusively upon his, her, or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any Other Party or any attorney or advisor to any Other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any Other Party to avoid any tax penalty that may be imposed on the Acknowledging Party; and
- (3) No attorney or advisor to any Other Party has imposed any limitation that protects the confidentiality of any such attorney's or advisor's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

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APPROVED AS TO FORM AND CONTENT:

Date: _____, 2023
5/7/2024

ON BEHALF OF PLAINTIFF:

By: 
TERESA ALVAREZ, *Plaintiff*

Date: _____, 2023

ON BEHALF OF PLAINTIFF:

By: _____
MIRNA REYES, *Plaintiff*

Date: _____, 2023

ON BEHALF OF DEFENDANT:

amended);

- (2) The Acknowledging Party (a) has relied exclusively upon his, her, or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any Other Party or any attorney or advisor to any Other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any Other Party to avoid any tax penalty that may be imposed on the Acknowledging Party; and
- (3) No attorney or advisor to any Other Party has imposed any limitation that protects the confidentiality of any such attorney's or advisor's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

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APPROVED AS TO FORM AND CONTENT:

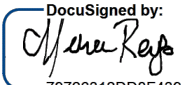
Date: _____, 2023

ON BEHALF OF PLAINTIFF:

By: _____
TERESA ALVAREZ, *Plaintiff*

Date: _____, 2023
5/7/2024

ON BEHALF OF PLAINTIFF:

By:  _____
MIRNA REYES, *Plaintiff*

Date: _____, 2023

ON BEHALF OF DEFENDANT:

Date: 05/07/24, 2024

By: _____
Name:
Position:
For LIQUID GRAPHICS, INC.

ON BEHALF OF DEFENDANT:

By:  _____
Name: James Radvany
Position: CFO
For LYNEER STAFFING SOLUTIONS, LLC.

APPROVED AS TO FORM:

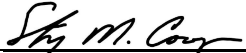
Date: _____, 2024

WILSHIRE LAW FIRM

By: _____
Nicol E. Hajjar
Elizabeth M. Votra
Attorneys for Plaintiff

Date: May 7, 2024

STACEY COOPER LAW P.C.

By:  _____
Stacey M. Cooper
Attorneys for Defendant LYNEER STAFFING SOLUTIONS, LLC

Date: _____, 2024

BUCHALTER LAW FIRM

By: _____
Joshua Mizrahi
Graham G. Lambert
Attorneys for Defendant LIQUID GRAPHICS, INC.

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Attorneys for Defendant
Lyneer Staff Solutions, LLC

(continued on next page)

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

TERESA ALVAREZ, individually, and on
behalf of all others similarly situated; and
MIRNA REYES, individually, and on behalf of
all others similarly situated,

Plaintiffs,

vs.

LIQUID GRAPHICS, INC., a California
Corporation; LYNEER STAFFING
SOLUTIONS, LLC, a limited liability company;
and DOES 1 through 50, inclusive,

Defendants.

Case No.: 30-2022-01251702-CU-OE-CXC

*[Assigned for all purposes to the Hon.
William Claster, Dept. CX104]*

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

Complaint filed: March 22, 2022
Preliminary Approval: Not set

1 Stacey M. Cooper, Esq. (SBN 226012)

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4 888 Prospect Street, Suite 200

5 La Jolla, California 92037

6 Telephone (619) 673-5022

7 *Attorneys for Defendant*

8 *Lyneer Staff Solutions, LLC*

9 Joshua Mizrahi, Esq. (SBN 227639)

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13 **BUCHALTER LAW FIRM**

14 1000 Wilshire Blvd., Suite 1500

15 Los Angeles, California 90017

16 Telephone (213) 891-0700

17 Facsimile (213) 896-0400

18 *Attorneys for Defendant*

19 *Liquid Graphics, Inc.*

JOINT STIPULATION OF SETTLEMENT

This Joint Stipulation of Settlement of Class and Representative Action (the “Stipulation of Settlement”) is made by and between Plaintiffs, TERESA ALVAREZ and MIRNA REYES (“Named Plaintiffs”), for their own behalf and on behalf of all members of the Settlement Class, as defined below, on the one hand, and Defendant LIQUID GRAPHICS, INC. and LYNEER STAFFING SOLUTIONS, LLC (“Defendants”) on the other hand (collectively the “Parties”), in the lawsuit entitled *Alvarez and Reyes, et al. v. Liquid Graphics, Inc., Lyneer Staffing Solutions, LLC, et al.*, filed in the Orange County Superior Court, Case No. 30-2022-01251702-CU-OE-CXC. This Stipulation of Settlement resolves all claims that were asserted or could have been asserted against Defendants pertaining to the claims in the Litigation.

I. DEFINITIONS

A. Administration Costs. “Administration Costs” includes and refers to all administrative costs of settlement, including the costs of notice to the Settlement Class, claims administration, and any fees and costs incurred or charged by the Settlement Administrator in connection with the execution of its duties under this Stipulation of Settlement.

B. Agreement, Settlement Agreement, or Stipulation of Settlement. The terms “Agreement,” or “Settlement Agreement,” and “Stipulation of Settlement” are used synonymously herein to mean this Joint Stipulation of Settlement of Class and Representative Action.

C. Class Counsel. The term “Class Counsel” as used herein means: WILSHIRE LAW FIRM, PLC and all the lawyers of the firm acting on behalf of Named Plaintiffs and the Settlement Class.

D. Class Notice or Notice. The terms “Class Notice” or “Notice,” as used herein, mean and refer to the Notice of Proposed Class Action Settlement, provided in English and Spanish, attached as **Exhibit “A”** to this Stipulation of Settlement.

E. Class Period. The term “Class Period” as used herein means the period from March 22, 2018 through April 29, 2023.

F. Court. The term “Court” as used herein means the Superior Court of the State of California for the County of Orange.

1 **G. Defendants.** The term “Defendants” as used herein means LIQUID GRAPHICS,
2 INC. and LYNEER STAFFING SOLUTIONS, LLC.

3 **H. Eligible Workweeks.** The term “Eligible Workweeks” means the number of
4 Workweeks that a Settlement Class Member worked for Defendants in California during the Class
5 Period.

6 **I. Employer Taxes.** The term “Employer Taxes” refers to the employer-funded taxes
7 and contributions imposed on the wage portions of the Settlement Payments under the Federal
8 Insurance Contributions Act, the Federal Unemployment Tax Act, and any similar state taxes and
9 contributions required of employers, such as for unemployment insurance.

10 **J. Final Approval.** The term “Final Approval” means: (1) the date of final affirmation
11 of the Final Approval Order from any appeal, the expiration of the time for, or the denial of, a petition
12 to review the Final Approval Order, or if review is granted, the date of final affirmation of the Final
13 Approval Order following review pursuant to that grant; or (2) the date of final dismissal of any
14 appeal from the Final Approval Order or the final dismissal of any proceeding to review the Final
15 Approval Order, provided that the Final Approval Order is affirmed and/or not reversed in any part;
16 or (3) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from
17 the Court’s Final Approval Order, as determined under Rule 8.104(a)(3) of the California Rules of
18 Court.

19 **K. Gross Settlement Amount.** The term “Gross Settlement Amount” means and refers
20 to the total value of the Settlement, which is Seven Hundred Fifty Thousand Dollars and Zero Cents
21 (\$750,000.00). This is the gross amount Defendants can be required to pay under this Settlement,
22 which includes, without limitation: (1) the Net Settlement Amount to be paid to Settlement Class
23 Members; (2) an award of attorneys’ fees and costs to Class Counsel, as approved by the Court,
24 pursuant to Section XIII; (3) the Service Enhancements paid to Named Plaintiffs, as approved by the
25 Court, pursuant to Section XIV; (4) Administration Costs, as approved by the Court, pursuant to
26 Section VIII; and (5) the PAGA Payment to the LWDA and to PAGA Allegedly Aggrieved
27 Employees, as approved by the Court, pursuant to Section XVI. Defendants’ portion of payroll taxes
28 on the portion of the Settlement Amount allocated to wages as the Class Members’ current or former

1 employer is excluded from the Gross Settlement Amount and will be paid by Defendants separately.
2 No portion of the Gross Settlement Amount will revert to Defendants for any reason. This amount is
3 all-inclusive of all payments contemplated in this resolution and excluding any employer-side payroll
4 taxes on the portion of the Settlement Payments, if any are allocated to wages.

5 **L. Judgment.** The term “Judgment” means the final judgment entered by the Court
6 following the Final Fairness and Approval Hearing.

7 **M. Litigation.** The term “Litigation” as used herein means the action entitled filed in
8 Orange County Superior Court, Case No. 30-2022-01251702-CU-OE-CXC.

9 **N. LWDA.** The term “LWDA” refers to the California Labor and Workforce
10 Development Agency.

11 **O. Named Plaintiffs.** The term “Named Plaintiffs” as used herein means TERESA
12 ALVAREZ and MIRNA REYES.

13 **P. Net Settlement Amount.** The term “Net Settlement Amount” as used herein means
14 the Gross Settlement Amount minus any award of attorneys’ fees and Litigation costs, Administration
15 Costs, Service Enhancements to Named Plaintiffs, and penalties recoverable pursuant to PAGA and
16 as provided in Sections VIII, XIII, XIV, and XVI.

17 **Q. PAGA.** The term “PAGA” means and refers to the California Private Attorneys
18 General Act, Labor Code sections 2698, et seq.

19 **R. PAGA Allegedly Aggrieved Employee(s).** The term “PAGA Allegedly Aggrieved
20 Employee(s)” shall refer to all current and former non-exempt employees, whether directly employed
21 by Liquid Graphics, Inc. or assigned by Lyneer Staffing Solutions, LLC to perform work as a
22 temporary worker at Liquid Graphics, Inc., who worked at any Liquid Graphics, Inc.’s California
23 facilities during the PAGA Period. This includes approximately 1,529 putative class members, all
24 623 of which are considered aggrieved employees.

25 **S. PAGA Amount.** The term “PAGA Amount” refers to the amount of the Gross
26 Settlement Amount agreed upon by the Parties to be allocated to penalties under PAGA, which is
27 Fifty Thousand Dollars and Zero Cents (\$50,000.00).

28 **T. PAGA Payment(s).** The term “PAGA Payment(s)” shall refer to payments made to

PAGA Allegedly Aggrieved Employees as part of the Settlement.

U. PAGA Period. The term “PAGA Period” refers to the period of February 15, 2021 through April 29, 2023.

V. Preliminary Approval or Preliminary Approval Order. The terms “Preliminary Approval” and “Preliminary Approval Order” refer to the order entered by the Court following the Preliminary Approval Hearing approving of the proposed Settlement.

W. Settlement. The term “Settlement” as used herein means this Agreement to resolve the Litigation.

X. Settlement Administrator. The term “Settlement Administrator” as used herein means and refers to CPT Group, which will be responsible for the administration of the Settlement, as defined below, and all related matters.

Y. Settlement Class and Settlement Class Members. For settlement purposes only, the Parties agree to the certification of a class pursuant to California Code of Civil Procedure § 382 defined as:

All current and former non-exempt hourly employees, whether directly employed by Liquid Graphics, Inc. or assigned by Lyneer Staffing Solutions, LLC to perform work as a temporary worker at Liquid Graphics, Inc., who worked at any of Liquid Graphics, Inc.’s California facilities during the Class Period.

Z. Settlement Payment(s). The term “Settlement Payment(s)” shall refer to payments made to individual members of the Settlement Class as part of the Settlement, including wages, penalties, and interest.

AA. Workweek(s). The term “Workweek(s)” is defined as any week in which a Settlement Class Member worked at least one (1) day during the calendar week.

BB. Workweek Dispute Form. The term “Workweek Dispute Form,” as used herein, means and refers to the Workweek Dispute Form attached as **Exhibit “B”** to this Stipulation of Settlement, which notifies each Settlement Class Member of the number of his or her Eligible Workweeks and estimated Settlement Payment, estimated PAGA Payment, informs Settlement Class Members of their right to challenge their number of Eligible Workweeks, and provides a mechanism for Settlement Class Members to challenge their number of Eligible Workweeks.

##

II. BACKGROUND

A. In the Litigation, Named Plaintiffs allege, *inter alia*, on behalf of themselves and all others similarly situated, that Defendants violated California state wage and hour laws under the California *Labor Code* and Industrial Welfare Commission (“IWC”) Wage Orders, California *Business and Professions Code* sections 17200, et seq., and PAGA, as a result of Defendants’ California wage and hour policies and practices. Specifically, Named Plaintiffs allege that Defendants: failed to pay employees at or above the applicable minimum wage rates; failed to pay appropriate overtime and double time pay; failed to provide legally compliant meal breaks (including first and second meal breaks); failed to authorize and permit legally compliant rest breaks; and failed to provide one day’s rest in seven. Named Plaintiffs further allege that the aforementioned wage and hour violations resulted in the employees receiving inaccurate wage statements and the underpayment of wages to employees upon termination and/or resignation.

Class Counsel conducted informal discovery concerning the claims set forth in the Litigation, such as a sample of Settlement Class Members’ timekeeping and payroll records, Defendants’ policies and procedures concerning the payment of wages, the provision of meal and rest breaks, issuance of wage statements, and paying all wages at separation, as well as information regarding the number of putative Settlement Class Members and the mix of current versus former employees, the wage rates in effect, and the amount of meal and rest period premium wages paid to Settlement Class Members.

B. Named Plaintiff and Class Counsel have engaged in good faith, arms-length negotiations with Defendants and their respective counsel concerning possible settlement of the claims asserted in the Litigation. The Parties participated in two days of mediation before Kelly Knight, Esq., a well-respected wage and hour class action mediator, that resulted in a tentative settlement of the Litigation, subject to the approval of the Court, and finalization of a formal Stipulation of Settlement. The Parties have engaged in extensive negotiations about the terms and conditions of the Settlement at the mediation and subsequent thereto. The Parties have now formalized the Settlement Agreement for submission to the Court for Preliminary and Final

Approval.

