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Attorneys for Plaintiff

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

FRANCISCO CHAVEZ, individually, and
on behalf of other members of the general
public similarly situated and other aggrieved
employees pursuant to the California Private
Attorneys General Act,

Plaintiff,

vs.

AMERICAN PAPER AND PLASTICS,
INC., a California corporation; and DOES 1
through 100, inclusive,

Defendants.

Case No.: 21STCV07182

Honorable Elihu M. Berle
Department 6

CLASS ACTION

**DECLARATION OF BRIAN J. ST. JOHN
IN SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS AND REPRESENTATIVE
ACTION SETTLEMENT**

[Plaintiff's Motion for Preliminary Approval of
Class and Representative Action Settlement;
Declaration of Proposed Class Representative
(Francisco Chavez); and [Proposed] Order filed
concurrently herewith]

Date: January 9, 2023
Time: 9:00 a.m.
Department: 6

Complaint Filed: February 24, 2021
FAC Filed: August 9, 2021
Trial Date: None Set

DECLARATION OF BRIAN J. ST. JOHN

I, Brian J. St. John, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers *for* Justice, PC, attorneys of record for Plaintiff Francisco Chavez (“Plaintiff”). The facts set forth in this declaration are within my personal knowledge or based on information and belief, and if called as a witness, I could and would competently testify thereto.

EXPERIENCE AND ADEQUACY OF LAWYERS *for* JUSTICE, PC

2. Since October 2008, Lawyers *for* Justice, PC has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. Currently, the firm is attorney of record in over a dozen employment-related putative class actions in both state and federal courts in the State of California. Lawyers *for* Justice, PC is comprised of attorneys who focus on litigating complex wage-and-hour class and Private Attorneys General Act (“PAGA”) representative actions. The firm has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. During a relatively short time, in association with other law firms, Lawyers *for* Justice, PC has recovered millions of dollars on behalf of thousands of individuals in California. Below is a summary of the experience and qualifications of the attorneys at Lawyers *for* Justice, PC who most recently and primarily have been responsible for the representation of Plaintiff in connection with the resolution of above-captioned matter. Additional attorney and non-attorney staff have also worked on the above-captioned matter.

3. Edwin Aiwazian is the Managing Member and Shareholder of Lawyers *for* Justice, PC. He received his Bachelor of Arts degree from Pepperdine University in April of 1999 and earned a Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of its Masters in Dispute Resolution degree program. In addition, he has previously served as a pro bono mediator for the Los Angeles County Superior Court. In October of 2000, he obtained a Litigation Paralegal Certificate from the UCLA

1 Extension Program. During the summer of 2000, he studied Legal Writing at Harvard University.
2 From approximately September 2002 to approximately December 2002, he served as a Judicial
3 Extern to the Honorable Kim McLane Wardlaw of the United States Court of Appeals for the
4 Ninth Circuit. From approximately June 2002 to approximately August 2002, he served as a
5 Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second
6 Appellate District. In December of 2004, he obtained a license to practice law from the California
7 State Bar. From approximately December 2004 to approximately August 2008, he was employed
8 by Girardi & Keese. At Girardi & Keese, his practice focused on class actions and other complex
9 cases involving toxic torts and products liability. In addition, he gained substantial experience on
10 cases involving insurance bad faith, premises liability, and medical negligence. While employed
11 by Girardi & Keese, he argued approximately one hundred (100) motions, took or defended
12 approximately one hundred fifty (150) depositions, and prepared dozens of expert witnesses for
13 deposition or trial. Since in or around October of 2008, through his work at Lawyers *for* Justice,
14 PC, he has almost exclusively focused on the prosecution of consumer and employment class
15 actions, involving wage-and-hour claims, race discrimination, unfair business practices, or
16 consumer fraud. While employed by Lawyers *for* Justice PC, he has argued over one hundred
17 (100) motions, taken or defended over one hundred fifty (150) depositions, prepared dozens of
18 expert witnesses for deposition or trial, and attended over one hundred seventy-five (175)
19 mediations. Together with other attorneys at the firm, and in many cases in conjunction with co-
20 counsel, he has successfully litigated cases involving the executive, administrative, and other
21 overtime exemptions to the State of California and federal overtime compensation requirements.
22 Under his supervision, Lawyers *for* Justice, PC has successfully obtained class certification by
23 contested motion practice in approximately fifteen (15) cases in the last decade and litigated over
24 1,000 class action or representative action cases.

25 4. Arby Aiwazian is a Member and Shareholder of Lawyers *for* Justice, PC. He
26 received his Bachelor of Arts degree from University of California, Los Angeles and graduated
27 magna cum laude. He earned a Juris Doctor degree, cum laude, from Southwestern Law School.
28 From approximately May 2007 to approximately July 2007, he served as a Judicial Extern to the

1 Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District.
2 From approximately August 2008 to approximately December 2008, he served as a Judicial Extern
3 to the Honorable Kim McLane Wardlaw of the United State Court of Appeals for the Ninth Circuit.
4 He was admitted to practice law in California in 2010. He is admitted to practice before all courts
5 of the State of California and all United States District Courts in the State of California. He has
6 worked on many wage-and-hour class action and representative action cases, taking the lead in
7 taking and defending depositions, arguing motions, and attending mediations. He has played an
8 integral role in preparing matters for class certification, including and not limited to, successful
9 certification of a class in *Upson v. Sur La Table* (Los Angeles County Superior Court Case No.
10 BC424012), *Montazemi v. Regus Management* (Los Angeles County Superior Court Case No.
11 BC478769), and *Abdulhaqq v. Urban Outfitters* (Alameda County Superior Court Case No.
12 RG13680477). Under his and Edwin Aiwazian's supervision, dozens of class action or
13 representative cases have resulted in settlements that have been granted court approval, including
14 and not limited to, those listed in paragraph 7 herein. He has worked on over one hundred (100)
15 class action or representative action cases which have resulted in settlement.

16 5. Joanna Ghosh is a Senior Member of Lawyers for Justice, PC. She received a
17 Bachelor of Arts degree from California State University, Los Angeles in 2006, a Master of
18 Science degree from the London School of Economics in 2007, and a Juris Doctor degree from
19 Georgetown University Law Center in 2010. She is admitted to practice in California (since 2010)
20 and in New York (since 2013) and is also admitted to practice in all U.S. District Courts in
21 California, the U.S. Bankruptcy Court for the Central District of California, and the U.S. Supreme
22 Court. She has taken and defended dozens of depositions and successfully handled motion practice
23 in class action cases regarding discovery (including and not limited to, regarding class contact
24 information), class certification (both contested class certification and stipulated class
25 certification), arbitration agreements, coordination, intervention. She has successfully handled
26 briefing and oral argument on appeal and obtained notable decisions regarding the Private
27 Attorneys General Act and employer efforts to compel arbitration, e.g., *Betancourt v. Prudential*
28 *Overall Supply*, 9 Cal.App.5th 439 (Cal. Ct. App., Mar. 7, 2017), cert. denied (Cal., May 24, 2017),

cert. denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court*, 8 Cal.5th175 (2019). She also has extensive experience with class action and/or representative action settlements. Under her, Edwin Aiwarzian, and Arby Aiwarzian’s supervision, the firm has handled the class certification and court approval process for hundreds of class action and/or representative action matters that have successfully resolved. She is a member of the California Employment Lawyers Association.

6. I am a Member of Lawyers *for* Justice, PC. I received my Bachelor’s degree from the University of California, San Diego in 2010 and earned my Juris Doctor degree from the University of California, Berkeley, School of Law in 2013. I was admitted to practice law in California in 2015. I am admitted to practice before all courts of the State of California and all federal district courts in the State of California. I have worked on many wage and hour class action and PAGA representative matters, and my work has included, *inter alia*, researching and drafting pleadings, administrative notice exhaustion, drafting, negotiating, and finalizing stipulations and settlement agreements, engaging in motion practice, claims evaluation and analysis, and making court appearances. Prior to working at Lawyers *for* Justice, PC, I spent several years working for a boutique employment and labor law firm representing employers, and, in 2019 and 2020, I was employed as general counsel for a DMHC licensed discount dental plan.

**EXAMPLES OF RESULTS IN WAGE-AND-HOUR CLASS ACTION AND
REPRESENTATIVE ACTION CASES**

7. What follows are just a few examples of the type of results Lawyers *for* Justice, PC (“LFJ”) has achieved on behalf of its clients:

a) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class action against a major property management company involving allegations of misclassification of various “manager” positions. On September 20, 2010, the court granted final approval of the class action settlement. The Los Angeles County Superior Court Case Number is BC400414.

b) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class action against a national retailer of household items involving allegations of misclassification of the “Assistant Store Manager” position. On October 28, 2010, the court

1 granted final approval of the class action settlement. The Los Angeles County Superior Court
2 Case Number is BC413498.

3 c) LFJ, in association with co-counsel therein, represented the plaintiffs in a
4 wage-and-hour class action against a national property management company involving
5 allegations of misclassification of the “Property Manager” position. On May 23, 2012, the court
6 granted final approval of the class action settlement. The Los Angeles County Superior Court
7 Case Number is BC430918.

8 d) LFJ, in association with co-counsel therein, represented the plaintiffs in a
9 wage-and-hour class action against a national retailer involving allegations of misclassification of
10 the “Store Manager” position. On June 10, 2011, the court granted plaintiffs’ motion for class
11 certification. On August 26, 2013, the court granted final approval of the class action settlement.
12 The Los Angeles County Superior Court Case Number is BC424012.

13 e) LFJ, in association with co-counsel therein, represented the plaintiff in a
14 wage-and-hour class and PAGA representative action against a bank, involving allegations of
15 misclassification of the “Assistant Branch Manager” position. On August 27, 2013, the court
16 granted final approval of the class and PAGA representative action settlement. The Kern County
17 Superior Court Case Number is S-1500-CV-273194-LHB.

18 f) LFJ, in association with co-counsel therein, represented the plaintiff in a
19 wage-and-hour class and PAGA representative action against a national wholesale distributor of
20 plumbing and builder supplies, involving allegations of misclassification of multiple salaried
21 “manager” positions. On May 22, 2014, the court granted final approval of the class and PAGA
22 representative action settlement. The Sacramento County Superior Court Case Number is 34-
23 2012-00136285.

24 g) LFJ, in association with co-counsel therein, represented the plaintiff in a
25 wage-and-hour class action against a multinational corporation that provides global workplace
26 solutions, involving allegations of misclassification of the “Operations Manager” position. On
27 September 16, 2014, the court granted plaintiff’s motion for class certification. The Los Angeles
28 County Superior Court Case Number is BC478769.

1 h) LFJ, in association with co-counsel therein, represented the plaintiff in a
2 wage-and-hour class and PAGA representative action against a national retailer of household
3 items, on behalf of hourly-paid or non-exempt employees. On May 27, 2015, the court granted
4 final approval of the class and PAGA representative action settlement. The San Francisco County
5 Superior Court Case Number is CGC-13-532344.

6 i) LFJ, in association with co-counsel therein, represented the plaintiff in a
7 wage-and-hour class and PAGA action involving allegations of misclassification of the salaried
8 residential “Property Manager” position. On September 17, 2015, the court granted plaintiff’s
9 motion for class certification. On October 20, 2017, the court granted final approval of the class
10 and PAGA representative action settlement. The Los Angeles County Superior Court Case
11 Number is BC474784.

12 j) LFJ, in association with co-counsel therein, represented the plaintiffs in a
13 wage-and-hour class and PAGA representative action against a national retailer of upscale
14 hardware and home furnishings, on behalf of non-exempt employees. On April 28, 2016, the court
15 granted final approval of the class and PAGA representative action settlement. The Los Angeles
16 County Superior Court Case Numbers are BC516795 and JCCP4794, and the Judicial Council
17 Coordination Proceeding Number is 4794.

18 k) LFJ, in association with co-counsel therein, represented the plaintiffs in a
19 wage-and-hour class action against a national retailer of apparel and fashion accessories, on behalf
20 of non-exempt employees. On August 5, 2016, the court granted final approval of the class action
21 settlement. The Los Angeles County Superior Court Case Number is BC488069.

22 l) LFJ, in association with co-counsel therein, represented the plaintiffs in a
23 wage-and-hour class action against a national retailer of apparel, accessories, and home products,
24 involving allegations of misclassification of the “Department Manager” position. On August 12,
25 2016, the court granted the plaintiffs’ motion for class certification in part and certified a class. On
26 August 6, 2019, the court granted final approval of the class action settlement. The Alameda
27 County Superior Court Case Number is RG13680477.

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1 m) LFJ represented the plaintiff in a PAGA representative action against a real
2 estate and property management company, on behalf of non-exempt employees. On November 4,
3 2016, the court granted approval of the PAGA representative action settlement. The Orange
4 County Superior Court Case Number is 30-2015-00775439-CU-OE-CXC.

5 n) LFJ, in association with co-counsel therein, represented the plaintiffs in a
6 wage-and-hour class and PAGA representative action against a full-service bank, on behalf of non-
7 exempt employees. On November 18, 2016, the court granted final approval of the class and
8 PAGA representative action settlement. The San Francisco County Superior Court Case Number
9 is CJC-13-004839 and the Judicial Council Coordination Proceeding Number is 4839.

10 o) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
11 representative action against a foodservice distributor, on behalf of non-exempt employees. On
12 January 26, 2017, the court granted final approval of the class and PAGA representative action
13 settlement. The San Bernardino County Superior Court Case Number is CIVDS1507260.

14 p) LFJ, on behalf of the plaintiff and respondent in a PAGA representative
15 action, successfully opposed in the trial court, and briefed and argued an appeal with respect to the
16 employer's motion to compel arbitration, which resulted in a published opinion by the California
17 Court of Appeal in favor of employees. *Roberto Betancourt v. Prudential Overall Supply* (Cal.
18 App. 4th Dist., Mar. 7, 2017) 9 Cal.App.5th 439, review denied, cert. denied (U.S. Supreme Court
19 Docket No. 17-254). The Riverside County Superior Court Case Numbers are RIC1503952 and
20 RICJCCP5046, and the Judicial Council Coordination Proceeding Number is 5046.

21 q) LFJ, in association with co-counsel therein, represented the plaintiffs in a
22 wage-and-hour class and PAGA representative action against a consumer packaging company, on
23 behalf of non-exempt employees. On March 10, 2017, the court granted final approval of the class
24 and PAGA representative action settlement. The Los Angeles County Superior Court Case
25 Number is BC590429.

26 r) LFJ, in association with co-counsel therein, represented the plaintiffs in a
27 wage-and-hour class and PAGA representative action against a manufacturer of food service
28 industry supplies on behalf of non-exempt employees. On April 14, 2017, the court granted final

1 approval of the class and PAGA representative action settlement. The Orange County Superior
2 Court Case Number is 30-2015-00810013-CU-OE-CXC.

3 s) LFJ in association with co-counsel, represented the plaintiffs in a wage-and-
4 hour class and PAGA representative action against a lumber and hardware company on behalf of
5 non-exempt employees. On April 26, 2017, the court granted final approval of the class and PAGA
6 representative action settlement. The Orange County Superior Court Case Number is 30-2014-
7 00747750-CU-OE-CXC.

8 t) LFJ represented the plaintiff in a wage-and-hour class and PAGA
9 representative action against a property management company, on behalf of non-exempt
10 employees. On June 14, 2017, the court granted final approval of the class and PAGA
11 representative action settlement. The Los Angeles County Superior Court Case Number is
12 BC586234.

13 u) LFJ represented the plaintiff in a wage-and-hour class and PAGA
14 representative action against a food company on behalf of non-exempt employees. On June 30,
15 2017, the court granted final approval of the class and PAGA representative action settlement. The
16 Sacramento County Superior Court Case Number is 34-2015-00175871.

17 v) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
18 representative action against a chocolate company on behalf of non-exempt employees. On July
19 19, 2017, the court granted final approval of the class and PAGA representative action settlement.
20 The Alameda County Superior Court Case Number is RG15764300.

21 w) Our firm represented the plaintiff in a PAGA representative action, against
22 the parent company of several restaurants, on behalf of hourly-paid, non-exempt employees. On
23 October 18, 2017, the court granted approval of the PAGA representative action settlement. The
24 Los Angeles County Superior Court Case Number is BC569664.

25 x) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
26 representative action against a manufacturer of plastic containers on behalf of non-exempt
27 employees. On October 31, 2017, the court granted final approval of the class and PAGA
28 representative action settlement. The Los Angeles County Superior Court Case Number is

1 BC577233.

2 y) LFJ, in association with co-counsel therein, represented the plaintiffs in a
3 wage-and-hour class and PAGA representative action against a bank on behalf of non-exempt
4 employees. On December 11, 2017, the court granted final approval of the class and PAGA
5 representative action settlement. The Los Angeles County Superior Court Case Number is
6 BC569646.

7 z) LFJ, in association with co-counsel therein, represented the plaintiffs in a
8 wage-and-hour class and PAGA representative action against a property management company
9 on behalf of hourly-paid and non-exempt employees. On January 4, 2018, the court granted final
10 approval of the class and PAGA representative action settlement. The Los Angeles County
11 Superior Court Case Number is JCCP4819 and the Judicial Council Coordination Proceeding
12 Number is 4819.

13 aa) LFJ, in association with co-counsel therein, represented the plaintiffs in a
14 wage-and-hour class and PAGA representative action against a global provider of flexible office
15 space solutions. On February 15, 2018, the court granted final approval of the class and PAGA
16 representative action settlement. The Los Angeles County Superior Court Case Number is
17 BC498401.

18 bb) LFJ, in association with co-counsel therein, represents the plaintiff in a
19 wage-and-hour class action against a container manufacturer, on behalf of non-exempt employees.
20 On October 15, 2018, the court granted the plaintiff's motion for class certification. The Tulare
21 County Superior Court Case Number is VCU264528.

22 cc) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
23 representative action against a behavioral health service provider on behalf of non-exempt
24 employees. On November 13, 2018, the court granted final approval of the class and PAGA
25 representative action settlement. The Alameda County Superior Court Case Number is
26 RG16811450.