C. Class Counsel has conducted an investigation of the law and facts relating to the claims asserted in the Litigation and has concluded, taking into account the sharply contested issues involved, the defenses asserted by Defendants, the expense and time necessary to pursue the Litigation through trial and any appeals, the risks and costs of further prosecution of the Litigation, the risk of an adverse outcome, the uncertainties of complex litigation, and the substantial benefits to be received by Named Plaintiffs and the members of the Settlement Class pursuant to this Agreement, that a settlement with Defendants on the terms and conditions set forth herein is fair, reasonable, adequate, and in the best interests of the Settlement Class. Named Plaintiffs, on their own behalf and on behalf of the Settlement Class, have agreed to settle the Litigation with Defendants on the terms set forth herein.

D. Defendants have concluded that, because of the substantial expense of defending against the Litigation, the length of time necessary to resolve the issues presented herein, the inconvenience involved, and the concomitant disruption to their business operations, it is in Defendants' best interests to accept the terms of this Agreement. Defendants deny each of the allegations and claims asserted against them in the Litigation. However, Defendants nevertheless desire to settle the Litigation for the purpose of avoiding the burden, expense, and uncertainty of continuing litigation and for the purpose of putting to rest the controversies engendered by the Litigation.

E. This Agreement is intended to and does effectuate the full, final, and complete settlement of all allegations and claims that were asserted, or could have been asserted, in the Litigation by Named Plaintiffs and members of the Settlement Class as set forth in Section II(A).

III. JURISDICTION

The Court has jurisdiction over the Parties and the subject matter of this Litigation. The Litigation includes claims that, while Defendant denies them in their entirety, would, if proven, authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted Final Approval of the Settlement and after the Court has ordered the entry of Judgment pursuant to California *Code of Civil Procedure* Section 664.6, the Court shall retain jurisdiction of this action

solely for the purpose of interpreting, implementing, and enforcing this Settlement consistent with the terms set forth herein.

IV. STIPULATIONS TO FILING OF AMENDED COMPLAINT AND CLASS CERTIFICATION

For purposes of this Settlement only, Defendants stipulate to Named Plaintiffs' filing of a First Amended Class Action and Representative Action Complaint to include a ninth cause of action for penalties under PAGA, to effectuate a full and complete settlement of the Litigation.

The Parties further stipulate to the certification of this Settlement Class for purposes of this Settlement only. This stipulation is contingent upon the Preliminary and Final Approval and certification of the Settlement Class only for purposes of the Settlement. Should the Settlement not become final, for whatever reason, the fact that the Parties were willing to stipulate provisionally to class certification as part of the Settlement shall have no bearing on, and shall not be admissible in connection with, the issue of whether a class should be certified in a non-settlement context in the Litigation. Defendants expressly reserve the right to oppose class certification and/or proactively move to deny certification should this Settlement be modified or reversed on appeal or otherwise not become final.

V. MOTION FOR PRELIMINARY APPROVAL

Named Plaintiffs will bring a motion before the Court for an order preliminarily approving the Settlement including the Notice of Proposed Class Action Settlement, and Workweek Dispute Form, which are attached hereto as **Exhibits "A" and "B,"** respectively, and including certification of the Settlement Class for settlement purposes only.

Class Counsel will prepare the Motion for Preliminary Approval and will provide Defendants' counsel the opportunity to review it and provide input before it is filed. On the same date on which it is filed with the Court, Class Counsel shall concurrently submit the Motion for Preliminary Approval to the LWDA in compliance with the provisions of PAGA.

VI. STATEMENT OF NO ADMISSION

A. Defendants denies liability to Named Plaintiffs and to the Settlement Class upon any claim or cause of action. This Agreement does not constitute, and is not intended to constitute, an

admission by Defendants as to the merits, validity, or accuracy of any of the allegations or claims made against them in the Litigation.

B. Nothing in this Agreement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of the negotiations leading to this Agreement or the Settlement, is intended by the Parties to constitute, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in this case or any other judicial, arbitral, administrative, investigative or other forum or proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. The Parties themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in this case or any other judicial, arbitral, administrative, investigative, or other forum or proceeding, as purported evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity, or for any other purpose. Notwithstanding the foregoing, this Agreement may be used and filed in any proceeding before the Court that has as its purpose the interpretation, implementation, or enforcement of this Agreement or any orders or judgments of the Court entered in connection with implementation of the Settlement.

C. None of the documents produced or created by Named Plaintiffs or the Settlement Class in connection with the claims procedures or claims settlement procedures constitute, and they are not intended to constitute, an admission by Defendants of any violation of any federal, state, or local law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or in equity.

D. The Parties agree that class certification pursuant to California *Code of Civil Procedure* Section 382 under the terms of this Agreement is for settlement purposes only. Nothing in this Agreement will be construed as an admission or acknowledgement of any kind that any class should be certified or given collective treatment in the Litigation or in any other action or proceeding. Further, neither this Agreement nor the Court's actions with regard to this Agreement will be admissible in any court or other tribunal regarding the propriety of class certification or collective treatment. In the event that this Agreement is not approved by the Court or any appellate court, is

terminated, or otherwise fails to be enforceable, Named Plaintiffs will not be deemed to have waived, limited, or affected in any way any claims, rights, or remedies in the Litigation, and Defendants will not be deemed to have waived, limited, or affected in any way any of their objections or defenses in the Litigation.

VII. WAIVER, RELEASE AND CONFIDENTIALITY

A. Release as to All Settlement Class Members.

Upon the date of the Court's Final Approval Order and after all Settlement Payments are made pursuant to this Agreement, Named Plaintiffs and all members of the Settlement Class, except those that make a valid and timely request to be excluded from the Settlement Class and Settlement, waive, release, discharge, and promise never to assert in any forum any and all wage-related claims that were alleged in the Litigation or which could have been alleged in the Litigation based on the facts asserted in the Litigation arising during the Class Period against Defendants and their divisions, affiliates, predecessors, successors, shareholders, officers, directors, employees, agents, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, subsidiaries, joint employers, insurers, and related corporations, including the following claims: 1) all claims, under any legal theory of liability, for the failure to pay all wages of any kind, including any minimum wage or straight time wages owed, pursuant to California Labor Code sections 204, 510, 1194, 1194.2, and 1198, the IWC Wage Orders, or any comparable federal statute under any theory of liability; 2) all claims, under any legal theory of liability, for the failure to pay overtime or double time wages owed pursuant to California Labor Code sections 204, 510, 1194, and 1198, the IWC Wage Orders, or any comparable federal statute under any theory of liability; 3) all claims, under any legal theory of liability, for failure to provide meal periods pursuant to California Labor Code sections 226.7 and 512 and the IWC Wage Orders; 4) all claims, under any legal theory of liability, for the failure to provide rest periods pursuant to California Labor Code section 226.7 and the IWC Wage Orders; 5) all claims, under any legal theory of liability, for the failure to properly calculate and pay any premiums owed and/or paid pursuant to California Labor Code section 226.7(b); 6) all claims, under any legal theory of liability, for any penalties of any kind arising from an alleged failure to pay final wages or other amounts allegedly owed to Settlement Class Members

pursuant to California Labor Code sections 201-203; 7) all claims, under any legal theory of liability, for any penalties of any kind arising from any alleged wage statement violations pursuant to California Labor Code sections 226 and 1174.5; 8) all claims, under any legal theory of liability, for failing to provide one day's rest in seven pursuant to California Labor Code sections 551, 552, and 558; 9) all claims, under any legal theory of liability, for violation of California Business and Professions Code sections 17200, et seq.; 10) all claims, under any legal theory of liability, for penalties pursuant to PAGA (California Labor Code sections 2698, et seq.); and 11) all claims, under any legal theory of liability, for any penalties or any other amounts that could be potentially owed to Settlement Class Members arising out of and/or related to the allegations in the Litigation arising during the Class Period, including penalties owed pursuant to California Labor Code sections 210, 226.3, 558, and 1197.1.

B. Effect of PAGA Settlement.

As of the date of Final Approval, this Settlement forever bars Named Plaintiffs, the LWDA, and any other representative, proxy, or agent thereof, including, but not limited to, any and all PAGA Allegedly Aggrieved Employees who worked during the PAGA Period, from pursuing any action under PAGA against Defendants and any of their releasees based on or arising out of alleged violations of the California Labor Code sections alleged to have occurred in the operative Complaint or the LWDA letter.~~during the PAGA Period.~~

C. General Release by Named Plaintiffs Only.

In addition to the release made in Section VII (A), Named Plaintiffs make the additional following general release of all claims, known or unknown. Named Plaintiffs release Defendants, and each of its respective subsidiaries, affiliates, predecessors or successors in interest, officers, directors, shareholders, employees, attorneys, agents, assigns, insurers, and re-insurers of any of them, from all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule or regulation arising out of, relating to, or in connection with Named Plaintiffs' employment with Defendants as well as any and all acts or omissions by or on the part of Defendants. (The release set forth in this Paragraph B shall be referred

1 to hereinafter as the “General Release.”)

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3 With respect to the General Release, Named Plaintiffs stipulate and agree that, upon the
4 Court’s Final Approval of the Settlement, Named Plaintiffs shall be deemed to have expressly waived
5 and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits of Section
6 1542 of the California Civil Code, or any other similar provision under federal or state law, which
7 provides:

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

15 Accordingly, if the facts relating in any manner to this Settlement are found hereafter to be other than
16 or different from the facts now believed to be true, the release of claims contained herein shall be
17 effective as to all unknown claims.

18 **D. Confidentiality.**

19 Neither Named Plaintiffs nor Class Counsel will make any public disclosure regarding the
20 terms of this Settlement Agreement until after the Motion for Preliminary Approval has been filed.
21 Class Counsel will take all steps necessary to ensure Named Plaintiffs are aware of, and will
22 encourage them to adhere to, the restriction against any public disclosure of the terms of this
23 Agreement until after the Motion for Preliminary Approval has been filed. Following Preliminary
24 Approval of this Settlement, neither Named Plaintiffs nor Class Counsel will have any
25 communications with any media, other than to direct any media inquiries to the public records of the
26 Litigation on file with the Court.

27 **VIII. SETTLEMENT ADMINISTRATOR**

28 Named Plaintiffs and Defendants, through their respective counsel, have selected CPT Group
as the Settlement Administrator to administer the Settlement, which includes, but is not limited to,
distributing and responding to inquiries about the Notice of Proposed Class Action Settlement and

Workweek Dispute Form, determining the validity of any disputes and opt-outs, and calculating all amounts to be paid from the Net Settlement Amount. Settlement Administration Costs, estimated to be no more Fifteen Thousand Five Hundred Dollars and Zero Cents (\$15,500.00), will be paid from the Gross Settlement Amount. Any charges and expenses of the Settlement Administrator greater than the allocated \$15,500.00 will come from the Gross Settlement Amount. If the actual Administration Costs are less than the Parties' estimation, the difference between the actual and estimated Administration Costs will revert to the participating Settlement Class Members. The Parties agree that this Agreement may be provided to the Settlement Administrator to effectuate its implementation of the settlement procedures herein.

IX. CLASS NOTICE, OBJECTIONS AND EXCLUSION RIGHTS

A. Class Notice.

Named Plaintiffs and Defendants, through their respective attorneys, have jointly prepared a Class Notice and a Workweek Dispute Form, which in substance will be provided to the members of the Settlement Class, in English and Spanish, as follows:

As soon as practicable following Preliminary Approval of the Settlement, but no later than fourteen (14) days after the Court's Preliminary Approval Order, Defendants will provide to the Settlement Administrator the following information about each Settlement Class Member ("Class List"): (1) name; (2) last known home address; (3) ~~Social Security Number; and (4)~~ number of Eligible Workweeks during the Class Period and PAGA Period. Defendants further agree to consult with the Settlement Administrator prior to the production date to ensure that the format will be acceptable to the Settlement Administrator. Class Counsel shall also receive a redacted Class List that shall only disclose an identification number attributed to each Settlement Class Member and the number of Eligible Workweeks for each Settlement Class Member.

The Settlement Administrator shall run all the addresses provided through the United States Postal Service National Change of Address database (which provides updated addresses for any individual who has moved in the previous four years who has notified the U.S. Postal Service of a forwarding address) to obtain current address information, and shall mail the Notice and Workweek Dispute Form to the members of the Settlement Class via first-class regular U.S. Mail using the most

current mailing address information available, within ten (10) calendar days of the receipt of the Class List from Defendants. The Notice shall provide the members of the Settlement Class ~~forty-five (45)~~ sixty (60) days' notice of all applicable dates and deadlines.

The Notice will also include information regarding the nature of the Litigation; a summary of the terms of the Settlement; the definition of the Settlement Class; a statement that the Court has preliminarily approved the Settlement; the nature and scope of the claims being released; the procedure and time period for objecting to the Settlement; the date and location of the Final Approval Hearing; information regarding the opt-out procedure; Defendants' calculation of the number of Eligible Workweeks that each Settlement Class Member has worked during the Class Period and PAGA Period, and the estimated potential recovery for the proposed Settlement Class Member and PAGA Allegedly Aggrieved Employee. The Notice shall enclose the Workweek Dispute Form for Settlement Class Members.

For each Settlement Class Member, the Workweek Dispute Form will identify the number of Eligible Workweeks that s/he was employed and inform the employee of his or her right to dispute this number by completing and returning the form within ~~forty-five (45)~~ sixty (60) days of the postmark date of the Workweek Dispute Form. A Settlement Class Member's receipt of his or her Settlement Payment is not conditional on the submission of the Workweek Dispute Form. Absent the receipt of a signed Workweek Dispute Form, the number of Workweeks identified in the Workweek Dispute Form shall be deemed accurate. The settlement of any disputes concerning the number of Eligible Workweeks is discussed in Section X, below.