27 dd) LFJ, in association with co-counsel therein, represented the plaintiff in a
28 PAGA representative action against a global provider of products and services to the energy

1 industry, on behalf of hourly-paid and non-exempt employees. On November 19, 2018, the court
2 granted approval of the PAGA representative action settlement. The Kern County Superior Court
3 Case Number is S-1500-CV-280215-SDC.

4 ee) LFJ, in association with co-counsel therein, represents the plaintiff in a
5 wage-and-hour class action against a parking company on behalf of non-exempt employees. On
6 September 3, 2019, the court granted the plaintiff's motion for class certification and certified a
7 class. The Santa Clara County Superior Court Case Number is 16CV292208 and the Judicial
8 Council Coordination Proceeding Number is 4886.

9 ff) LFJ, in association with co-counsel therein, represents the plaintiffs in a
10 wage-and-hour class and representative action against a bank on behalf of non-exempt employees.
11 On September 27, 2019, the court granted the plaintiffs' motion for class certification in part and
12 certified a class. The Alameda County Superior Court Case Number is RG15757606 and the
13 Judicial Council Coordination Proceeding Number is 4921.

14 gg) LFJ, in association with co-counsel therein, represented the plaintiffs in a
15 wage-and-hour class and PAGA representative action against a national retailer of apparel and
16 fashion accessories, on behalf of non-exempt employees. On October 9, 2019, the court granted
17 the plaintiffs' motion for class certification in part and certified a class. On May 14, 2021, the
18 court granted final approval of the class and PAGA representative action settlement. The
19 Sacramento County Superior Court Case Number is 34-2015-00175330-CU-OE-GDS.

20 hh) LFJ, in association with co-counsel therein, on behalf of the plaintiff and
21 respondent in a PAGA representative action, successfully opposed in the trial court, and briefed
22 and argued an appeal with respect to the employer's motion to compel arbitration, resulting in a
23 notable decision from the California Supreme Court clarifying the law and finding, in part, that
24 employer arbitration agreements are unenforceable where they block a PAGA claim from
25 proceeding, *ZB, N.A. v. Superior Court* (2019) 8 Cal.5th 175. On February 21, 2020, the court
26 granted approval of the PAGA representative action settlement. The San Diego County Superior
27 Court Case Number is 34-2015-00175330.

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1 ii) LFJ, in association with co-counsel therein, represents the plaintiff in a
2 wage-and-hour class and PAGA representative action against a medical equipment supplier on
3 behalf of non-exempt employees. On February 13, 2020, the court granted the plaintiff's motion
4 for class certification and certified a class. The San Bernardino County Superior Court Case
5 Number is CIVDS1505744.

6 jj) LFJ, in association with co-counsel therein, represents the plaintiff in a
7 wage-and-hour class and PAGA representative action against a large national drug testing
8 laboratory on behalf of non-exempt employees. On February 21, 2020, the court granted the
9 plaintiff's motion for class certification and certified a class. The San Diego County Superior
10 Court Case Number is 37-2018-00019611-CU-OE-CTL.

11 kk) LFJ, in association with co-counsel therein, represents the plaintiffs in a
12 wage-and-hour class and PAGA representative action against a national retailer of sportswear,
13 footwear, and camping equipment on behalf of non-exempt employees. On March 16, 2020, the
14 court granted in part the plaintiff's motion for class certification and certified a class. The
15 Riverside County Superior Court Case Numbers are RIC1507504 and RICJCCP4930, and the
16 Judicial Council Coordination Proceeding Number is 4930.

17 ll) LFJ, in association with co-counsel therein, represents the plaintiffs in a
18 wage-and-hour class action against manufacturer and supplier of power products and services on
19 behalf of non-exempt employees. On July 31, 2020, the court granted in part the plaintiffs' motion
20 for class certification and certified a class. The San Diego County Superior Court Case Number is
21 37-2015-00025968-CU-OE-CTL.

22 mm) LFJ represents the plaintiff in a wage-and-hour class action against a
23 nutritional products manufacturer on behalf of non-exempt production line employees. On
24 December 13, 2021, the court granted the plaintiff's motion for class certification in part and
25 certified a class. The Solano County Superior Court Case Number is FCS051001.

26 nn) LFJ represents the plaintiff in a wage-and-hour class action against an iconic
27 lifestyle accessories brand and retailer on behalf of non-exempt employees. On March 15, 2022,
28

1 the court granted the plaintiff's motion for class certification in part and certified a class. The San
2 Francisco Superior Court Case Number is CGC-16-550794.

3 **PRELIMINARY APPROVAL**

4 8. Marked and attached hereto as "**EXHIBIT 1**" is the Joint Stipulation of Class Action
5 and PAGA Settlement ("Settlement," "Agreement," or "Settlement Agreement") entered into by
6 and between Plaintiff, individually and on behalf of all others similarly situated and other
7 aggrieved employees, on the one hand, and Defendant American Paper and Plastics, Inc.
8 ("Defendant"), on the other hand (collectively, the "Parties"). The Parties and their counsel have
9 approved the proposed Notice of Class Action Settlement ("Class Notice"), which is attached to
10 the Settlement Agreement as "Exhibit A" and respectfully request that the Court approve it as
11 well. The Parties have also agreed to the form and content of the proposed Second Amended
12 Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act,
13 Cal. Labor Code § 2698, Et Seq. ("Second Amended Complaint" or "Operative Complaint"),
14 which is attached as "Exhibit A" to the [Proposed] Order Granting Approval of Class Action
15 Settlement, filed concurrently herewith. Class Counsel respectfully requests the Court grant leave
16 to file the Second Amended Complaint so that the terms of the Settlement Agreement and the
17 intent of the Parties may be effectuated

18 9. Based on information provided by Defendant, the Class is estimated to consist of
19 approximately four hundred thirty (430) individuals.

20 10. The effectiveness of Lawyers for Justice, PC ("Class Counsel") in prosecuting this
21 matter has translated into tangible monetary benefits for the Class Members in the following
22 respects: (1) Class Members recover over a reasonably short period of time as opposed to waiting
23 additional years for the same, or possibly worse, result; (2) a guaranteed result that compares
24 favorably with other similar class action settlements of this type given the strengths and
25 weaknesses of the case; and (3) significant savings in Class Counsel's fees and/or costs that would
26 have only increased significantly had the case progressed through certification, trial, and/or
27 appeals.

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1 11. Class Counsel has litigated the case for over two years and was actively preparing
2 the matter for class certification and trial. The Parties have engaged in extensive settlement
3 negotiations and participated in a formal, full-day mediation conducted by Paul Grossman, Esq.,
4 a well-respected mediator experienced in mediating complex labor and employment matters. Prior
5 to and during the mediation and settlement discussions, the Parties exchanged class information
6 and engaged in an extensive discussion regarding their evaluations of the case and various aspects
7 of the case, including but not limited to, the risks and delays of further litigation, the risks to the
8 Parties of proceeding with class certification and/or representative adjudication, the law relating
9 to off-the-clock theory, meal and rest periods, PAGA representative actions, and wage-and-hour
10 enforcement, as well as the evidence produced and analyzed, and the possibility of appeals, among
11 other things. During all settlement discussions, the Parties conducted their negotiations at arm's
12 length in an adversarial position. Arriving at a settlement that was acceptable to all Parties was
13 not easy. Defendant and its counsel felt strongly about their ability to prevail on the merits and at
14 certification, and Plaintiff and Class Counsel believed that they would be able to obtain class
15 certification and prevail at trial. After conducting investigations, informal discovery, and
16 exchange of information, extensive settlement negotiations, and with the aid of the mediator's
17 evaluation, the Parties have agreed that the matter is well-suited for settlement given the legal
18 issues relating to Plaintiff's principal claims, as well as the costs and risks to both sides that would
19 attend further litigation. The Settlement is a fair, reasonable, and adequate resolution of the
20 Released Class Claims of Plaintiff, Participating Class Members, PAGA Employees, and the State
21 of California against the Released Parties.

22 12. The Parties used the pre-mediation time to investigate the veracity, strength, and
23 scope of the claims, and Class Counsel was preparing the action for class certification and trial.
24 Prior to engaging in mediation, Plaintiff conducted significant investigation and informal
25 discovery regarding the facts of the case, including and not limited to, the exchange, review, and
26 analysis of a large volume of pages of documents and data obtained from Defendant and other
27 sources. The volume of data and documents that Class Counsel reviewed and analyzed included
28 and was not limited to: employment records of Plaintiff and other Class Members, a detailed

1 sampling of Class Members' time and pay data, Defendant's Employee Handbook, applications
2 for employment, company policy acknowledgements, internal memoranda, job descriptions,
3 operations and employment practices, forms (including but not limited to Incident Report Forms,
4 Pay Raise Request Forms, New Hire Personnel Activity Forms, and Orientation Forms),
5 procedures and policies (including but not limited to Overtime, Timekeeping Procedures & Other
6 Records, Meal and Rest Period Policy, Dress Code, Mobile Device Usage Policy, and Meal Period
7 Waiver), among other information and documents. Class Counsel interviewed Plaintiff and other
8 Class Members to gather facts and to identify potential witnesses. Counsel for the Parties also met
9 and conferred on numerous occasions, e.g., to discuss issues relating to the pleadings, discovery,
10 and the production of documents and data prior to the mediation. Class Counsel also drafted
11 pleadings and mediation brief and prepared for and attended court proceedings, mediation, and
12 settlement negotiations, among other tasks.

13 13. Counsel for the Parties have also invested time researching and investigating the
14 applicable law, which is constantly evolving as it relates to certification, representative PAGA
15 claims, off-the-clock theory, meal and rest periods, wage-and-hour law and enforcement,
16 Plaintiff's claims and damages, and Defendant's defenses thereto, as well as facts discovered.
17 Based on our analysis, I submit that the result achieved in this litigation is fair, adequate, and
18 reasonable.

19 14. The Settlement provides for a Gross Settlement Amount of one million six hundred
20 thousand dollars (\$1,600,000.00). The Net Settlement Amount is the Gross Settlement Amount
21 less the following amounts subject to approval by the Court: Attorneys' Fees and Litigation Costs
22 to Class Counsel, Incentive Payment to Plaintiff, Administration Costs to Settlement
23 Administrator, and allocation for PAGA Penalties, seventy-five percent (75%) of which is will be
24 distributed to the Labor and Workforce Development Agency ("LWDA") and the remaining
25 twenty-five percent (25%) will be distributed to PAGA Employees on a *pro rata* basis. Assuming
26 that the amounts allocated under the Settlement toward these payments are awarded by the Court,
27 the Net Settlement Amount is currently estimated to be six hundred ninety four thousand five
28 hundred dollars and no cents (\$694,500.00). The Gross Settlement Amount will be fully

distributed in accordance with the terms of the Settlement and there is no reversion to Defendant.

15. The Parties have agreed to retain Phoenix Settlement Administration Solutions (“Phoenix” or “Settlement Administrator”) to handle the notice and settlement administration. The Parties respectfully request that the Court appoint Phoenix to handle these procedures and serve as the Settlement Administrator. Defendant will provide Phoenix with a list of Class Members that Defendant will compile from its records, which will include each Class Member’s full name, last known address, last known telephone number, number of Workweeks, Social Security number, and start and end dates of active employment as an hourly and/or non-exempt employee of Defendant in California during the Class Period (“Class List”), and Phoenix will calculate each Participating Class Member’s estimated share of the Net Settlement Amount (“Individual Settlement Payment”) and each PAGA Employee’s estimated share of the 25% portion of the PAGA Settlement Amount (“Individual PAGA Payment”). Phoenix will also receive requests for exclusion from the Settlement, objections to the Settlement, and disputes regarding Workweeks; provide necessary reports and declarations; calculate, subtract, and transmit necessary taxes and withholdings; prepare and submit informational and other tax filings and documents; issue and transmit all payments provided for by the Settlement, including and not limited to, mailing Individual Settlement Payment checks to the Participating Class Members and Individual PAGA Payment checks to PAGA Employees; and perform any other usual and customary duties for administering a class action settlement. Administration Costs are currently estimated not to exceed eight thousand dollars (\$8,000.00) and will be paid out of the Gross Settlement Amount, subject to approval of the Court.

16. Based on investigation and information discovered, Class Counsel believes that there is sufficient evidence to support the allegations made in the lawsuit, including the allegations that Defendant, with respect to Plaintiff and the Class Members, *inter alia*, failed to properly pay overtime and minimum wages and associated premium pay, failed to provide compliant meal and rest periods and to pay associated premium pay, failed to timely pay wages during employment and upon termination of employment, failed to provide compliant wage statements, failed to maintain requisite payroll records, and failed to reimburse necessary business expenses, and

1 thereby engaged in unfair business practices and conduct giving rise to penalties recoverable under
2 the Private Attorneys General Act of 2004 (California Labor Code sections 2698, et seq.). Plaintiff
3 also asserted that Class Members were expected to perform similar job duties and were subject to
4 the same or similar operations and employment policies, practices, and procedures. Additionally,
5 Plaintiff asserted that Defendant's recordkeeping practices with respect to Plaintiff and the Class
6 Members were substantially the same during the time period at issue. As a result, Plaintiff claims
7 that the Class Members, were uniformly not paid all of the compensation that was owed to them
8 by Defendant from February 24, 2017, to May 2, 2022. Thus, in Class Counsel's view, it is clear
9 the outcome of this litigation would be determined by Defendant's uniform operations and
10 employment practices, policies, and procedures that Plaintiff alleges applied across its hourly-paid
11 or non-exempt employees in California during the Class Period.

12 17. Class Counsel is aware of the defenses and position of Defendant but believes that
13 Plaintiff could potentially obtain class certification despite many obstacles. Plaintiff has also taken
14 into account the uncertainty and risk of the outcome of further litigation, and the difficulties and
15 delays inherent in such litigation, including those involved in class certification and/or
16 representative adjudication. Plaintiff further recognizes the burdens of proof necessary to establish
17 liability for the claims asserted in the lawsuit, Defendant's defenses, and the difficulties in
18 establishing entitlement to monetary recovery. Plaintiff has also considered the Parties' settlement
19 discussions, as well as the evaluations of the mediator, who is experienced and well-regarded in
20 complex labor and employment matters.

21 18. Defendant, on the other hand, denied and continues to deny any liability and
22 wrongdoing of any kind associated with the claims alleged in the lawsuit, and further denies that
23 the lawsuit is appropriate for class treatment or representative adjudication for any purpose other
24 than this Settlement. Defendant believes that it would ultimately succeed in the matter. Both sides
25 have also had the opportunity to interview witnesses and review documents and information
26 relating to Plaintiff's and Class Members' employment with Defendant, and Defendant's
27 operations and employment policies, practices, and procedures. The Parties also reviewed and
28 analyzed a large volume of documents and data, including but not limited to a detailed sampling

of Class Members' time and pay information, to determine the potential value and strength of the claims. The available information enabled Class Counsel to estimate the potential claims of the Class and prepare damages/valuation models. Accordingly, the Parties have conducted adequate investigation and discovery to be sufficiently informed of the nature and extent of the Class Members' claims, and to enable both sides to fully evaluate the Settlement for its fairness, adequacy, and reasonableness. The Parties have agreed that the matter is well-suited for settlement given the legal issues relating to Plaintiff's principal claims, as well as the costs and risks to both sides that would attend further litigation. The Settlement takes into account the strengths and weaknesses of each side's position and the uncertainty of how the case might have concluded at certification, trial, and/or appeals.

19. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in an amount of up to thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$560,000.00) and expenses and costs in an amount not to exceed thirty thousand dollars (\$30,000.00), which will be paid out of the Gross Settlement Amount, subject to approval by the Court. It should be noted that Class Counsel has borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained.

20. The Settlement Agreement provides for payment of up to seven thousand five hundred dollars (\$7,500.00) to Plaintiff as Incentive Payment, to be paid out of the Gross Settlement Amount subject to approval by the Court. Plaintiff spent considerable time and effort to produce relevant documents and past employment records and to provide the facts and evidence necessary to attempt to prove the allegations. Plaintiff was available whenever Class Counsel needed him and actively tried to obtain information that would benefit the Class. Accordingly, it is appropriate and just for Plaintiff to receive an Incentive Payment, in addition to his Individual Settlement Payment, for his services on behalf of the Class, PAGA Employees, and the State of California.

21. Class Counsel submits that the Settlement is fair, reasonable, and adequate, and is in the best interest of the Class, PAGA Employees, and the State of California. Class Counsel further submits that the Settlement is within an acceptable range of recovery for this type of

litigation given the strengths and weaknesses of the case, the inherent costs and risks of further litigation, and the costs and risks associated with class certification, representative adjudication, trial, and/or appeals.

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

Executed on this 14th day of November 2022, at Glendale, California.



Brian J. St. John

EXHIBIT 1

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

2 This Joint Stipulation of Class and PAGA Representative Action Settlement (“Agreement”
3 or “Settlement Agreement”) is made and entered into by and between Plaintiff FRANCISCO
4 CHAVEZ, individually, and on behalf of all others similarly situated and Defendant AMERICAN
5 PAPER AND PLASTICS INC.

6 **I. RECITALS**

7 On February 24, 2021, former American Paper employee Francisco Chavez brought a
8 putative class action against American Paper and Plastics Inc. in Superior Court for the State of
9 California, County of Los Angeles, *Francisco Chavez v. American Paper and Plastics Inc.*, Case No.
10 21STCV07182 (“Complaint”), asserting claims for (1) California Labor Code sections 510 and 1198
11 (unpaid overtime); (2) California Labor Code sections 226.7 and 512(a) (unpaid meal period
12 premiums); (3) California Labor Code section 226.7 (unpaid rest period premiums); (4) California
13 Labor Code sections 1194, 1197, and 1197.1 (unpaid wages); (5) California Labor Code sections
14 201-203 (failure to timely pay wages); (6) California Labor Code section 204 (failure to timely pay
15 wages upon separation of employment); (7) California Labor Code section 226(a) (failure to provide
16 complete and accurate wage statements); (8) California Labor Code section 1174(d) (failure to keep
17 requisite payroll records); (9) failure to reimburse business expenses; and (10) California Business
18 & Professions Code sections 17200, *et seq.* (unfair business competition).