If a Notice is returned from the initial notice mailing, the Settlement Administrator will perform a skip trace in an attempt to locate a more current address. If the Settlement Administrator is successful in locating a new address, it will re-mail the Notice to the Settlement Class member. Further, any Notices returned with a forwarding address to the Settlement Administrator, as non-deliverable before the deadline date, shall be sent to the forwarding address affixed thereto.

Should any member of the Settlement Class timely submit a Workweek Dispute Form with a deficiency, the Settlement Administrator shall, within five (5) calendar days of receipt by the Settlement Administrator of each timely submitted Workweek Dispute Form, send a deficiency

notice. The deficiency notice will provide the member of the Settlement Class no more than fourteen (14) days from the mailing of the deficiency notice to postmark a written response to cure all deficiencies. The failure of a member of Settlement Class to timely submit a Workweek Dispute or timely respond to a notice of deficiency shall invalidate the dispute unless all Parties' counsel agree to allow the dispute.

No later than twenty-one (21) days before the Final Approval Hearing, the Settlement Administrator shall provide counsel for Defendant and Class Counsel with a declaration attesting to the completion of the Notice process, including the number of attempts to obtain valid mailing addresses for and re-sending of any returned Notices, as well as the number of valid Workweek Dispute Forms, opt-outs and deficiencies that the Settlement Administrator received.

B. Objections.

In order for any Settlement Class Member to object to the non-PAGA portion of the Settlement, or any term of it, the person making the objection must not submit a request for exclusion (i.e., must not opt out). To object to the Settlement in writing, a Class Member must send the objection to the Settlement Administrator within ~~forty-five (45)-sixty (60)~~ days after the Notice of Proposed Class Action Settlement was initially mailed to the Settlement Class Members. A Settlement Class Member making an objection may appear at the Final Approval Hearing with or without submitting any written objection. The Settlement Class Member may appear personally or through an attorney, at his or her own expense, at the Final Approval Hearing to present his or her objection directly to the Court. If a Settlement Class Member objects to the Settlement, the Settlement Class Member will remain a member of the Settlement Class and if the Court approves this Agreement, the Settlement Class Member will be bound by the terms of the Settlement and Final Approval Order in the same way and to the same extent as a Settlement Class Member who does not object. The date of mailing of the Notice to the objecting Settlement Class Member shall be conclusively determined according to the records of the Settlement Administrator. The Court retains final authority with respect to the consideration and admissibility of any Settlement Class Member objections. Any Settlement Class Member who submits an objection may also participate in the settlement.

Named Plaintiffs hereby endorse the Settlement as fair, reasonable, and adequate and in the

best interests of the Settlement Class.

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C. Opportunity to be Excluded and Defendant's Opt-Out Threshold.

In order for any Settlement Class Member to validly exclude himself or herself from the Settlement Class (i.e., to validly opt out), a written request for exclusion ("Opt-Out Form") must be signed by the Settlement Class Member or his or her authorized representative and must be sent to the Settlement Administrator, postmarked by no later than ~~forty-five (45)~~ sixty (60) days after the date the Settlement Administrator initially mails the Notice to the Settlement Class Members. The Notice shall contain instructions on how to opt out.

The date of the initial mailing of the Notice, and the date the signed Opt-Out Form was postmarked, shall be conclusively determined according to the records of the Settlement Administrator. Any Settlement Class Member who timely and validly submits an Opt-Out Form will not be entitled to any portion of the Net Settlement Amount, will not be bound by the terms and conditions of the Settlement, and will not have any right to object, appeal, or comment thereon.

Any member of the Settlement Class who does not timely file and mail an Opt-Out Form will be deemed included in the Settlement Class in accordance with this Agreement. There is no ability for a PAGA Allegedly Aggrieved Employee to opt out of the PAGA Settlement.

In the event that ten percent (10%) or more of the Class Members exercise their right to exclude themselves and opt out of the Settlement, Defendants retain the exclusive right, but not the obligation, to withdraw from and terminate the Settlement and the Settlement Agreement and return all Parties back to their same position before the Settlement was reached and the Settlement Agreement was entered into. In the event that Defendants exercise such rights under this paragraph, Named Plaintiffs and Defendants shall resume the Litigation through and until there is a final settlement of the Litigation. Defendants must notify Class Counsel and the Court of such a decision to withdraw and terminate the Settlement no later than five (5) days prior to the date of the Final Approval Hearing. In the event of Defendants' withdrawal, no party may use the fact that the Parties agreed to the Settlement for any reason, and Defendants shall pay all administration expenses incurred through the date of their termination of the Settlement.

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3 **D. Cooperation**

4 The Parties and their respective counsel agree not to encourage members of the Settlement
5 Class to refrain from participating in the Settlement, to opt out of the Settlement, or to object to the
6 Settlement, directly or indirectly, through any means. However, if a Settlement Class Member
7 contacts Class Counsel, Class Counsel may discuss the terms of the Settlement and the Settlement
8 Class Member's options.

9 **X. DISPUTE PROCEDURE**

10 Named Plaintiffs and Defendants have agreed upon the following payment formula to resolve
11 all disputes submitted by Settlement Class Members:

12 The Settlement Administrator will calculate the total number of Workweeks for all Settlement
13 Class Members who were employed by Defendants during the Class Period and/or PAGA Period
14 ("Total Workweeks"). The value of each Workweek shall be determined by the Settlement
15 Administrator by dividing the Net Settlement Amount by the total number of Workweeks available to
16 the Settlement Class Members who do not opt out in accordance with Section IX(C) above during the
17 Class Period and/or PAGA Period ("Workweek Point Value").

18 An individual Settlement Payment for each Settlement Class Member will then be determined
19 by multiplying a Settlement Class Member's Eligible Workweeks in the Class Period by the
20 Workweek Point Value. The Settlement Payment will be reduced by any required legal deductions
21 for each participating Settlement Class Member.

22 The individual PAGA Payment for each Allegedly Aggrieved Employee will be determined
23 by dividing the PAGA Allegedly Aggrieved Employee's number of Eligible Workweeks within the
24 PAGA Period by the total number of Eligible Workweeks worked by all PAGA Allegedly Aggrieved
25 Employees during the PAGA Period and multiplying that amount by the portion of the PAGA
26 Amount not going to the LWDA (i.e., \$12,500.00).

27 If a member of the Settlement Class does not dispute the number of Eligible Workweeks set
28 forth in the Workweek Dispute Form, such person need not take further action to participate in the

Settlement. If a member of the Settlement Class disputes the number of Eligible Workweeks set forth in the Workweek Dispute Form, such person must follow the directions in the Workweek Dispute Form and in the Notice, including preparing a statement setting forth the number of Eligible Workweeks that such person believes in good faith is correct, and stating that the member of the Settlement Class authorizes the Settlement Administrator to review the Settlement Class Member's personnel file and leave management records to determine such information, and attaching any relevant documentation in support thereof. The Settlement Class Member must mail the signed and completed statement no later than sixty (60) ~~forty-five (45)~~ days after the date of the mailing of the Workweek Dispute Form, or the number of Eligible Workweeks set forth in the Notice and Workweek Dispute Form will govern the Settlement Payment to the Settlement Class Member.

Upon timely receipt of any such dispute, the Settlement Administrator, in consultation with Class Counsel and counsel for Defendants, will review the pertinent payroll records showing the dates the Settlement Class Member was employed and the pertinent leave(s) taken, which records Defendants agree to make available to the Settlement Administrator and Class Counsel.

After consulting with Class Counsel and counsel for Defendants, the Settlement Administrator shall compute the number of Eligible Workweeks to be used in computing the Settlement Class Member's pro rata share of the Net Settlement Amount. In the event there is a disparity between the dates a Settlement Class Member claims he or she worked during the Class Period or PAGA Period and the dates indicated by Defendants' records, Defendants' records will control unless inconsistent with paycheck stub(s) (or bona fide copies thereof) provided by the Settlement Class Member, in which case the paycheck stub(s) will control. The Settlement Administrator's decision as to the total number of Eligible Workweeks shall be final and non-appealable. The Settlement Administrator shall send written notice of the decision on any such claim to the Settlement Class Member, Class Counsel, and counsel for Defendants within ten (10) calendar days of receipt of the dispute.

XI. COMPUTATION AND DISTRIBUTION OF PAYMENTS

A. Distribution Formula.

Members of the Settlement Class who do not opt out of the Settlement will receive a lump

1 sum payment as good and valuable consideration for the waiver and release of claims set forth in
2 Section VII(A) above, in an amount determined by the Settlement Administrator in accordance with
3 the provisions of this Agreement.

4 The lump sum payment to each member of the Settlement Class not excluding him/herself
5 will be determined in accordance with the procedure set forth in Section X.

6 **B. Funding of Settlement.**

7 Payment of the Settlement Amount shall be made to the Settlement Administrator within
8 thirty (30) calendar days following the date on which the Court grants Final Approval of the
9 Settlement and a determination of the Settlement Administrator of the final Gross Settlement
10 Amount, inclusive of the Employer Taxes. At no time prior to Final Approval of the Settlement shall
11 Defendants be required to escrow any portion of the Settlement Amount.

12 **C. Increase in Number of Workweeks.**

13 Defendants represented at mediation that there were approximately 37,140 workweeks during
14 the Class Period. In the event that the actual number of workweeks exceeds the estimated number of
15 workweeks by more than 10% (i.e., 40,854 workweeks), the Class Period released in this action shall
16 end on the day that the 10% threshold is exceeded. For example, if the number of workweeks to be
17 released reaches 40,854 workweeks on January 1, 2023, then the Class Period shall cut off on January
18 1, 2023.

19 **D. Time for Distribution.**

20 The Settlement Administrator shall cause the Gross Settlement Amount (inclusive of the
21 Court-approved attorney's fees and Litigation costs, Court-approved Service Enhancements to
22 Named Plaintiffs, and PAGA Amount) and the Employer Taxes to be mailed within twenty-one (21)
23 calendar days following the date of funding set forth in Section XI(B).

24 If a check is returned to the Settlement Administrator as undeliverable, the Settlement
25 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace
26 search and, if another address is identified, shall mail the check to the newly identified address. Any
27 settlement checks remaining uncashed after one hundred and eighty (180) days shall be deemed
28 unpaid residue pursuant to California *Code of Civil Procedure* section 384(a). In accordance with

California *Code of Civil Procedure* section 384, the Parties shall follow the procedure set forth in (1) – (5) below in regard to unpaid residue:

- (1) The full amount of unpaid residue (resulting from uncashed or returned checks) will be distributed by the Settlement Administrator to the State Controller’s Unclaimed Property Fund, thereby leaving no “unpaid residue” subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). No later than ten (10) calendar days after the expiration of the 180-day period, the Settlement Administrator shall deposit the total amounts contained in the settlement checks, and all interest that has accrued, to the State Controller’s Unclaimed Property Fund. The Settlement Administrator shall provide a declaration of deposit with the State Controller’s Unclaimed Property Fund, which will be served on Class Counsel and Defendant’s Counsel within ten (10) calendar days of payment of the residual to such beneficiary. Any costs associated with administering the remaining funds under this section (e.g., bank stop-payment charges, settlement administration costs associated with any reserve amount) or payments to the State Controller’s Unclaimed Property Fund will be deducted before the deposit into the State Controller’s Unclaimed Property Fund. paid to California Los Angeles Trial Lawyers’ Charities, 2708 Wilshire Boulevard, Suite 391, Santa Monica, CA 90403. In the event any interest accrues on the residual amount, the interest portion shall also revert to the Los Angeles Trial Lawyers Charities. The Settlement Administrator shall make payment of residual amounts six (6) months after the checks are mailed to the Class Members, and no later than seven (7) months after the initial mailing of checks.
- (2) Class Counsel shall file with the Motion for Final Approval a stand-alone Stipulation to Amend Judgment and Proposed Stipulated Amended Judgment (Section 384) memorializing the Parties’ agreement to amend the judgment to adopt the Settlement Administrator’s determination of amount of unpaid residue, plus interest at the legal rate of 10% from the date of entry of the initial judgment, to be paid to the State Controller’s Unclaimed Property Fund; *ex-pres*;
- (3) Class Counsel shall attach to the Stipulation to Amend Judgment a [Proposed] Stipulated

Amended Judgment form with a signature line for the Court and blanks for the amount of residue plus interest to be added to the judgment and the total amount of the amended judgment;

(4) Along with the Final Report, the Settlement Administrator shall file with the Court a photocopy of the Parties' Stipulation to Amend Judgment along with a [Proposed] Stipulated Amended Judgment form with the amount of residue plus interest to be added to the judgment and the total amount of the judgment, plus interest, filled in; and

(5) The Court signs and enters the Stipulated Amended Judgment.

XII. NO CONTRIBUTIONS TO EMPLOYEE BENEFIT PLAN

The amounts paid under this Agreement do not represent a modification of any previously credited hours of service under any employee benefit plan, policy, or bonus program sponsored by Defendants. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under, benefit plans (self-insured or not) sponsored by Defendants, policies or bonus programs. Any payments made under the terms of this Settlement shall not be applied retroactively, currently or on a going forward basis as salary, earnings, wages, or any other form of compensation for the purposes of Defendants' benefit plan, policy or bonus program. Defendants retain the right to modify the language of their benefit plans, policies, and bonus programs to effect this intent and to make clear that any amounts paid pursuant to this Settlement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purpose of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement.