19 On August 9, 2021, Plaintiff filed the First Amended Complaint dismissing his claims for
20 failure to pay timely wages under Labor Code § 204 and failure to keep requisite payroll records
21 under Labor Code § 1174(d).

22 On February 1, 2022, the Parties participated in private mediation with Paul Grossman. The
23 Parties reached a preliminary agreement to resolve this matter, the terms of which are set forth in this
24 Settlement Agreement. The Parties successfully settled the matter at mediation and executed a
25 Memorandum of Understanding (“MOU”) memorializing the Parties’ agreement. The settlement
26 discussions were conducted at arm’s-length, and the Settlement is the result of an informed and
27 detailed analysis of Defendant’s potential liability of total exposure in relation to the costs and
28 risks associated with continued litigation. Based on the documents produced, as well as Class

1 Counsel's own independent investigation and evaluation, and the Mediator's efforts, Class Counsel
2 believes that the Settlement with Defendant for the consideration and on the terms set forth in this
3 Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class
4 Members in light of all known facts and circumstances, including the risk of significant delay and
5 uncertainty associated with litigation and various defenses asserted by Defendant.

6 On February 25, 2022 Plaintiff sent a letter to the Labor and Workforce Development
7 Agency, pursuant to California Labor Code § 2699.3, providing notice of his intent to seek civil
8 penalties under the Private Attorneys General Act, California Labor Code § 2698, *et seq.*, for
9 Defendant's alleged violations of California Labor Code §§ 201, 202, 203, 226(a), 226.7, 510, 512,
10 1194, 1197, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders ("PAGA
11 Letter").

12 In order to formally allege all causes of action investigated, litigated, mediated, and settled,
13 Plaintiff will file a Second Amended Class Action Complaint for Damages and Enforcement of
14 Private Attorneys' General Act, Cal. Labor Code § 2698, *et seq.* ("Second Amended Complaint").

15 This Settlement Agreement is made and entered into by and between Plaintiff, individually,
16 and on behalf of all others similarly situated, and Defendant, and is subject to the terms and
17 conditions hereof and to the Court's approval. The Parties expressly acknowledge that this agreement
18 is entered into solely for the purpose of compromising significantly disputed claims and that nothing
19 herein is an admission of liability or wrongdoing by Defendant. If for any reason the Settlement
20 Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their
21 original respective positions.

22 **II. DEFINITIONS**

23 The following definitions are applicable to this Settlement Agreement. Definitions contained
24 elsewhere in this Settlement Agreement shall also be effective:

25 1. "Action" means *Francisco Chavez v. American Paper and Plastics Inc.*, Los Angeles
26 County Superior Court Case No. 21STCV07182.

27 2. "Attorneys' Fees" means attorneys' fees agreed upon by the Parties and approved by
28 the Court for Class Counsel's litigation and resolution of the Action, and all costs incurred and to be

1 incurred by Class Counsel in the Action. Subject to Court approval, Class Counsel Attorney's Fees
2 payment shall not exceed the amount of thirty-five percent (35%) of the Gross Settlement Amount,
3 or FIVE HUNDRED SIXTY THOUSAND DOLLARS AND ZERO CENTS (\$560,000.00).

4 3. "Class" or "Class Member(s)" means all individuals who are currently employed or
5 were formerly employed by Defendant in California as hourly non-exempt employees, from
6 February 24, 2017 to May 2, 2022.

7 4. "Class Counsel" means mean Edwin Aiwazian, Arby Aiwazian, Joanna Ghosh, and
8 Brian J. St. John of Lawyers *for* Justice, PC and all the lawyers of this firm acting on behalf of
9 Plaintiff and the Class.

10 5. "Class List" means a complete list of all Class Members that Defendant will diligently
11 and in good faith compile from its records and provide to the Settlement Administrator within
12 twenty-one (21) calendar days after Preliminary Approval of this Settlement. The Class List shall be
13 formatted in Microsoft Office Excel and shall include each Class Member's: (i) name; (ii) most
14 recent known mailing address; (iii) telephone number; (iv) Social Security Number (v) dates of
15 employment as an as hourly non-exempt employee of Defendant; and (vi) the respective number of
16 Workweeks that each Class Member worked during the Class Period.

17 6. "Class Member(s)" means all individuals who are currently employed or were
18 formerly employed by Defendant in California as hourly non-exempt employees, from February 24,
19 2017, to May 2, 2022.

20 7. "Class Period" means the period from February 24, 2017, to May 2, 2022.

21 8. "Class Released Claims" any and all claims, rights, demands, liabilities, and causes
22 of action based on the same set of operative facts as those set forth in the operative Complaint,
23 including but not limited to claims based on the following categories of allegations: all claims under
24 state, federal or local law, whether statutory, common law or administrative law, arising out of or
25 related to allegations set forth in the operative Complaint, claims for failure to pay overtime wages,
26 failure to provide meal periods, failure to provide rest periods, failure to furnish accurate wage
27 statements, failure to pay all wages earned, failure to maintain required records, failure to pay earned
28 wages upon termination or discharge, failure to reimburse business expenses, unfair competition,

1 including, but not limited to, claims for injunctive relief, punitive damages, liquidated damages,
2 penalties of any nature, interest, fees, including fees under California Code of Civil Procedure section
3 1021.5; costs; and all other claims and allegations made or which could have been made in the Action
4 based on the facts and allegations pled in the operative Complaint from February 24, 2017, through
5 May 2, 2022.

6 9. "Class Settlement" means the settlement and release of Class Released Claims.

7 10. "Complaint" means the Second Amended Class Action Complaint , or any
8 subsequently amended complaint filed thereafter in Action.

9 11. "Court" means the Los Angeles County Superior Court.

10 12. "Defendant" means American Paper and Plastics, Inc.

11 13. "Defense Counsel" or "Defendant's Counsel" shall mean Jackson Lewis P.C.

12 14. "Effective Date" means the date when all of the following events have occurred: (1)
13 the Stipulation of Settlement has been executed by all Parties, Class Counsel and Defendant's
14 Counsel; (2) the Court has given preliminary approval to the Stipulation of Settlement; (3) the Notice
15 of Class Action Settlement has been given to the putative members of the Class, providing them with
16 an opportunity to object to the terms of this Stipulation of Settlement or opt out of the settlement; (4)
17 the Court has held a formal fairness hearing and entered a Final Approval Order and Judgment
18 certifying the Class, and approving the Stipulation of Settlement; (5) 65 calendar days have passed
19 since the Court has entered a Final Approval Order and Judgment certifying the Class, and approving
20 the Stipulation of Settlement; and (6) in the event there are written objections filed prior to the final
21 fairness hearing which are not later withdrawn or denied, the later of the following events: five
22 business days after the period for filing any appeal, writ or other appellate proceeding opposing the
23 Court's Final Approval Order and Judgment has elapsed without any appeal, writ or other appellate
24 proceeding having been filed; or, if any appeal, writ or other appellate proceeding opposing the
25 Court's Final Approval Order and Judgment approving the Stipulation of Settlement has been filed,
26 five business days after any appeal, writ or other appellate proceedings opposing the Stipulation of
27 Settlement has been finally and conclusively dismissed with no right to pursue further remedies or
28 relief.

1 15. “Final Approval Hearing” means the final hearing held to ascertain the fairness,
2 reasonableness, and adequacy of the Settlement Agreement, at which time the Court will enter its
3 order granting final approval of the Settlement Agreement.

4 16. “Final Approval Order and Judgment” means the order certifying the Class, granting
5 final approval of the Settlement, and entering judgment based thereon, after the Court has determined
6 that the Settlement is fair, adequate, and reasonable to the Class, following notice to the Class and a
7 hearing on the fairness of the Settlement.

8 17. “Gross Settlement Amount” means the maximum settlement amount OF ONE
9 MILLION SIX HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$1,600,000.00) to be
10 paid by Defendant in full satisfaction of all class and representative action claims arising from the
11 facts alleged in the Action and LWDA Notice, which includes all Individual Settlement Payments to
12 Participating Class Members, Settlement Administration Costs, the PAGA Settlement Amount,
13 Plaintiff’s Incentive Award, Attorneys’ Fees and Litigation Costs. This Gross Settlement Amount
14 has been agreed to by Plaintiff and Defendant based on an “all in” Gross Settlement Amount. In no
15 event will Defendant be liable for more than the Gross Settlement Amount for the Released Claims,
16 with the exception of Defendant’s share of payroll taxes, which shall be funded by Defendant
17 separately. Not later than thirty (30) calendar days after the Effective Date, Defendant shall deposit
18 the Gross Settlement Amount into a non-interest-bearing Qualified Settlement Fund created by the
19 Settlement Administrator. The Settlement Administrator shall handle such monies pursuant to the
20 terms of the Joint Stipulation of Class and Representative Action Settlement.

21 18. “Individual PAGA Payment” means each PAGA Employee’s share of the 25%
22 portion of the PAGA Settlement Amount allocated to PAGA Employees.

23 19. “Individual Settlement Payment” means each Participating Class Member’s share of
24 the Net Settlement Amount, to be distributed to the Participating Class Members.

25 20. “Litigation Costs” mean the amount awarded to Class Counsel to compensate them
26 for their expenses, including, but not limited to, their filing of the Action, and all related litigation
27 costs and expenses, this Settlement, and all post-Settlement compliance procedures. Subject to Court
28 approval, Class Counsel’s Litigation Expenses shall be an amount not to exceed THIRTY

1 THOUSAND DOLLARS AND ZERO CENTS (\$30,000.00).

2 21. “LWDA” means The State of California Labor and Workforce Development Agency.

3 22. “LWDA Payment” means means TWO HUNDRED TWENTY-FIVE THOUSAND
4 DOLLARS AND ZERO CENTS (\$225,000) (75% of the \$300,000.00 payment allocated to PAGA
5 Settlement Amount allocated to the settlement of PAGA claims, which, subject to Court approval,
6 will be paid to the LWDA.)

7 23. “Net Settlement Amount” means the portion of the Gross Settlement Amount
8 remaining after deduction of the approved Settlement Administration Costs, Attorneys’ Fees,
9 Litigation Costs, PAGA Settlement Amount, and Plaintiff’s Incentive Award. The Net Settlement
10 Amount will be distributed to Participating Class Members and PAGA Employees.

11 24. “Notice of Objection” means a Class Member’s valid and timely written objection to
12 the Settlement Agreement. For the Notice of Objection to be valid, it must be: (a) signed by the Class
13 Member; (b) filed with the Court and served on all parties; and (c) be postmarked on or before the
14 Response Deadline. Class Members may not object to or opt out of the PAGA Settlement Amount
15 or the release of the PAGA claims.

16 25. “Notice” means the Notice of Class and Representative Action Settlement,
17 substantially in the form attached as **Exhibit A**.

18 26. “PAGA” means the California Private Attorneys General Act of 2004, which is
19 codified in California Labor Code §§ 2698 *et seq.*

20 27. “PAGA Employees” means all non-exempt who worked in California for Defendant
21 from February 24, 2020, through May 2, 2022.

22 28. “PAGA Period” means the period from February 24, 2020, through May 2, 2022.

23 29. “PAGA Released Claims” means all claims, demands, rights, liabilities and causes of
24 action under California Labor Code Private Attorneys General Act of 2004 (Labor Code section 2698
25 *et seq.*) alleged in the letter to the Labor & Workforce Development Agency dated February 25,
26 2022 (i.e, the PAGA Letter), based on the factual allegations in the operative Complaint, that arose
27 during the PAGA Period including but not limited to the following claims for civil penalties: (a)
28 failure to pay all overtime wages owed; (b) failure to pay all minimum wages owed; (c) failure to

1 provide meal periods, or premium pay for non-compliant meal periods; (d) failure to authorize and
2 permit rest periods, or premium pay for non-compliant rest periods; (e) failure to timely pay all wages
3 due upon separation of employment; (f) failure to issue accurate, itemized wage statements based on
4 the foregoing Labor Code violations, Labor Code §§ 201, 202, 203, 226(a), 226.7, 510, 512, 1194,
5 1197, 1197.1; 1198, 2800, and 2802, and sections 11 and 12 of IWC Wage Order No. 1. The Parties
6 agree that there is no statutory right for any PAGA Employee to opt out or otherwise exclude himself
7 or herself from the PAGA Payment and the associated release of claims and rights under PAGA.

8 30. “PAGA Settlement” means the settlement and release of PAGA Released Claims.

9 31. “PAGA Settlement Amount” means the amount that the Parties have agreed to
10 allocate toward penalties under the Private Attorneys General Act of 2004 (Cal. Lab. Code § 2698,
11 *et seq.*). The Parties have agreed that THREE HUNDRED THOUSAND DOLLARS AND ZERO
12 CENTS (\$300,000.00) of the Gross Settlement Amount shall be allocated to the resolution of any
13 and all Class Members’ and the State of California’s claims arising under PAGA. Pursuant to PAGA,
14 Seventy-Five Percent (75%), or TWENTY-TWO THOUSAND FIVE HUNDRED DOLLARS AND
15 ZERO CENTS (\$225,000.00), of the PAGA Settlement Amount shall be paid to the LWDA, and
16 twenty-five percent (25%), or SEVENTY-FIVE THOUSAND FIVE HUNDRED DOLLARS AND
17 ZERO CENTS (\$75,000.00), of the PAGA Settlement Amount shall be distributed to the PAGA
18 Employees.

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

20 33. “Participating Class Members” means all Class Members who do not submit valid
21 Requests for Exclusion.

22 34. “Plaintiff” means Plaintiff Francisco Chavez

23 35. “Plaintiff’s Incentive Award” or “Incentive Award” means the amount awarded to
24 Plaintiff, not to exceed SEVEN THOUSAND FIVE HUNDRED DOLLARS and ZERO CENTS
25 (\$7,500.00) in exchange for a general release of all claims, and in recognition of his effort and work
26 in prosecuting the Action on behalf of the Class Members and negotiating the Settlement.

27 36. “Preliminary Approval” means the court order granting preliminary approval of the
28 Settlement Agreement.

1 37. “Preliminary Approval Hearing” means the hearing held on the motion for
2 preliminary approval of the Settlement Agreement.

3 38. “Qualified Settlement Fund Account” means a non-interest bearing transaction
4 account at a FDIC-insured institution established under this Settlement Agreement from which all
5 monies payable under this Settlement Agreement will be paid, as set forth herein.

6 39. “Released Parties” means Defendant, and any of its former and present parents,
7 subsidiaries, affiliates, divisions, corporations in common control, predecessors, successors, and
8 assigns, as well as all past and present officers, directors, employees, partners, shareholders and
9 agents, attorneys, insurers, and any other successors, assigns, or legal representatives.

10 40. “Request for Exclusion” or “Opt-Out” means a request by a Class Member to opt out
11 of the Class Settlement, and by which a Class Member excludes himself or herself from participating
12 in, receiving any payment from, and being bound by, the terms of this Settlement through the
13 procedures set forth in Section V.D of this Settlement Agreement. PAGA Employees are not
14 permitted to opt-out of the PAGA Settlement.

15 41. “Response Deadline” means the deadline by which Class Members must postmark to
16 the Settlement Administrator valid Requests for Exclusion, Notices of Objection, and/or Workweek
17 Disputes. Response Deadline will be forty-five (45) calendar days from the initial mailing of the
18 Notice Packet by the Settlement Administrator, unless the 45th day falls on a Sunday or Federal
19 holiday, in which case the Response Deadline will be extended to the next day on which the U.S.
20 Postal Service is open. The Response Deadline will be extended fifteen (15) calendar days for any
21 Class Member who is re-mailed a Notice Packet by the Settlement Administrator in accordance with
22 the Notice Procedure, unless the 15th day falls on a Sunday or Federal holiday, in which case the
23 Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The
24 Response Deadline may also be extended by express agreement between Class Counsel and
25 Defendant. Under no circumstances, however, shall the Settlement Administrator have the authority
26 to extend the deadline for Class Members to submit a Request for Exclusion, Notice of Objection, or
27 Workweek Dispute.

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1 42. “Settlement Administrator” means Phoenix Settlement Administration Solutions. The
2 Parties each represent that they do not have any financial interest in the Settlement Administrator or
3 otherwise have a relationship with the Settlement Administrator that could create a conflict of
4 interest.

5 43. “Settlement Administration Costs” means the costs payable from the Gross
6 Settlement Amount to the Settlement Administrator for administering this Settlement, including, but
7 not limited to, printing, translating, distributing, and tracking documents for this Settlement,
8 calculating estimated settlement amounts per Class Member, providing necessary reports and
9 declarations, mailing the Notices, processing Requests for Exclusions and objections, tax reporting,
10 establishing and maintaining an interest bearing settlement fund for the purpose of administering the
11 Settlement and disbursing sums from the fund, and other duties and responsibilities set forth herein
12 to process this Settlement as requested by the Parties. The Settlement Administration Costs shall be
13 paid from the Gross Settlement Amount. The Settlement Administration Costs are estimated to be
14 no greater than Eight Thousand Dollars (\$8000.00).

15 44. “Workweeks” means the number of weeks worked by a Class Member during the
16 Class Period according to Defendant’s payroll records, with any partial weeks excluded from the
17 calculations. Workweeks will be calculated by the Settlement Administrator for each Class Member,
18 using each Class Member’s start and end dates of employment, excluding leaves of absences, to
19 determine the number of days the Class Member was employed by Defendant within the Class Period
20 or PAGA Period, and dividing the total days by seven (7). Defendant’s Workweek data will be
21 presumed to be correct, unless a particular Class Member proves otherwise to the Settlement
22 Administrator by credible, written evidence. All Workweek disputes will be resolved and decided
23 by the Settlement Administrator and the Settlement Administrator’s decision on all Workweeks
24 Disputes will be final and non-appealable.

25 45. “Workweek(s) Dispute(s)” means the submission by a Class Member to the
26 Settlement Administrator to dispute the number of Workweeks credited to the Class Member.

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III. **PRE-TRIAL PROCEEDINGS AND NEGOTIATIONS**

A. **Discovery, Investigation and Research.** The Parties engaged in extensive investigation of the facts and law during the prosecution of the Action. The investigation included the exchange of information through formal and informal discovery. Specifically, it included, among other things, the exchange of a volume of documents including Defendant's employment policies, practices, and procedures and a sampling of Class Members' time and pay records. The Parties also prepared for and attended a full-day mediation with mediator Paul Grossman, a well-regarded mediator experienced in mediating complex wage-and-hour matters. Counsel for the Parties also investigated applicable law as applied to the facts in the case and potential defenses, and conducted their own evaluations of the potential recoveries based on the claims in the Action.