XIII. CLASS COUNSEL ATTORNEYS' FEES AND LITIGATION COSTS

Defendants shall not oppose an application by Class Counsel for, and Class Counsel shall not seek or receive an amount in excess of Two Hundred Forty-Nine Thousand Nine Hundred SeventyFive Dollars and Zero Cents (\$249,975.00), which represents 33 and 1/3% of the Gross Settlement Amount for all past and future attorneys' fees necessary to prosecute, settle, and administer the Litigation and this Settlement. Additionally, Defendants shall not oppose an application by Class Counsel for, and Class Counsel shall not seek or receive an amount in excess of

Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), which represents all past and future Litigation costs and expenses necessary to prosecute, settle, and administer the Litigation and this Settlement. Any attorneys' fees or Litigation costs awarded to Class Counsel by the Court as part of the Settlement shall be deducted from the Gross Settlement Amount for the purpose of determining the Net Settlement Amount. The "future" aspect of these amounts include, without limitation, all time and expenses expended by Class Counsel in defending the Settlement and securing Preliminary and Final Approval (including any appeals thereof). There will be no additional charge of any kind to either the members of the Settlement Class or request for additional consideration from Defendants for such work. This amount shall include all attorneys' fees, Litigation costs, and expenses for which Named Plaintiffs and Class Counsel could claim under any legal theory whatsoever. Within twenty-one (21) calendar days following the date the Settlement is funded pursuant to Section XI(B), the Settlement Administrator shall disburse payment from the Gross Settlement Amount for the amounts of attorneys' fees and Litigation costs approved by the Court to Class Counsel. Should the Court approve a lesser percentage or amount of fees and/or Litigation costs than the amount that Class Counsel ultimately seeks, then any such unapproved portion or portions shall revert into the Net Settlement Amount to be distributed between the participating Settlement Class Members on a pro rata basis.

XIV. SERVICE ENHANCEMENT TO NAMED PLAINTIFFS

Defendants shall not oppose an application by Named Plaintiffs, and Named Plaintiffs shall not seek or receive an amount in excess of Five Thousand Dollars and Zero Cents (\$5,000.00) each, for their participation in and assistance with the Litigation (i.e., Named Plaintiffs' class representative Service Enhancements).s Any Service Enhancements awarded to Named Plaintiffs by the Court as part of the Settlement shall be deducted from the Gross Settlement Amount for the purpose of determining the Net Settlement Amount, and shall be reported on IRS Form 1099. If the Court approves a Service Enhancement of less than \$5,000.00 to Named Plaintiffs, then the unapproved portion(s) shall revert into the Net Settlement Amount to be distributed between the participating Settlement Class Members on a pro rata basis.

XV. TAXATION AND ALLOCATION

1 The Parties agree that all employment taxes and other legally required withholdings will be
2 withheld from payments to the members of the Settlement Class and Named Plaintiffs based on the
3 Parties' stipulated allocation of the Net Settlement Amount as provided for in this Section.

4 In Defendants' sole discretion, and to which Named Plaintiffs and Class Counsel do not
5 object, the amount of federal income tax withholding will be based upon a flat withholding rate for
6 supplemental wage payments in accordance with Treas. Reg. § 31.3402(g)-1(a)(2) as amended or
7 supplemented. Income tax withholding will also be made pursuant to applicable state and/or local
8 withholding codes or regulations.

9 For withholding tax characterization purposes and payment of taxes, the Net Settlement
10 Amount shall be deemed and is allocated by the Parties as follows: 20 % as wages; 40 % as interest;
11 and 40% as penalties.

12 IRS Forms W-2 and/or Forms 1099 will be distributed by the Settlement Administrator at
13 times and in the manner required by the Internal Revenue Code of 1986 (the "Code") and consistent
14 with this Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax law
15 is changed after the date of this Agreement, the processes set forth in this Section may be modified
16 in a manner to bring Defendants into compliance with any such changes.

17 Finally, any and all Employer Taxes which Defendants normally would be responsible for
18 paying based on the Settlement Payments made to the individual Settlement Class Members will be
19 paid and borne by Defendants in proportion of their respective contribution to the Gross Settlement
20 Amount in addition to and not as a deduction from the Gross or Net Settlement Amounts.

21 **XVI. PAGA ALLOCATION**

22 In order to implement the terms of this Settlement and to settle claims alleged under PAGA,
23 the Parties agree to allocate Fifty Thousand Dollars and Zero Cents (\$50,000.00) from the Gross
24 Settlement Amount as penalties authorized by PAGA. Seventy-five percent (75%) of this amount, or
25 Thirty-Seven Thousand Five Hundred Dollars and Zero Cents (\$37,500.00) will be paid to the
26 LWDA and twenty-five percent (25%) of this amount, or Twelve Thousand Five Hundred Dollars
27 and Zero Cents (\$12,500.00) will be distributed on a pro rata basis to PAGA Allegedly Aggrieved
28 Employees through the Settlement Administrator and at no additional cost to Defendants. Within

twenty-one (21) calendar days following the date the Settlement is funded pursuant to Section XI(B), the Settlement Administrator shall disburse the LWDA's share of the PAGA Amount to the LWDA and will provide notice to the LWDA of the fact that the Settlement has been approved by the Court along with a copy of the Settlement Agreement and the Court's order confirming the approval of the Settlement. [The Settlement Administrator will report 100% of the Individual PAGA Payments on IRS 1099 Forms.](#)

XVII. COURT APPROVAL

This Agreement and the Settlement is contingent upon Final Approval by the Court and the entry of Judgment. Named Plaintiffs and Defendants agree to take all steps as may be reasonably necessary to secure both Preliminary Approval and Final Approval of the Settlement, to the extent not inconsistent with the terms of this Agreement, and will not take any action adverse to each other in obtaining Court approval, and, if necessary, appellate approval, of the Settlement in all respects. Named Plaintiffs and Defendants expressly agree that they will not file any objection to the terms of the Settlement or assist or encourage any person or entity to file any such objection.

In the event it becomes impossible to secure approval of the Settlement, the Parties shall be restored to their respective positions in the Litigation, as of the date of the hearing on the Motion for Preliminary Approval, except as otherwise provided in Section XVIII, below.

XVIII. MISCELLANEOUS PROVISIONS

A. Stay of Litigation.

Named Plaintiffs and Defendants agree to the stay of all discovery in the Litigation, pending Final Approval of the Settlement by the Court.

B. Interpretation of the Agreement.

This Agreement constitutes the entire agreement between Named Plaintiffs and Defendants. Except as expressly provided herein, this Agreement has not been executed in reliance upon any other written or oral representations or terms, and no such extrinsic oral or written representations or terms shall modify, vary, or contradict its terms. In entering into this Stipulation of Settlement, the Parties agree that this Agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence. The Agreement will be interpreted and enforced under the laws

1 of the State of California, both in its procedural and substantive aspects, without regard to its conflict
2 of laws provisions. Any claim arising out of or relating to the Agreement, or the subject matter hereof,
3 will be resolved solely and exclusively in the Superior Court of the State of California for the County
4 of Orange, and Named Plaintiffs and Defendants hereby consent to the personal jurisdiction of the
5 Court over them solely in connection therewith. Named Plaintiffs, on their own behalf and on behalf
6 of the Settlement Class, and Defendants participated in the negotiation and drafting of this Agreement
7 and had available to them the advice and assistance of independent counsel. As such, neither Named
8 Plaintiffs nor Defendants may claim that any ambiguity in this Agreement should be construed
9 against the other.

10 The terms and conditions of this Agreement constitute the exclusive and final understanding
11 and expression of all agreements between Named Plaintiffs and Defendants with respect to the
12 Settlement of the Litigation. The Agreement may be modified only by a writing signed by the original
13 signatories and approved by the Court.

14 **C. Further Cooperation.**

15 Named Plaintiffs and Defendants and their respective attorneys shall proceed diligently to
16 prepare and execute all documents, to seek the necessary approvals from the Court, and to do all
17 things reasonably necessary or convenient to consummate the Agreement as expeditiously as
18 possible.

19 **D. Confidentiality of Documents.**

20 After the expiration of any appeals period, Named Plaintiffs, the Settlement Administrator,
21 and Class Counsel shall maintain the confidentiality of all documents, deposition transcripts,
22 declarations, and other information and records obtained in the Litigation, unless necessary for appeal
23 or such documents are ordered to be disclosed by the Court or by a subpoena.

24 **E. Counterparts.**

25 This Agreement may be executed in one or more actual or non-original counterparts, all of
26 which will be considered one and the same instrument and all of which will be considered duplicate
27 originals.

28 **F. Authority.**

Each individual signing below warrants that he or she has the authority to execute this Agreement on behalf of the party for whom or which that individual signs.

G. No Third-Party Beneficiaries and No Prior Assignment.

Named Plaintiffs, members of the Settlement Class, and Defendants are direct beneficiaries of this Agreement, and each of the Parties warrants that there are no third-party beneficiaries of this Settlement. However, this Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.

Named Plaintiffs further 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 herein released and discharged.

H. Modification.

This Agreement may not be changed, altered, or modified, except in a writing signed by the Parties, and approved by the Court. Notwithstanding the foregoing, the Parties agree that any dates contained in this Agreement may be modified by agreement of the Parties in writing without Court approval if the Parties agree and cause exists for such modification. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties.

I. Deadlines Falling on Weekends or Holidays.

To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or legal holiday, that deadline shall be continued until the following business day.

J. Severability.

In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defendant's Counsel and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

K. Circular 230 Disclaimer.

Each Party to this Agreement (for purposes of this section, the "Acknowledging Party" and

each Party to this Agreement other than the Acknowledging Party, an “Other Party”) acknowledges and agrees that:

- (1) No provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisors, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of U.S. Treasury Dept. Circular 230 (31 C.F.R. Part 10, as amended);
- (2) The Acknowledging Party (a) has relied exclusively upon his, her, or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any Other Party or any attorney or advisor to any Other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any Other Party to avoid any tax penalty that may be imposed on the Acknowledging Party; and
- (3) No attorney or advisor to any Other Party has imposed any limitation that protects the confidentiality of any such attorney’s or advisor’s tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

L. Exhibits and Headings.

The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

APPROVED AS TO FORM AND CONTENT:

Date: _____, 2023

ON BEHALF OF PLAINTIFF:

By: _____
TERESA ALVAREZ, *Plaintiff*

Date: _____, 2023

ON BEHALF OF PLAINTIFF:

By: _____
MIRNA REYES, *Plaintiff*

Date: _____, 2023

ON BEHALF OF DEFENDANT:

By: _____
Name:
Position:
For LIQUID GRAPHICS, INC.

Date: _____, 2023

ON BEHALF OF DEFENDANT:

By: _____
Name:
Position:
For LYNEER STAFFING SOLUTIONS, LLC.

APPROVED AS TO FORM:

Date: _____, 2023

WILSHIRE LAW FIRM

By: _____
Nicol E. Hajjar
Elizabeth M. Votra
Attorneys for Plaintiff

Date: _____, 2024

STACEY COOPER LAW P.C.

By: _____
Stacey M. Cooper
*Attorneys for Defendant LYNEER STAFFING
SOLUTIONS, LLC*

Date: _____, 2024

BUCHALTER LAW FIRM

By: _____

Joshua Mizrahi
Graham G. Lambert
*Attorneys for Defendant LIQUID GRAPHICS,
INC.*

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Attorneys for Plaintiffs, TERESA ALVAREZ and
MIRNA REYES

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE

TERESA ALVAREZ, individually, and on
behalf of all others similarly situated; and
MIRNA REYES, in dividually, and on behalf
of all others similarly situated,

Plaintiff,

vs.

LIQUID GRAPHICS, INC., a California
corporation; LYNEER STAFFING
SOLUTIONS, LLC, a limited liability
company; and DOES 1 through 50, inclusive,

Defendants.

CASE NO.: 30-2022-01251702-CU-OE-CXC

**CLASS ACTION AND REPRESENTATIVE
ACTION**

[Assigned for all purposes to: Hon. William
Claster, Dept. CX101]

**PLAINTIFFS' NOTICE OF ERRATA RE:
EXHIBIT 1 (SETTLEMENT
AGREEMENT) TO THE DECLARATION
OF NICOL E. HAJJAR IN SUPPORT OF
PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

PRELIMINARY APPROVAL HEARING

Date: May 17, 2024

Time: 9:00 a.m.

Dept.: CX101

TO DEFENDANTS AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE THAT on May 07, 2024 Plaintiffs' Motion for Preliminary
Approval was filed with a Declaration of Nicol E. Hajjar in Support of Plaintiffs' Motion for
Preliminary Approval of Class Action Settlement ("Declaration"), which included Exhibit 1,
Joint Stipulation of Settlement of Class and Representative Action ("Settlement Agreement").

The updated fully executed Settlement Agreement received today is being filed and attached hereto as **Exhibit 1**.

DATED: May 10, 2024

WILSHIRE LAW FIRM, PLC

By: 

Nicol E. Hajjar, Esq.
Tina Petrosian, Esq.
Attorney for Plaintiffs

EXHIBIT 1

Nicol E. Hajjar, Esq. (SBN 303102)
nicol@wilshirelawfirm.com
Elizabeth M. Votra, Esq. (SBN 310717)
evotra@wilshirelawfirm.com
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San Diego, California 92101
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Facsimile (619) 573-4901
Attorneys for Defendant
Lyneer Staff Solutions, LLC

(continued on next page)

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

TERESA ALVAREZ, individually, and on
behalf of all others similarly situated; and
MIRNA REYES, individually, and on behalf of
all others similarly situated,

Plaintiffs,

vs.

LIQUID GRAPHICS, INC., a California
Corporation; LYNEER STAFFING
SOLUTIONS, LLC, a limited liability company;
and DOES 1 through 50, inclusive,

Defendants.

Case No.: 30-2022-01251702-CU-OE-CXC

*[Assigned for all purposes to the Hon.
William Claster, Dept. CX104]*

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

Complaint filed: March 22, 2022
Preliminary Approval: Not set

1 Stacey M. Cooper, Esq. (SBN 226012)

2 stacey@cooperlawpc.com

3 **STACEY COOPER LAW, P.C.**

4 888 Prospect Street, Suite 200

5 La Jolla, California 92037

6 Telephone (619) 673-5022

7 *Attorneys for Defendant*

8 *Lyneer Staff Solutions, LLC*

9 Joshua Mizrahi, Esq. (SBN 227639)

10 jmizrahi@buchalter.com

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12 glambert@buchalter.com

13 **BUCHALTER LAW FIRM**

14 1000 Wilshire Blvd., Suite 1500

15 Los Angeles, California 90017

16 Telephone (213) 891-0700

17 Facsimile (213) 896-0400

18 *Attorneys for Defendant*

19 *Liquid Graphics, Inc.*

I. DEFINITIONS

B. Agreement, Settlement Agreement, or Stipulation of Settlement. The terms “Agreement,” or “Settlement Agreement,” and “Stipulation of Settlement” are used synonymously herein to mean this Joint Stipulation of Settlement of Class and Representative Action.

D. Class Notice or Notice. The terms “Class Notice” or “Notice,” as used herein, mean and refer to the Notice of Proposed Class Action Settlement, provided in English and Spanish, attached as **Exhibit “A”** to this Stipulation of Settlement.

F. Court. The term “Court” as used herein means the Superior Court of the State of California for the County of Orange.

1 **G. Defendants.** The term “Defendants” as used herein means LIQUID GRAPHICS,
2 INC. and LYNEER STAFFING SOLUTIONS, LLC.

3 **H. Eligible Workweeks.** The term “Eligible Workweeks” means the number of
4 Workweeks that a Settlement Class Member worked for Defendants in California during the Class
5 Period.

6 **I. Employer Taxes.** The term “Employer Taxes” refers to the employer-funded taxes
7 and contributions imposed on the wage portions of the Settlement Payments under the Federal
8 Insurance Contributions Act, the Federal Unemployment Tax Act, and any similar state taxes and
9 contributions required of employers, such as for unemployment insurance.

10 **J. Final Approval.** The term “Final Approval” means: (1) the date of final affirmation
11 of the Final Approval Order from any appeal, the expiration of the time for, or the denial of, a petition
12 to review the Final Approval Order, or if review is granted, the date of final affirmation of the Final
13 Approval Order following review pursuant to that grant; or (2) the date of final dismissal of any
14 appeal from the Final Approval Order or the final dismissal of any proceeding to review the Final
15 Approval Order, provided that the Final Approval Order is affirmed and/or not reversed in any part;
16 or (3) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from
17 the Court’s Final Approval Order, as determined under Rule 8.104(a)(3) of the California Rules of
18 Court.

19 **K. Gross Settlement Amount.** The term “Gross Settlement Amount” means and refers
20 to the total value of the Settlement, which is Seven Hundred Fifty Thousand Dollars and Zero Cents
21 (\$750,000.00). This is the gross amount Defendants can be required to pay under this Settlement,
22 which includes, without limitation: (1) the Net Settlement Amount to be paid to Settlement Class
23 Members; (2) an award of attorneys’ fees and costs to Class Counsel, as approved by the Court,
24 pursuant to Section XIII; (3) the Service Enhancements paid to Named Plaintiffs, as approved by the
25 Court, pursuant to Section XIV; (4) Administration Costs, as approved by the Court, pursuant to
26 Section VIII; and (5) the PAGA Payment to the LWDA and to PAGA Allegedly Aggrieved
27 Employees, as approved by the Court, pursuant to Section XVI. Defendants’ portion of payroll taxes
28 on the portion of the Settlement Amount allocated to wages as the Class Members’ current or former

1 employer is excluded from the Gross Settlement Amount and will be paid by Defendants separately.
2 No portion of the Gross Settlement Amount will revert to Defendants for any reason. This amount is
3 all-inclusive of all payments contemplated in this resolution and excluding any employer-side payroll
4 taxes on the portion of the Settlement Payments, if any are allocated to wages.

5 **L. Judgment.** The term “Judgment” means the final judgment entered by the Court
6 following the Final Fairness and Approval Hearing.

7 **M. Litigation.** The term “Litigation” as used herein means the action entitled filed in
8 Orange County Superior Court, Case No. 30-2022-01251702-CU-OE-CXC.

9 **N. LWDA.** The term “LWDA” refers to the California Labor and Workforce
10 Development Agency.

11 **O. Named Plaintiffs.** The term “Named Plaintiffs” as used herein means TERESA
12 ALVAREZ and MIRNA REYES.

13 **P. Net Settlement Amount.** The term “Net Settlement Amount” as used herein means
14 the Gross Settlement Amount minus any award of attorneys’ fees and Litigation costs, Administration
15 Costs, Service Enhancements to Named Plaintiffs, and penalties recoverable pursuant to PAGA and
16 as provided in Sections VIII, XIII, XIV, and XVI.

17 **Q. PAGA.** The term “PAGA” means and refers to the California Private Attorneys
18 General Act, Labor Code sections 2698, et seq.

19 **R. PAGA Allegedly Aggrieved Employee(s).** The term “PAGA Allegedly Aggrieved
20 Employee(s)” shall refer to all current and former non-exempt employees, whether directly employed
21 by Liquid Graphics, Inc. or assigned by Lyneer Staffing Solutions, LLC to perform work as a
22 temporary worker at Liquid Graphics, Inc., who worked at any Liquid Graphics, Inc.’s California
23 facilities during the PAGA Period. This includes approximately 1,529 putative class members, 623
24 of which are considered aggrieved employees.

25 **S. PAGA Amount.** The term “PAGA Amount” refers to the amount of the Gross
26 Settlement Amount agreed upon by the Parties to be allocated to penalties under PAGA, which is
27 Fifty Thousand Dollars and Zero Cents (\$50,000.00).

28 **T. PAGA Payment(s).** The term “PAGA Payment(s)” shall refer to payments made to

PAGA Allegedly Aggrieved Employees as part of the Settlement.

U. PAGA Period. The term “PAGA Period” refers to the period of February 15, 2021 through April 29, 2023.

V. Preliminary Approval or Preliminary Approval Order. The terms “Preliminary Approval” and “Preliminary Approval Order” refer to the order entered by the Court following the Preliminary Approval Hearing approving of the proposed Settlement.

W. Settlement. The term “Settlement” as used herein means this Agreement to resolve the Litigation.

X. Settlement Administrator. The term “Settlement Administrator” as used herein means and refers to CPT Group, which will be responsible for the administration of the Settlement, as defined below, and all related matters.

Y. Settlement Class and Settlement Class Members. For settlement purposes only, the Parties agree to the certification of a class pursuant to California Code of Civil Procedure § 382 defined as:

All current and former non-exempt hourly employees, whether directly employed by Liquid Graphics, Inc. or assigned by Lyneer Staffing Solutions, LLC to perform work as a temporary worker at Liquid Graphics, Inc., who worked at any of Liquid Graphics, Inc.’s California facilities during the Class Period.

Z. Settlement Payment(s). The term “Settlement Payment(s)” shall refer to payments made to individual members of the Settlement Class as part of the Settlement, including wages, penalties, and interest.

AA. Workweek(s). The term “Workweek(s)” is defined as any week in which a Settlement Class Member worked at least one (1) day during the calendar week.

BB. Workweek Dispute Form. The term “Workweek Dispute Form,” as used herein, means and refers to the Workweek Dispute Form attached as **Exhibit “B”** to this Stipulation of Settlement, which notifies each Settlement Class Member of the number of his or her Eligible Workweeks and estimated Settlement Payment, estimated PAGA Payment, informs Settlement Class Members of their right to challenge their number of Eligible Workweeks, and provides a mechanism for Settlement Class Members to challenge their number of Eligible Workweeks.

1 **II. BACKGROUND**

2 **A.** In the Litigation, Named Plaintiffs allege, *inter alia*, on behalf of themselves and all
3 others similarly situated, that Defendants violated California state wage and hour laws under the
4 California *Labor Code* and Industrial Welfare Commission (“IWC”) Wage Orders, California
5 *Business and Professions Code* sections 17200, et seq., and PAGA, as a result of Defendants’
6 California wage and hour policies and practices. Specifically, Named Plaintiffs allege that
7 Defendants: failed to pay employees at or above the applicable minimum wage rates; failed to pay
8 appropriate overtime and double time pay; failed to provide legally compliant meal breaks (including
9 first and second meal breaks); failed to authorize and permit legally compliant rest breaks; and failed
10 to provide one day’s rest in seven. Named Plaintiffs further allege that the aforementioned wage and
11 hour violations resulted in the employees receiving inaccurate wage statements and the underpayment
12 of wages to employees upon termination and/or resignation.

13 Class Counsel conducted informal discovery concerning the claims set forth in the Litigation,
14 such as a sample of Settlement Class Members’ timekeeping and payroll records, Defendants’
15 policies and procedures concerning the payment of wages, the provision of meal and rest breaks,
16 issuance of wage statements, and paying all wages at separation, as well as information regarding the
17 number of putative Settlement Class Members and the mix of current versus former employees, the
18 wage rates in effect, and the amount of meal and rest period premium wages paid to Settlement Class
19 Members.

20 **B.** Named Plaintiff and Class Counsel have engaged in good faith, arms-length
21 negotiations with Defendants and their respective counsel concerning possible settlement of the
22 claims asserted in the Litigation. The Parties participated in two days of mediation before Kelly
23 Knight, Esq., a well-respected wage and hour class action mediator, that resulted in a tentative
24 settlement of the Litigation, subject to the approval of the Court, and finalization of a formal
25 Stipulation of Settlement. The Parties have engaged in extensive negotiations about the terms and
26 conditions of the Settlement at the mediation and subsequent thereto. The Parties have now
27 formalized the Settlement Agreement for submission to the Court for Preliminary and Final
28 Approval.

1 C. Class Counsel has conducted an investigation of the law and facts relating to the
2 claims asserted in the Litigation and has concluded, taking into account the sharply contested issues
3 involved, the defenses asserted by Defendants, the expense and time necessary to pursue the
4 Litigation through trial and any appeals, the risks and costs of further prosecution of the Litigation,
5 the risk of an adverse outcome, the uncertainties of complex litigation, and the substantial benefits to
6 be received by Named Plaintiffs and the members of the Settlement Class pursuant to this Agreement,
7 that a settlement with Defendants on the terms and conditions set forth herein is fair, reasonable,
8 adequate, and in the best interests of the Settlement Class. Named Plaintiffs, on their own behalf and
9 on behalf of the Settlement Class, have agreed to settle the Litigation with Defendants on the terms
10 set forth herein.

11 D. Defendants have concluded that, because of the substantial expense of defending
12 against the Litigation, the length of time necessary to resolve the issues presented herein, the
13 inconvenience involved, and the concomitant disruption to their business operations, it is in
14 Defendants' best interests to accept the terms of this Agreement. Defendants deny each of the
15 allegations and claims asserted against them in the Litigation. However, Defendants nevertheless
16 desire to settle the Litigation for the purpose of avoiding the burden, expense, and uncertainty of
17 continuing litigation and for the purpose of putting to rest the controversies engendered by the
18 Litigation.

19 E. This Agreement is intended to and does effectuate the full, final, and complete
20 settlement of all allegations and claims that were asserted, or could have been asserted, in the
21 Litigation by Named Plaintiffs and members of the Settlement Class as set forth in Section II(A).

22 **III. JURISDICTION**

23 The Court has jurisdiction over the Parties and the subject matter of this Litigation. The
24 Litigation includes claims that, while Defendant denies them in their entirety, would, if proven,
25 authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted
26 Final Approval of the Settlement and after the Court has ordered the entry of Judgment pursuant to
27 California *Code of Civil Procedure* Section 664.6, the Court shall retain jurisdiction of this action
28 solely for the purpose of interpreting, implementing, and enforcing this Settlement consistent with

the terms set forth herein.

IV. STIPULATIONS TO FILING OF AMENDED COMPLAINT AND CLASS CERTIFICATION

For purposes of this Settlement only, Defendants stipulate to Named Plaintiffs' filing of a First Amended Class Action and Representative Action Complaint to include a ninth cause of action for penalties under PAGA, to effectuate a full and complete settlement of the Litigation.

The Parties further stipulate to the certification of this Settlement Class for purposes of this Settlement only. This stipulation is contingent upon the Preliminary and Final Approval and certification of the Settlement Class only for purposes of the Settlement. Should the Settlement not become final, for whatever reason, the fact that the Parties were willing to stipulate provisionally to class certification as part of the Settlement shall have no bearing on, and shall not be admissible in connection with, the issue of whether a class should be certified in a non-settlement context in the Litigation. Defendants expressly reserve the right to oppose class certification and/or proactively move to deny certification should this Settlement be modified or reversed on appeal or otherwise not become final.

V. MOTION FOR PRELIMINARY APPROVAL

Named Plaintiffs will bring a motion before the Court for an order preliminarily approving the Settlement including the Notice of Proposed Class Action Settlement, and Workweek Dispute Form, which are attached hereto as **Exhibits "A" and "B,"** respectively, and including certification of the Settlement Class for settlement purposes only.

Class Counsel will prepare the Motion for Preliminary Approval and will provide Defendants' counsel the opportunity to review it and provide input before it is filed. On the same date on which it is filed with the Court, Class Counsel shall concurrently submit the Motion for Preliminary Approval to the LWDA in compliance with the provisions of PAGA.

VI. STATEMENT OF NO ADMISSION

A. Defendants denies liability to Named Plaintiffs and to the Settlement Class upon any claim or cause of action. This Agreement does not constitute, and is not intended to constitute, an admission by Defendants as to the merits, validity, or accuracy of any of the allegations or claims

made against them in the Litigation.

B. Nothing in this Agreement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of the negotiations leading to this Agreement or the Settlement, is intended by the Parties to constitute, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in this case or any other judicial, arbitral, administrative, investigative or other forum or proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. The Parties themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in this case or any other judicial, arbitral, administrative, investigative, or other forum or proceeding, as purported evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity, or for any other purpose. Notwithstanding the foregoing, this Agreement may be used and filed in any proceeding before the Court that has as its purpose the interpretation, implementation, or enforcement of this Agreement or any orders or judgments of the Court entered in connection with implementation of the Settlement.