B. **Allegations of Plaintiff and Benefits of Settlement.**

1. This Agreement was reached after arm's-length bargaining between the Parties with the assistance of an experienced mediator, and after Class Counsel thoroughly reviewed all available information. The information exchanged between the Parties allowed them to assess the merits and to compromise the issues on a fair and equitable basis.

2. Plaintiff and Class Counsel contend the claims asserted in the Action have merit. But, they acknowledge the expense and delay of continued litigation to prosecute the Action through class certification, trial, and appeal. Plaintiff and Class Counsel have considered the uncertain outcome and risk of litigation, and the difficulties and delays inherent in such litigation, including, and not limited to, considering the risks associated with class certification, trial, and/or appeals. Plaintiff and Class Counsel determined this Settlement Agreement confers substantial benefit to the Class and PAGA Employees and is in the best interests of Plaintiff, Class Members, PAGA Employees, and the State of California.

C. **Defendant's Denials of Wrongdoing and Benefits of Settlement.** Defendant generally denies all claims alleged in the Action and further denies class treatment is appropriate for any purpose other than this Settlement. Defendant contends it complied with California and other applicable law. It is Defendant's position that, if litigation continued, class certification would be denied on all claims. Defendant concluded further litigation of the Action would be protracted and

expensive. Defendant further determined it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions in this Joint Stipulation.

IV. SETTLEMENT TERMS

The Plaintiff, on behalf of himself, the Class Members, and PAGA Employees and Defendant agree as follows:

A. **Gross Settlement Amount.** To settle the Action, the PAGA Released Claims, and the Class Released Claims under the terms of this Settlement Agreement, Defendant will pay the maximum amount of ONE MILLION SIX HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$1,600,000.00) (*i.e.*, the Gross Settlement Amount) as set forth above. Defendant will not be required to contribute additional sums to fund the Settlement or otherwise resolve this Action and the PAGA Release Claims or the Released Claims unless the total number of Workweeks is greater than 39,054. In the event the total number of Workweeks worked by Participating Class Members exceeds 39,054, the Gross Settlement Amount shall be increased proportionately for each additional week worked. The Gross Settlement Amount is non-reversionary and distribution will be on a non-claims-made basis. Defendant will pay the Gross Settlement Amount within thirty (30) calendar days of the Effective Date.

B. **Funding of the Gross Settlement Amount.** Defendant shall make a one-time deposit of the Gross Settlement Amount into a Qualified Settlement Fund Account to be established by the Settlement Administrator. The Gross Settlement Amount shall be used to pay: (a) Individual Settlement Payments; (b) the Attorneys' Fees; (c) Litigation Costs; (d) Settlement Administration Cost; (e) Plaintiff's Incentive Award; and (f) the PAGA Settlement (including the LWDA Payment and Individual PAGA Payments). Defendant shall deposit the Gross Settlement Amount within THIRTY (30) days after the Effective Date.

C. **Allocation of Settlement Proceeds.**

The Gross Settlement Amount is inclusive of and will be allocated as follows:

1. **Class Counsel's Attorneys' Fees**, as approved by the Court, in an amount not to exceed the thirty-five percent (35%) of the Gross Settlement Amount, OR FIVE HUNDRED SIXTY THOUSAND DOLLARS AND ZERO CENTS (\$560,000.00). Defendant agrees to not object to

1 Class Counsel requesting a Class Counsel Award that does not exceed thirty-five percent (35%) of
2 the Gross Settlement Amount OR FIVE HUNDRED SIXTY THOUSAND DOLLARS AND ZERO
3 CENTS (\$560,000.00). The Attorneys' Fees shall be detailed in Class Counsel's application for fees
4 and costs in this Action, to be heard at the time of Final Approval. Class Counsel is responsible for
5 any and all taxes associated with any payments to Class Counsel under this Settlement Agreement.
6 Defendant will not be obligated to pay any Attorneys' Fees of Class Counsel, Plaintiff, or Class
7 Members above this amount. No part of the Gross Settlement Amount will be used to pay any
8 attorney's fees of Class Counsel, Plaintiff, or Class Members above this amount. In the event that
9 the Court reduces or does not approve the requested Class Counsel Attorney's Fees, Class Counsel
10 shall not have the right to revoke this Settlement Agreement, and it will remain binding.

11 With respect to the Attorneys' Fees and Litigation Costs to Class Counsel, the Settlement
12 Administrator may purchase an annuity to utilize United States Treasuries and bonds or other
13 attorney fee deferral vehicles, for Class Counsel. Any additional expenses for the purchase of an
14 annuity by the Settlement Administrator shall be paid separately by Class Counsel and will not be
15 included within the Settlement Administration Costs. Defendant and Defendant's counsel shall not
16 be liable for any expenses associated with the purchase of an annuity by the Settlement
17 Administrator.

18 2. Litigation Costs, as approved by the Court, not to exceed thirty thousand dollars
19 (\$30,000.00), which shall be paid from the Gross Settlement Amount. The Litigation Costs shall be
20 detailed in Class Counsel's application for fees and costs in this Action, to be heard at the time of
21 Final Approval. Class Counsel is responsible for any and all taxes associated with any payments to
22 Class Counsel under this Settlement Agreement. Defendant will not be obligated to pay any costs
23 of Class Counsel, Plaintiff, or Class Members above this amount. No part of the Gross Settlement
24 Amount will be used to pay any costs of Class Counsel, Plaintiff, or Class Members above this
25 amount. In the event that the Court reduces or does not approve the requested Litigation Costs, Class
26 Counsel shall not have the right to revoke this Settlement Agreement, and it will remain binding.

27 3. Settlement Administration Costs, as approved by the Court in an amount estimated
28 not exceed Eight Thousand Dollars (\$8,000.00). The Settlement Administrator shall be paid from

1 the Gross Settlement Amount for the reasonable costs of administration of the Settlement and
2 distribution of payments from the Gross Settlement Amount.

3 a. Acknowledgement of Potential Administration Cost Increases. The Parties
4 hereby acknowledge that Settlement Administration Costs may increase above the current
5 estimate of Eight Thousand Dollars (\$8,000.00) and that any such additional Settlement
6 Administration Costs shall be taken out of the Gross Settlement Amount. Any portion of the
7 estimated or designated Class Administration Costs, which are not in fact required to fulfill
8 the total Settlement Administration Costs, shall become part of the Net Settlement Amount.

9 4. Incentive Payment to Plaintiff, as approved by the Court, for his service on behalf of
10 the Class, in an amount not to exceed SEVEN THOUSAND FIVE HUNDRED DOLLARS AND
11 ZERO CENTS (\$7,500.00.) This award will be in addition to Plaintiff's Individual Settlement
12 Payment and Individual PAGA Payment and shall be reported on an IRS Form 1099 issued by the
13 Settlement Administrator. Defendant will not be obligated to pay any incentive payment above this
14 amount. No part of the Gross Settlement Amount will be used to pay any incentive payment above
15 this amount. Even in the event that the Court reduces or does not approve the requested Incentive
16 Payment to Plaintiff, Plaintiff shall not have the right to revoke this Settlement, and it will remain
17 binding. Plaintiff is responsible for any and all taxes associated with this Incentive Payment.

18 5. PAGA Settlement Amount. In consideration of claims made under PAGA, Class
19 Counsel will request that the Court approve allocation of THREE HUNDRED THOUSAND
20 DOLLARS AND ZERO CENTS (\$300,000.00) of the Gross Settlement Amount to these claims.
21 Seventy-five percent (75%) of this payment will be paid to the California Labor and Workforce
22 Development Agency (i.e., the LWDA Payment), and twenty-five percent (25%) will be paid
23 distributed to PAGA Employees on a *pro rata* basis. Defendant will not oppose this request. The
24 entire PAGA Settlement Amount will be paid out of the Gross Settlement Amount. The Court's
25 adjustment, if any, of the amount allocated to the PAGA claim in the Action, will not invalidate this
26 Agreement.

27 6. The Net Settlement Amount shall be used to satisfy Individual Settlement Payments
28 to Participating Class Members in accordance with the terms of this Agreement after deduction of

1 the approved payments set out in section 1-6, above.

2 **D. Tax Treatment.**

3 1. For withholding tax characterization purposes and payment of taxes, the Individual
4 Settlement Payments to Participating Class Members shall be deemed twenty percent (20%) wages
5 and eighty percent (80%) penalties, interest, and non-wage damages, and the Individual PAGA
6 Payments to PAGA Employees shall be deemed one hundred percent (100%) penalties

7 2. Plaintiff, PAGA Employees, and Class Members shall be exclusively liable for any
8 and all of their respective tax liability, if any. Plaintiff, PAGA Employees, and Class Members should
9 consult with their tax advisors concerning the tax consequences of the payments they receive under
10 the Settlement Agreement. Each Class Member will be responsible for paying all applicable state,
11 local, and federal income taxes on all amounts they receive pursuant to this Settlement Agreement.
12 Plaintiff, PAGA Employees, and Participating Class Members shall cooperate with Defendant and
13 provide documentation as requested to demonstrate such payment should any taxing authority
14 challenge the tax treatment of any such payment made under the Settlement.