C. None of the documents produced or created by Named Plaintiffs or the Settlement Class in connection with the claims procedures or claims settlement procedures constitute, and they are not intended to constitute, an admission by Defendants of any violation of any federal, state, or local law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or in equity.

D. The Parties agree that class certification pursuant to California *Code of Civil Procedure* Section 382 under the terms of this Agreement is for settlement purposes only. Nothing in this Agreement will be construed as an admission or acknowledgement of any kind that any class should be certified or given collective treatment in the Litigation or in any other action or proceeding. Further, neither this Agreement nor the Court's actions with regard to this Agreement will be admissible in any court or other tribunal regarding the propriety of class certification or collective treatment. In the event that this Agreement is not approved by the Court or any appellate court, is terminated, or otherwise fails to be enforceable, Named Plaintiffs will not be deemed to have waived,

1 limited, or affected in any way any claims, rights, or remedies in the Litigation, and Defendants will
2 not be deemed to have waived, limited, or affected in any way any of their objections or defenses in
3 the Litigation.

4 **VII. WAIVER, RELEASE AND CONFIDENTIALITY**

5 **A. Release as to All Settlement Class Members.**

6 Upon the date of the Court's Final Approval Order and after all Settlement Payments are
7 made pursuant to this Agreement, Named Plaintiffs and all members of the Settlement Class, except
8 those that make a valid and timely request to be excluded from the Settlement Class and Settlement,
9 waive, release, discharge, and promise never to assert in any forum any and all wage-related claims
10 that were alleged in the Litigation or which could have been alleged in the Litigation based on the
11 facts asserted in the Litigation arising during the Class Period against Defendants and their divisions,
12 affiliates, predecessors, successors, shareholders, officers, directors, employees, agents, trustees,
13 representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents,
14 subsidiaries, joint employers, insurers, and related corporations, including the following claims: 1)
15 all claims, under any legal theory of liability, for the failure to pay all wages of any kind, including
16 any minimum wage or straight time wages owed, pursuant to California Labor Code sections 204,
17 510, 1194, 1194.2, and 1198, the IWC Wage Orders, or any comparable federal statute under any
18 theory of liability; 2) all claims, under any legal theory of liability, for the failure to pay overtime or
19 double time wages owed pursuant to California Labor Code sections 204, 510, 1194, and 1198, the
20 IWC Wage Orders, or any comparable federal statute under any theory of liability; 3) all claims,
21 under any legal theory of liability, for failure to provide meal periods pursuant to California Labor
22 Code sections 226.7 and 512 and the IWC Wage Orders; 4) all claims, under any legal theory of
23 liability, for the failure to provide rest periods pursuant to California Labor Code section 226.7 and
24 the IWC Wage Orders; 5) all claims, under any legal theory of liability, for the failure to properly
25 calculate and pay any premiums owed and/or paid pursuant to California Labor Code section
26 226.7(b); 6) all claims, under any legal theory of liability, for any penalties of any kind arising from
27 an alleged failure to pay final wages or other amounts allegedly owed to Settlement Class Members
28 pursuant to California Labor Code sections 201-203; 7) all claims, under any legal theory of liability,

1 for any penalties of any kind arising from any alleged wage statement violations pursuant to
2 California Labor Code sections 226 and 1174.5; 8) all claims, under any legal theory of liability, for
3 failing to provide one day's rest in seven pursuant to California Labor Code sections 551, 552, and
4 558; 9) all claims, under any legal theory of liability, for violation of California Business and
5 Professions Code sections 17200, et seq.; 10) all claims, under any legal theory of liability, for
6 penalties pursuant to PAGA (California Labor Code sections 2698, et seq.); and 11) all claims, under
7 any legal theory of liability, for any penalties or any other amounts that could be potentially owed
8 to Settlement Class Members arising out of and/or related to the allegations in the Litigation arising
9 during the Class Period, including penalties owed pursuant to California Labor Code sections 210,
10 226.3, 558, and 1197.1.

11 **B. Effect of PAGA Settlement.**

12 As of the date of Final Approval, this Settlement forever bars Named Plaintiffs, the LWDA,
13 and any other representative, proxy, or agent thereof, including, but not limited to, any and all PAGA
14 Allegedly Aggrieved Employees who worked during the PAGA Period, from pursuing any action
15 under PAGA against Defendants and any of their releasees based on or arising out of alleged
16 violations of the California Labor Code sections alleged to have occurred in the operative Complaint
17 or the LWDA letter.

18 **C. General Release by Named Plaintiffs Only.**

19 In addition to the release made in Section VII (A), Named Plaintiffs make the additional
20 following general release of all claims, known or unknown. Named Plaintiffs release Defendants,
21 and each of its respective subsidiaries, affiliates, predecessors or successors in interest, officers,
22 directors, shareholders, employees, attorneys, agents, assigns, insurers, and re-insurers of any of
23 them, from all claims, demands, rights, liabilities and causes of action of every nature and description
24 whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract,
25 or for violation of any state or federal statute, rule or regulation arising out of, relating to, or in
26 connection with Named Plaintiffs' employment with Defendants as well as any and all acts or
27 omissions by or on the part of Defendants. (The release set forth in this Paragraph B shall be referred
28 to hereinafter as the "General Release.")

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2 With respect to the General Release, Named Plaintiffs stipulate and agree that, upon the
3 Court's Final Approval of the Settlement, Named Plaintiffs shall be deemed to have expressly waived
4 and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits of Section
5 1542 of the California Civil Code, or any other similar provision under federal or state law, which
6 provides:

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

14 Accordingly, if the facts relating in any manner to this Settlement are found hereafter to be other than
15 or different from the facts now believed to be true, the release of claims contained herein shall be
16 effective as to all unknown claims.

17 **D. Confidentiality.**

18 Neither Named Plaintiffs nor Class Counsel will make any public disclosure regarding the
19 terms of this Settlement Agreement until after the Motion for Preliminary Approval has been filed.
20 Class Counsel will take all steps necessary to ensure Named Plaintiffs are aware of, and will
21 encourage them to adhere to, the restriction against any public disclosure of the terms of this
22 Agreement until after the Motion for Preliminary Approval has been filed. Following Preliminary
23 Approval of this Settlement, neither Named Plaintiffs nor Class Counsel will have any
24 communications with any media, other than to direct any media inquiries to the public records of the
25 Litigation on file with the Court.

26 **VIII. SETTLEMENT ADMINISTRATOR**

27 Named Plaintiffs and Defendants, through their respective counsel, have selected CPT Group
28 as the Settlement Administrator to administer the Settlement, which includes, but is not limited to,
distributing and responding to inquiries about the Notice of Proposed Class Action Settlement and
Workweek Dispute Form, determining the validity of any disputes and opt-outs, and calculating all

1 amounts to be paid from the Net Settlement Amount. Settlement Administration Costs, estimated to
2 be no more Fifteen Thousand Five Hundred Dollars and Zero Cents (\$15,500.00), will be paid from
3 the Gross Settlement Amount. Any charges and expenses of the Settlement Administrator greater
4 than the allocated \$15,500.00 will come from the Gross Settlement Amount. If the actual
5 Administration Costs are less than the Parties' estimation, the difference between the actual and
6 estimated Administration Costs will revert to the participating Settlement Class Members. The Parties
7 agree that this Agreement may be provided to the Settlement Administrator to effectuate its
8 implementation of the settlement procedures herein.

9 **IX. CLASS NOTICE, OBJECTIONS AND EXCLUSION RIGHTS**

10 **A. Class Notice.**

11 Named Plaintiffs and Defendants, through their respective attorneys, have jointly prepared a
12 Class Notice and a Workweek Dispute Form, which in substance will be provided to the members of
13 the Settlement Class, in English and Spanish, as follows:

14 As soon as practicable following Preliminary Approval of the Settlement, but no later than
15 fourteen (14) days after the Court's Preliminary Approval Order, Defendants will provide to the
16 Settlement Administrator the following information about each Settlement Class Member ("Class
17 List"): (1) name; (2) last known home address; (3) number of Eligible Workweeks during the Class
18 Period and PAGA Period. Defendants further agree to consult with the Settlement Administrator
19 prior to the production date to ensure that the format will be acceptable to the Settlement
20 Administrator. Class Counsel shall also receive a redacted Class List that shall only disclose an
21 identification number attributed to each Settlement Class Member and the number of Eligible
22 Workweeks for each Settlement Class Member.

23 The Settlement Administrator shall run all the addresses provided through the United States
24 Postal Service National Change of Address database (which provides updated addresses for any
25 individual who has moved in the previous four years who has notified the U.S. Postal Service of a
26 forwarding address) to obtain current address information, and shall mail the Notice and Workweek
27 Dispute Form to the members of the Settlement Class via first-class regular U.S. Mail using the most
28 current mailing address information available, within ten (10) calendar days of the receipt of the Class

1 List from Defendants. The Notice shall provide the members of the Settlement Class sixty (60) days'
2 notice of all applicable dates and deadlines.

3 The Notice will also include information regarding the nature of the Litigation; a summary of
4 the terms of the Settlement; the definition of the Settlement Class; a statement that the Court has
5 preliminarily approved the Settlement; the nature and scope of the claims being released; the
6 procedure and time period for objecting to the Settlement; the date and location of the Final Approval
7 Hearing; information regarding the opt-out procedure; Defendants' calculation of the number of
8 Eligible Workweeks that each Settlement Class Member has worked during the Class Period and
9 PAGA Period, and the estimated potential recovery for the proposed Settlement Class Member and
10 PAGA Allegedly Aggrieved Employee. The Notice shall enclose the Workweek Dispute Form for
11 Settlement Class Members.

12 For each Settlement Class Member, the Workweek Dispute Form will identify the number of
13 Eligible Workweeks that s/he was employed and inform the employee of his or her right to dispute
14 this number by completing and returning the form within sixty (60) days of the postmark date of the
15 Workweek Dispute Form. A Settlement Class Member's receipt of his or her Settlement Payment is
16 not conditional on the submission of the Workweek Dispute Form. Absent the receipt of a signed
17 Workweek Dispute Form, the number of Workweeks identified in the Workweek Dispute Form shall
18 be deemed accurate. The settlement of any disputes concerning the number of Eligible Workweeks
19 is discussed in Section X, below.

20 If a Notice is returned from the initial notice mailing, the Settlement Administrator will
21 perform a skip trace in an attempt to locate a more current address. If the Settlement Administrator
22 is successful in locating a new address, it will re-mail the Notice to the Settlement Class member.
23 Further, any Notices returned with a forwarding address to the Settlement Administrator, as non-
24 deliverable before the deadline date, shall be sent to the forwarding address affixed thereto.

25 Should any member of the Settlement Class timely submit a Workweek Dispute Form with a
26 deficiency, the Settlement Administrator shall, within five (5) calendar days of receipt by the
27 Settlement Administrator of each timely submitted Workweek Dispute Form, send a deficiency
28 notice. The deficiency notice will provide the member of the Settlement Class no more than fourteen

(14) days from the mailing of the deficiency notice to postmark a written response to cure all deficiencies. The failure of a member of Settlement Class to timely submit a Workweek Dispute or timely respond to a notice of deficiency shall invalidate the dispute unless all Parties' counsel agree to allow the dispute.

No later than twenty-one (21) days before the Final Approval Hearing, the Settlement Administrator shall provide counsel for Defendant and Class Counsel with a declaration attesting to the completion of the Notice process, including the number of attempts to obtain valid mailing addresses for and re-sending of any returned Notices, as well as the number of valid Workweek Dispute Forms, opt-outs and deficiencies that the Settlement Administrator received.

B. Objections.

In order for any Settlement Class Member to object to the non-PAGA portion of the Settlement, or any term of it, the person making the objection must not submit a request for exclusion (i.e., must not opt out). To object to the Settlement in writing, a Class Member must send the objection to the Settlement Administrator within sixty (60) days after the Notice of Proposed Class Action Settlement was initially mailed to the Settlement Class Members. A Settlement Class Member making an objection may appear at the Final Approval Hearing with or without submitting any written objection. The Settlement Class Member may appear personally or through an attorney, at his or her own expense, at the Final Approval Hearing to present his or her objection directly to the Court. If a Settlement Class Member objects to the Settlement, the Settlement Class Member will remain a member of the Settlement Class and if the Court approves this Agreement, the Settlement Class Member will be bound by the terms of the Settlement and Final Approval Order in the same way and to the same extent as a Settlement Class Member who does not object. The date of mailing of the Notice to the objecting Settlement Class Member shall be conclusively determined according to the records of the Settlement Administrator. The Court retains final authority with respect to the consideration and admissibility of any Settlement Class Member objections. Any Settlement Class Member who submits an objection may also participate in the settlement.

Named Plaintiffs hereby endorse the Settlement as fair, reasonable, and adequate and in the best interests of the Settlement Class.

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2 **C. Opportunity to be Excluded and Defendant's Opt-Out Threshold.**

3 In order for any Settlement Class Member to validly exclude himself or herself from the
4 Settlement Class (i.e., to validly opt out), a written request for exclusion ("Opt-Out Form") must be
5 signed by the Settlement Class Member or his or her authorized representative and must be sent to
6 the Settlement Administrator, postmarked by no later than sixty (60) days after the date the Settlement
7 Administrator initially mails the Notice to the Settlement Class Members. The Notice shall contain
8 instructions on how to opt out.

9 The date of the initial mailing of the Notice, and the date the signed Opt-Out Form was
10 postmarked, shall be conclusively determined according to the records of the Settlement
11 Administrator. Any Settlement Class Member who timely and validly submits an Opt-Out Form will
12 not be entitled to any portion of the Net Settlement Amount, will not be bound by the terms and
13 conditions of the Settlement, and will not have any right to object, appeal, or comment thereon.

14 Any member of the Settlement Class who does not timely file and mail an Opt-Out Form will
15 be deemed included in the Settlement Class in accordance with this Agreement. There is no ability
16 for a PAGA Allegedly Aggrieved Employee to opt out of the PAGA Settlement.

17 In the event that ten percent (10%) or more of the Class Members exercise their right to
18 exclude themselves and opt out of the Settlement, Defendants retain the exclusive right, but not the
19 obligation, to withdraw from and terminate the Settlement and the Settlement Agreement and return
20 all Parties back to their same position before the Settlement was reached and the Settlement
21 Agreement was entered into. In the event that Defendants exercise such rights under this paragraph,
22 Named Plaintiffs and Defendants shall resume the Litigation through and until there is a final
23 settlement of the Litigation. Defendants must notify Class Counsel and the Court of such a decision
24 to withdraw and terminate the Settlement no later than five (5) days prior to the date of the Final
25 Approval Hearing. In the event of Defendants' withdrawal, no party may use the fact that the Parties
26 agreed to the Settlement for any reason, and Defendants shall pay all administration expenses
27 incurred through the date of their termination of the Settlement.

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2 **D. Cooperation**

3 The Parties and their respective counsel agree not to encourage members of the Settlement
4 Class to refrain from participating in the Settlement, to opt out of the Settlement, or to object to the
5 Settlement, directly or indirectly, through any means. However, if a Settlement Class Member
6 contacts Class Counsel, Class Counsel may discuss the terms of the Settlement and the Settlement
7 Class Member's options.

8 **X. DISPUTE PROCEDURE**

9 Named Plaintiffs and Defendants have agreed upon the following payment formula to resolve
10 all disputes submitted by Settlement Class Members:

11 The Settlement Administrator will calculate the total number of Workweeks for all Settlement
12 Class Members who were employed by Defendants during the Class Period and/or PAGA Period
13 ("Total Workweeks"). The value of each Workweek shall be determined by the Settlement
14 Administrator by dividing the Net Settlement Amount by the total number of Workweeks available to
15 the Settlement Class Members who do not opt out in accordance with Section IX(C) above during the
16 Class Period and/or PAGA Period ("Workweek Point Value").

17 An individual Settlement Payment for each Settlement Class Member will then be determined
18 by multiplying a Settlement Class Member's Eligible Workweeks in the Class Period by the
19 Workweek Point Value. The Settlement Payment will be reduced by any required legal deductions
20 for each participating Settlement Class Member.

21 The individual PAGA Payment for each Allegedly Aggrieved Employee will be determined
22 by dividing the PAGA Allegedly Aggrieved Employee's number of Eligible Workweeks within the
23 PAGA Period by the total number of Eligible Workweeks worked by all PAGA Allegedly Aggrieved
24 Employees during the PAGA Period and multiplying that amount by the portion of the PAGA
25 Amount not going to the LWDA (i.e., \$12,500.00).

26 If a member of the Settlement Class does not dispute the number of Eligible Workweeks set
27 forth in the Workweek Dispute Form, such person need not take further action to participate in the
28 Settlement. If a member of the Settlement Class disputes the number of Eligible Workweeks set forth

in the Workweek Dispute Form, such person must follow the directions in the Workweek Dispute Form and in the Notice, including preparing a statement setting forth the number of Eligible Workweeks that such person believes in good faith is correct, and stating that the member of the Settlement Class authorizes the Settlement Administrator to review the Settlement Class Member's personnel file and leave management records to determine such information, and attaching any relevant documentation in support thereof. The Settlement Class Member must mail the signed and completed statement no later than sixty (60) days after the date of the mailing of the Workweek Dispute Form, or the number of Eligible Workweeks set forth in the Notice and Workweek Dispute Form will govern the Settlement Payment to the Settlement Class Member.

Upon timely receipt of any such dispute, the Settlement Administrator, in consultation with Class Counsel and counsel for Defendants, will review the pertinent payroll records showing the dates the Settlement Class Member was employed and the pertinent leave(s) taken, which records Defendants agree to make available to the Settlement Administrator and Class Counsel.

After consulting with Class Counsel and counsel for Defendants, the Settlement Administrator shall compute the number of Eligible Workweeks to be used in computing the Settlement Class Member's pro rata share of the Net Settlement Amount. In the event there is a disparity between the dates a Settlement Class Member claims he or she worked during the Class Period or PAGA Period and the dates indicated by Defendants' records, Defendants' records will control unless inconsistent with paycheck stub(s) (or bona fide copies thereof) provided by the Settlement Class Member, in which case the paycheck stub(s) will control. The Settlement Administrator's decision as to the total number of Eligible Workweeks shall be final and non-appealable. The Settlement Administrator shall send written notice of the decision on any such claim to the Settlement Class Member, Class Counsel, and counsel for Defendants within ten (10) calendar days of receipt of the dispute.

XI. COMPUTATION AND DISTRIBUTION OF PAYMENTS

A. Distribution Formula.

Members of the Settlement Class who do not opt out of the Settlement will receive a lump sum payment as good and valuable consideration for the waiver and release of claims set forth in

Section VII(A) above, in an amount determined by the Settlement Administrator in accordance with the provisions of this Agreement.

The lump sum payment to each member of the Settlement Class not excluding him/herself will be determined in accordance with the procedure set forth in Section X.

B. Funding of Settlement.

Payment of the Settlement Amount shall be made to the Settlement Administrator within thirty (30) calendar days following the date on which the Court grants Final Approval of the Settlement and a determination of the Settlement Administrator of the final Gross Settlement Amount, inclusive of the Employer Taxes. At no time prior to Final Approval of the Settlement shall Defendants be required to escrow any portion of the Settlement Amount.

C. Increase in Number of Workweeks.

Defendants represented at mediation that there were approximately 37,140 workweeks during the Class Period. In the event that the actual number of workweeks exceeds the estimated number of workweeks by more than 10% (i.e., 40,854 workweeks), the Class Period released in this action shall end on the day that the 10% threshold is exceeded. For example, if the number of workweeks to be released reaches 40,854 workweeks on January 1, 2023, then the Class Period shall cut off on January 1, 2023.

D. Time for Distribution.

The Settlement Administrator shall cause the Gross Settlement Amount (inclusive of the Court-approved attorney's fees and Litigation costs, Court-approved Service Enhancements to Named Plaintiffs, and PAGA Amount) and the Employer Taxes to be mailed within twenty-one (21) calendar days following the date of funding set forth in Section XI(B).

If a check is returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace search and, if another address is identified, shall mail the check to the newly identified address. Any settlement checks remaining uncashed after one hundred and eighty (180) days shall be deemed unpaid residue pursuant to California *Code of Civil Procedure* section 384(a). In accordance with California *Code of Civil Procedure* section 384, the Parties shall follow the procedure set forth in (1)

– (5) below in regard to unpaid residue:

- (1) The full amount of unpaid residue (resulting from uncashed or returned checks) will be distributed by the Settlement Administrator to the State Controller’s Unclaimed Property Fund, thereby leaving no “unpaid residue” subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). No later than ten (10) calendar days after the expiration of the 180-day period, the Settlement Administrator shall deposit the total amounts contained in the settlement checks, and all interest that has accrued, to the State Controller’s Unclaimed Property Fund. The Settlement Administrator shall provide a declaration of deposit with the State Controller’s Unclaimed Property Fund, which will be served on Class Counsel and Defendant’s Counsel within ten (10) calendar days of payment of the residual to such beneficiary. Any costs associated with administering the remaining funds under this section (e.g., bank stop-payment charges, settlement administration costs associated with any reserve amount) or payments to the State Controller’s Unclaimed Property Fund will be deducted before the deposit into the State Controller’s Unclaimed Property Fund.
- (2) Class Counsel shall file with the Motion for Final Approval a stand-alone Stipulation to Amend Judgment and Proposed Stipulated Amended Judgment (Section 384) memorializing the Parties’ agreement to amend the judgment to adopt the Settlement Administrator’s determination of amount of unpaid residue, plus interest at the legal rate of 10% from the date of entry of the initial judgment, to be paid to the State Controller’s Unclaimed Property Fund;
- (3) Class Counsel shall attach to the Stipulation to Amend Judgment a [Proposed] Stipulated Amended Judgment form with a signature line for the Court and blanks for the amount of residue plus interest to be added to the judgment and the total amount of the amended judgment;
- (4) Along with the Final Report, the Settlement Administrator shall file with the Court a photocopy of the Parties’ Stipulation to Amend Judgment along with a [Proposed] Stipulated Amended Judgment form with the amount of residue plus interest to be added

to the judgment and the total amount of the judgment, plus interest, filled in; and
(5) The Court signs and enters the Stipulated Amended Judgment.

XII. NO CONTRIBUTIONS TO EMPLOYEE BENEFIT PLAN

The amounts paid under this Agreement do not represent a modification of any previously credited hours of service under any employee benefit plan, policy, or bonus program sponsored by Defendants. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under, benefit plans (self-insured or not) sponsored by Defendants, policies or bonus programs. Any payments made under the terms of this Settlement shall not be applied retroactively, currently or on a going forward basis as salary, earnings, wages, or any other form of compensation for the purposes of Defendants' benefit plan, policy or bonus program. Defendants retain the right to modify the language of their benefit plans, policies, and bonus programs to effect this intent and to make clear that any amounts paid pursuant to this Settlement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purpose of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement.

XIII. CLASS COUNSEL ATTORNEYS' FEES AND LITIGATION COSTS

Defendants shall not oppose an application by Class Counsel for, and Class Counsel shall not seek or receive an amount in excess of Two Hundred Forty-Nine Thousand Nine Hundred SeventyFive Dollars and Zero Cents (\$249,975.00), which represents 33 and 1/3% of the Gross Settlement Amount for all past and future attorneys' fees necessary to prosecute, settle, and administer the Litigation and this Settlement. Additionally, Defendants shall not oppose an application by Class Counsel for, and Class Counsel shall not seek or receive an amount in excess of Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), which represents all past and future Litigation costs and expenses necessary to prosecute, settle, and administer the Litigation and this Settlement. Any attorneys' fees or Litigation costs awarded to Class Counsel by the Court as part of the Settlement shall be deducted from the Gross Settlement Amount for the purpose of determining the Net Settlement Amount. The "future" aspect of these amounts include, without limitation, all time and expenses expended by Class Counsel in defending the Settlement and securing Preliminary and

Final Approval (including any appeals thereof). There will be no additional charge of any kind to either the members of the Settlement Class or request for additional consideration from Defendants for such work. This amount shall include all attorneys' fees, Litigation costs, and expenses for which Named Plaintiffs and Class Counsel could claim under any legal theory whatsoever. Within twenty-one (21) calendar days following the date the Settlement is funded pursuant to Section XI(B), the Settlement Administrator shall disburse payment from the Gross Settlement Amount for the amounts of attorneys' fees and Litigation costs approved by the Court to Class Counsel. Should the Court approve a lesser percentage or amount of fees and/or Litigation costs than the amount that Class Counsel ultimately seeks, then any such unapproved portion or portions shall revert into the Net Settlement Amount to be distributed between the participating Settlement Class Members on a pro rata basis.

XIV. SERVICE ENHANCEMENT TO NAMED PLAINTIFFS

Defendants shall not oppose an application by Named Plaintiffs, and Named Plaintiffs shall not seek or receive an amount in excess of Five Thousand Dollars and Zero Cents (\$5,000.00) each, for their participation in and assistance with the Litigation (i.e., Named Plaintiffs' class representative Service Enhancements).s Any Service Enhancements awarded to Named Plaintiffs by the Court as part of the Settlement shall be deducted from the Gross Settlement Amount for the purpose of determining the Net Settlement Amount, and shall be reported on IRS Form 1099. If the Court approves a Service Enhancement of less than \$5,000.00 to Named Plaintiffs, then the unapproved portion(s) shall revert into the Net Settlement Amount to be distributed between the participating Settlement Class Members on a pro rata basis.

XV. TAXATION AND ALLOCATION

The Parties agree that all employment taxes and other legally required withholdings will be withheld from payments to the members of the Settlement Class and Named Plaintiffs based on the Parties' stipulated allocation of the Net Settlement Amount as provided for in this Section.

In Defendants' sole discretion, and to which Named Plaintiffs and Class Counsel do not object, the amount of federal income tax withholding will be based upon a flat withholding rate for supplemental wage payments in accordance with Treas. Reg. § 31.3402(g)-1(a)(2) as amended or

supplemented. Income tax withholding will also be made pursuant to applicable state and/or local withholding codes or regulations.

For withholding tax characterization purposes and payment of taxes, the Net Settlement Amount shall be deemed and is allocated by the Parties as follows: 20 % as wages; 40 % as interest; and 40% as penalties.

IRS Forms W-2 and/or Forms 1099 will be distributed by the Settlement Administrator at times and in the manner required by the Internal Revenue Code of 1986 (the “Code”) and consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax law is changed after the date of this Agreement, the processes set forth in this Section may be modified in a manner to bring Defendants into compliance with any such changes.

Finally, any and all Employer Taxes which Defendants normally would be responsible for paying based on the Settlement Payments made to the individual Settlement Class Members will be paid and borne by Defendants in proportion of their respective contribution to the Gross Settlement Amount in addition to and not as a deduction from the Gross or Net Settlement Amounts.

XVI. PAGA ALLOCATION

In order to implement the terms of this Settlement and to settle claims alleged under PAGA, the Parties agree to allocate Fifty Thousand Dollars and Zero Cents (\$50,000.00) from the Gross Settlement Amount as penalties authorized by PAGA. Seventy-five percent (75%) of this amount, or Thirty-Seven Thousand Five Hundred Dollars and Zero Cents (\$37,500.00) will be paid to the LWDA and twenty-five percent (25%) of this amount, or Twelve Thousand Five Hundred Dollars and Zero Cents (\$12,500.00) will be distributed on a pro rata basis to PAGA Allegedly Aggrieved Employees through the Settlement Administrator and at no additional cost to Defendants. Within twenty-one (21) calendar days following the date the Settlement is funded pursuant to Section XI(B), the Settlement Administrator shall disburse the LWDA’s share of the PAGA Amount to the LWDA and will provide notice to the LWDA of the fact that the Settlement has been approved by the Court along with a copy of the Settlement Agreement and the Court’s order confirming the approval of the Settlement. The Settlement Administrator will report 100% of the Individual PAGA Payments on IRS 1099 Forms.

1 **XVII. COURT APPROVAL**

2 This Agreement and the Settlement is contingent upon Final Approval by the Court and the
3 entry of Judgment. Named Plaintiffs and Defendants agree to take all steps as may be reasonably
4 necessary to secure both Preliminary Approval and Final Approval of the Settlement, to the extent
5 not inconsistent with the terms of this Agreement, and will not take any action adverse to each other
6 in obtaining Court approval, and, if necessary, appellate approval, of the Settlement in all respects.
7 Named Plaintiffs and Defendants expressly agree that they will not file any objection to the terms of
8 the Settlement or assist or encourage any person or entity to file any such objection.

9 In the event it becomes impossible to secure approval of the Settlement, the Parties shall be
10 restored to their respective positions in the Litigation, as of the date of the hearing on the Motion for
11 Preliminary Approval, except as otherwise provided in Section XVIII, below.

12 **XVIII. MISCELLANEOUS PROVISIONS**

13 **A. Stay of Litigation.**

14 Named Plaintiffs and Defendants agree to the stay of all discovery in the Litigation, pending
15 Final Approval of the Settlement by the Court.

16 **B. Interpretation of the Agreement.**

17 This Agreement constitutes the entire agreement between Named Plaintiffs and Defendants.
18 Except as expressly provided herein, this Agreement has not been executed in reliance upon any other
19 written or oral representations or terms, and no such extrinsic oral or written representations or terms
20 shall modify, vary, or contradict its terms. In entering into this Stipulation of Settlement, the Parties
21 agree that this Agreement is to be construed according to its terms and may not be varied or
22 contradicted by extrinsic evidence. The Agreement will be interpreted and enforced under the laws
23 of the State of California, both in its procedural and substantive aspects, without regard to its conflict
24 of laws provisions. Any claim arising out of or relating to the Agreement, or the subject matter hereof,
25 will be resolved solely and exclusively in the Superior Court of the State of California for the County
26 of Orange, and Named Plaintiffs and Defendants hereby consent to the personal jurisdiction of the
27 Court over them solely in connection therewith. Named Plaintiffs, on their own behalf and on behalf
28 of the Settlement Class, and Defendants participated in the negotiation and drafting of this Agreement

1 and had available to them the advice and assistance of independent counsel. As such, neither Named
2 Plaintiffs nor Defendants may claim that any ambiguity in this Agreement should be construed
3 against the other.

4 The terms and conditions of this Agreement constitute the exclusive and final understanding
5 and expression of all agreements between Named Plaintiffs and Defendants with respect to the
6 Settlement of the Litigation. The Agreement may be modified only by a writing signed by the original
7 signatories and approved by the Court.

8 **C. Further Cooperation.**

9 Named Plaintiffs and Defendants and their respective attorneys shall proceed diligently to
10 prepare and execute all documents, to seek the necessary approvals from the Court, and to do all
11 things reasonably necessary or convenient to consummate the Agreement as expeditiously as
12 possible.

13 **D. Confidentiality of Documents.**

14 After the expiration of any appeals period, Named Plaintiffs, the Settlement Administrator,
15 and Class Counsel shall maintain the confidentiality of all documents, deposition transcripts,
16 declarations, and other information and records obtained in the Litigation, unless necessary for appeal
17 or such documents are ordered to be disclosed by the Court or by a subpoena.

18 **E. Counterparts.**

19 This Agreement may be executed in one or more actual or non-original counterparts, all of
20 which will be considered one and the same instrument and all of which will be considered duplicate
21 originals.

22 **F. Authority.**

23 Each individual signing below warrants that he or she has the authority to execute this
24 Agreement on behalf of the party for whom or which that individual signs.

25 **G. No Third-Party Beneficiaries and No Prior Assignment.**

26 Named Plaintiffs, members of the Settlement Class, and Defendants are direct beneficiaries
27 of this Agreement, and each of the Parties warrants that there are no third-party beneficiaries of this
28 Settlement. However, this Agreement will be binding upon, and inure to the benefit of, the successors

1 and assigns of the Parties, as previously defined.

2 Named Plaintiffs further represent, covenant, and warrant that they have not directly or
3 indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any
4 person or entity any portion of any liability, claim, demand, action, cause of action, or rights herein
5 released and discharged.

6 **H. Modification.**

7 This Agreement may not be changed, altered, or modified, except in a writing signed by the
8 Parties, and approved by the Court. Notwithstanding the foregoing, the Parties agree that any dates
9 contained in this Agreement may be modified by agreement of the Parties in writing without Court
10 approval if the Parties agree and cause exists for such modification. This Agreement may not be
11 discharged except by performance in accordance with its terms or by a writing signed by the Parties.

12 **I. Deadlines Falling on Weekends or Holidays.**

13 To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or
14 legal holiday, that deadline shall be continued until the following business day.

15 **J. Severability.**

16 In the event that any one or more of the provisions contained in this Agreement shall for any
17 reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
18 unenforceability shall in no way effect any other provision if Defendant's Counsel and Class Counsel,
19 on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such
20 invalid, illegal, or unenforceable provision had never been included in this Agreement.

21 **K. Circular 230 Disclaimer.**

22 Each Party to this Agreement (for purposes of this section, the "Acknowledging Party" and
23 each Party to this Agreement other than the Acknowledging Party, an "Other Party") acknowledges
24 and agrees that:

- 25 (1) No provision of this Agreement, and no written communication or disclosure between or
26 among the Parties or their attorneys and other advisors, is or was intended to be, nor shall
27 any such communication or disclosure constitute or be construed or be relied upon as, tax
28 advice within the meaning of U.S. Treasury Dept. Circular 230 (31 C.F.R. Part 10, as

1 amended);

- 2 (2) The Acknowledging Party (a) has relied exclusively upon his, her, or its own, independent
3 legal and tax counsel for advice (including tax advice) in connection with this Agreement,
4 (b) has not entered into this Agreement based upon the recommendation of any Other
5 Party or any attorney or advisor to any Other Party, and (c) is not entitled to rely upon any
6 communication or disclosure by any attorney or advisor to any Other Party to avoid any
7 tax penalty that may be imposed on the Acknowledging Party; and
8 (3) No attorney or advisor to any Other Party has imposed any limitation that protects the
9 confidentiality of any such attorney's or advisor's tax strategies (regardless of whether
10 such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax
11 treatment or tax structure of any transaction, including any transaction contemplated by
12 this Agreement.

13 **L. Exhibits and Headings.**

14 The terms of this Agreement include the terms set forth in the attached exhibits, which are
15 incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an
16 integral part of the Settlement and must be approved substantially as written. The descriptive
17 headings of any paragraphs or sections of this Agreement are inserted for convenience of reference
18 only and do not constitute a part of this Agreement.

19
20 **APPROVED AS TO FORM AND CONTENT:**

21 Date: _____, 2024

ON BEHALF OF PLAINTIFF:

22
23 By: _____
TERESA ALVAREZ, *Plaintiff*

24
25 Date: _____, 2024

ON BEHALF OF PLAINTIFF:

26
27 By: _____
MIRNA REYES, *Plaintiff*

28 Date: _____, 2024

ON BEHALF OF DEFENDANT:

Date: _____, 2024

By: _____
Name: _____
Position: _____
For LIQUID GRAPHICS, INC.

ON BEHALF OF DEFENDANT:

By: _____
Name: _____
Position: _____
For LYNEER STAFFING SOLUTIONS, LLC.

APPROVED AS TO FORM:

Date: May 7, 2024

WILSHIRE LAW FIRM

By: 
Nicol E. Hajjar
Elizabeth M. Votra
Attorneys for Plaintiff

Date: _____, 2024

STACEY COOPER LAW P.C.

By: _____
Stacey M. Cooper
Attorneys for Defendant LYNEER STAFFING SOLUTIONS, LLC

Date: _____, 2024

BUCHALTER LAW FIRM

By: _____
Joshua Mizrahi
Graham G. Lambert
Attorneys for Defendant LIQUID GRAPHICS, INC.

amended);

- (2) The Acknowledging Party (a) has relied exclusively upon his, her, or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any Other Party or any attorney or advisor to any Other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any Other Party to avoid any tax penalty that may be imposed on the Acknowledging Party; and
- (3) No attorney or advisor to any Other Party has imposed any limitation that protects the confidentiality of any such attorney's or advisor's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

L. Exhibits and Headings.

The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

APPROVED AS TO FORM AND CONTENT:

Date: _____, 2023
5/7/2024

ON BEHALF OF PLAINTIFF:

By: 
TERESA ALVAREZ, *Plaintiff*

Date: _____, 2023

ON BEHALF OF PLAINTIFF:

By: _____
MIRNA REYES, *Plaintiff*

Date: _____, 2023

ON BEHALF OF DEFENDANT:

amended);

- (2) The Acknowledging Party (a) has relied exclusively upon his, her, or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any Other Party or any attorney or advisor to any Other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any Other Party to avoid any tax penalty that may be imposed on the Acknowledging Party; and
- (3) No attorney or advisor to any Other Party has imposed any limitation that protects the confidentiality of any such attorney's or advisor's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

L. Exhibits and Headings.

The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

APPROVED AS TO FORM AND CONTENT:

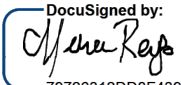
Date: _____, 2023

ON BEHALF OF PLAINTIFF:

By: _____
TERESA ALVAREZ, *Plaintiff*

Date: _____, 2023
5/7/2024

ON BEHALF OF PLAINTIFF:

By:  _____
MIRNA REYES, *Plaintiff*

Date: _____, 2023

ON BEHALF OF DEFENDANT:

Date: 05/07/24, 2024

By: _____
Name:
Position:
For LIQUID GRAPHICS, INC.

ON BEHALF OF DEFENDANT:

By:  _____
Name: James Radvany
Position: CFO
For LYNEER STAFFING SOLUTIONS, LLC.

APPROVED AS TO FORM:

Date: _____, 2024

WILSHIRE LAW FIRM

By: _____
Nicol E. Hajjar
Elizabeth M. Votra
Attorneys for Plaintiff

Date: May 7, 2024

STACEY COOPER LAW P.C.

By:  _____
Stacey M. Cooper
Attorneys for Defendant LYNEER STAFFING SOLUTIONS, LLC

Date: _____, 2024

BUCHALTER LAW FIRM

By: _____
Joshua Mizrahi
Graham G. Lambert
Attorneys for Defendant LIQUID GRAPHICS, INC.

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Date: May 9, 2023 *W*

By: 

Name: ROY THORSEN
Position: PRESIDENT
For LIQUID GRAPHICS, INC.

ON BEHALF OF DEFENDANT:

By: _____

Name: _____
Position: _____
For LYNEER STAFFING SOLUTIONS, LLC.

APPROVED AS TO FORM:

Date: _____, 2023

WILSHIRE LAW FIRM

By: _____

Nicol E. Hajjar
Elizabeth M. Votra
Attorneys for Plaintiff

Date: _____, 2023

JACKSON LEWIS, P.C.

By: _____

Sean Paisan
Stephanie A. Kierig
Attorneys for Defendant LYNEER STAFFING SOLUTIONS LLC

Date: _____, 2023

STACEY COOPER LAW P.C.

By: _____

Stacey M. Cooper
Attorneys for Defendant LYNEER STAFFING SOLUTIONS, LLC

Date: May 10, 2024

BUCHALTER LAW FIRM

By:



Joshua Mizrahi
Graham G. Lambert
*Attorneys for Defendant LIQUID GRAPHICS,
INC.*

PROOF OF SERVICE

Alvarez, et al. vs. Liquid Graphics, Inc., et al.
Case No.: 30-2022-01251702-CU-OE-CXC

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

I, Christine Ohanyan, state that I am employed in the County of Los Angeles in the State of California. I am over the age of eighteen years and am not a party to the within action. My business address is 3055 Wilshire Blvd., 12th Floor, Los Angeles, California 90010.

On May 10, 2024, I served the foregoing:

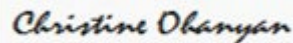
- 1. PLAINTIFFS' NOTICE OF ERRATA RE: EXHIBIT 1 (SETTLEMENT AGREEMENT) TO THE DECLARATION OF NICOL E. HAJJAR IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** on the interested parties: (a) as addressed; and (b) by one of the methods of service set forth below:

Please see the attached Service List.

- ☒ **BY ELECTRONIC MAIL (E-MAIL):** I caused said document(s) to be delivered electronically to the addressee(s) identified above with an e-mail address pursuant to Cal. Code Civ. Proc. § 1013(g).
- ☒ **BY UPLOAD:** I hereby certify that the documents were uploaded by my office to the State of California Labor and Workforce Development Agency Online Filing Site.

I declare under the penalty of perjury under the laws of the State of California, that the foregoing is true and correct.

Executed on May 10, 2024, at Los Angeles, California.



Christine Ohanyan

SERVICE LIST

Alvarez, et al. vs. Liquid Graphics, Inc., et al.
Case No.: 30-2022-01251702-CU-OE-CXC

Stacey Cooper, Esq.
STACEY COOPER LAW, PC
888 Prospect Street, Suite 200
La Jolla, CA 92037
stacey@cooperlawpc.com

*Counsel for Defendant, LYNEER STAFFING
SOLUTIONS, LLC*

Joshua Mizrahi, Esq.
Graham Lambert, Esq.
BUCHALTER
1000 Wilshire Blvd., Suite 1500
Los Angeles, CA 90017
jmizrahi@buchalter.com
glambert@buchalter.com
vcarrera@buchalter.com

*Counsel for Defendant, LIQUID
GRAPHICS, INC.*