15 3. Each Party to this Settlement Agreement acknowledges and agrees that:

16 a. He, she, or it: (a) has relied exclusively upon his, her, or its own,
17 independent legal and tax advisers for advice (including tax advice) in connection with this
18 Settlement Agreement; (b) has not entered into this Settlement Agreement based upon the
19 recommendation of any other Party or any attorney or advisor to any other Party; and (c) is not
20 entitled to rely upon any communication or disclosure by any attorney or advisor to any other Party
21 to avoid any tax penalty that may be imposed on him or her; and

22 4. No attorney or adviser to any other Party has imposed any limitation that protects the
23 confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such
24 limitation is legally binding) upon disclosure by him or her of the tax treatment or tax structure of
25 any transaction, including any transaction contemplated by this Settlement Agreement.

26 5. Tax Liability. Defendant makes no representation as to the tax treatment or legal
27 effect of the payments called for hereunder, and Plaintiff, Participating Class Members, and Class
28 Members who timely exclude themselves from the class settlement but receive a portion of the

1 LWDA Payment are not relying on any statement, representation, or calculation by Defendant or by
2 the Settlement Administrator in this regard. Plaintiff, Participating Class Members, and Class
3 Members who timely exclude themselves from the class settlement but receive a portion of the
4 LWDA Payment understand and agree that they will be solely responsible for the payment of any
5 taxes and penalties assessed on the payments described herein and will defend, indemnify, and hold
6 Defendant free and harmless from and against any claims resulting from treatment of such payments
7 as non-taxable damages.

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

TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

E. **Release of Claims by Plaintiff, PAGA Employees and Participating Class Members.**

1. Upon the Effective Date, and after the settlement has been fully funded, Plaintiff and the PAGA Employees will be deemed to have fully released and discharged the Released Parties of and from all of the PAGA Released Claims.

2. Upon the Effective Date, and after the settlement has been fully funded, Plaintiff and Participating Class Members will be deemed to have fully released and discharged the Released Parties of and from all of the Class Released Claims.

3. In addition, upon the Effective Date, and after the settlement has been fully funded, Plaintiff will be deemed to have fully released and discharged the Released Parties of and from all claims arising from his employment with Defendant, separation of employment from Defendant, and any acts that have or could have been asserted in any legal action or proceeding against Defendant, whether known or unknown, arising under any federal, state, or local law, or statute, including, *inter alia*, those arising under the California Labor Code, Fair Labor Standards Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, Employee Retirement Income Security Act, National Labor Relations Act, California Corporations Code, California Business and Professions Code, California Fair Employment and Housing Act, California Constitution (all as amended), and law of contract and tort, as well as for discrimination, harassment, retaliation, wrongful termination, lost wages, benefits, other employment compensation, emotional distress, medical expenses, other economic and non-economic damages, attorney fees, and costs, arising on or before the Effective Date. With respect to those claims released by Plaintiff in an individual capacity, Plaintiff acknowledges and waives any and all rights and benefits available under California Civil Code section 1542, which provides:

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

1 **MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE**
2 **DEBTOR OR RELEASED PARTY**

3 **V. ADMINISTRATION OF THE SETTLEMENT**

4 A. **Preliminary Approval.** Class counsel shall promptly move the Court for an order
5 granting Preliminary Approval of the settlement pursuant to this Settlement Agreement; approving
6 the Class Notice to be provided to the potential Class Members and the PAGA Employees;
7 establishing a procedure and approving the form for potential Class Members to opt out or request
8 payment; and scheduling a hearing on final approval, no earlier than ninety (90) days from the order
9 granting Preliminary Approval. Defendant will not oppose the motion.

10 B. **Settlement Administrator.**

11 1. The third-party company known as Phoenix Settlement Administration
12 Solutions will act as Settlement Administrator. The Settlement Administrator will be responsible for:
13 (1) preparing, translating, printing and mailing simultaneously the Class Notice in substantially the
14 same form as attached “**Exhibit A,**” in English and Spanish; (2) receiving and reviewing Requests
15 for Exclusion, Notices of Objection, and Workweek Disputes; (3) calculating workweeks and
16 payments under the Settlement; (4) handling inquiries from Class Members concerning the Class
17 Notice, including attempting to resolve disputes concerning Workweeks; (5) providing weekly
18 status reports to Defendant’s Counsel and Class Counsel regarding the mailings and Requests for
19 Exclusion, Notices of Objection, and Workweek Disputes; (6) distributing all payments under the
20 Settlement, as well as payments to taxing authorities as appropriate; (7) providing due diligence
21 declarations for submission to the Court, as needed; (8) printing and providing Participating Class
22 Members and Plaintiff with tax forms as required under this Settlement Agreement and applicable
23 law, and providing copies of same to Defendant; and (9) such other tasks as the Parties mutually
24 agree or the Court orders the Settlement Administrator to perform.

25 2. The Parties each represent they do not have a financial interest in the
26 Settlement Administrator or otherwise have a relationship with the Settlement Administrator that
27 creates or could create a conflict of interest. Settlement Administration Costs are estimated not to
28 exceed EIGHT THOUSAND DOLLARS AND ZERO CENTS (\$8,000.00) and are to be paid from
the Gross Settlement Amount subject to approval by the Court.

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2 C. **Notice to Class Members.** Class Members and PAGA Employees will be provided
3 notice of the Settlement in the following manner:

4 1. Within twenty-one (21) calendar days of Preliminary Approval, Defendant
5 will provide the Settlement Administrator with the Class List. The information contained in the Class
6 List will not be shared with Class Counsel. Any report required to provide to Class Counsel will only
7 include an identifying number for the employee and the settlement amount owed.

8 2. Within twenty-one (21) calendar days after the Settlement Administrator's
9 receipt of the Class List, the Settlement Administrator will format and mail the Notice to the Class
10 Members and PAGA Employees via first-class U.S. mail.

11 3. Prior to mailing the Notice to the Class, the Settlement Administrator will
12 perform a search based on the National Change of Address Database to update and correct the Class
13 Members' and/or PAGA Employees addresses, contained in the Class List, for any known or
14 identifiable address changes. It will be conclusively presumed that if the Notice has not been returned
15 within thirty (30) calendar days of mailing, that the Class Member and/or PAGA Employee received
16 the Notice and all of its contents.

17 4. The Settlement Administrator will perform a skip-trace search and re-mail all
18 Notices that are returned as undelivered on or before the Response Deadline, within seven (7)
19 calendar days of receiving the returned Notice. If a new address is obtained after a Notice is returned
20 as undeliverable, the Settlement Administrator shall promptly forward the original Notice to the
21 updated address via first-class U.S. mail, indicating the date of such re-mailing. A returned Class
22 Notice will be forwarded only once by the Settlement Administrator. Upon completion of these steps
23 by the Settlement Administrator, Defendant shall be deemed to have satisfied its obligation to
24 provide notice of the Settlement to Class Members and or PAGA Employees. Such persons shall be
25 bound by all terms of the Agreement (including the Release Claims and/or PAGA Released Claims)
26 and the Court's order granting final approval of the Settlement and judgment based thereon, unless
27 they validly request exclusion from the Settlement.

28 5. Class Members shall have forty-five (45) calendar days from the date the

1 Class Notice is first mailed (*i.e.*, the Response Deadline) to submit a Request for Exclusion,
2 Workweeks Dispute, or Notice of Objection. Unless a Class Member validly opts out of the
3 Settlement, the Class Member will be bound by all terms of the Settlement Agreement (including the
4 release of Released Claims) and the Court's order granting final approval of the Settlement and
5 judgment based thereon. PAGA Employees will be bound by the PAGA Settlement and receive their
6 Individual PAGA Payment regardless of whether they submit a Request for Exclusion from the Class
7 Settlement.

8 **D. Procedure to Opt Out of Settlement.**

9 1. Class Members who wish to exclude themselves from the Class Settlement
10 must submit to the Settlement Administrator a Request for Exclusion, which shall be a written
11 statement (as directed by the Notice) requesting exclusion from the Settlement Agreement (also
12 referred to herein as "opt out"), and which must: (a) contain the full name, address, telephone
13 number, last four (4) digits of the Social Security Number, and signature of the person requesting
14 exclusion; (b) contain a clear statement indicating that the person wishes to exclude himself or herself
15 from the Settlement, and referencing the Action by name and/or case number; and (c) be postmarked
16 no later than the Response Deadline. Any Class Member who properly opts out of the Class
17 Settlement using this procedure will not be a Participating Class Member, will be barred from
18 participating in this Settlement, will be barred from objecting to this Settlement, and will receive no
19 benefit from this Settlement. PAGA Employees may not opt out of the PAGA Settlement under any
20 circumstances and will be bound by the PAGA Settlement and receive their Individual PAGA
21 Payment regardless of whether they submit a Request for Exclusion from the Class Settlement.

22 2. A Request for Exclusion shall be deemed valid only if: (1) the Class Member
23 has provided his or her full name, address, and the last four digits of his or her Social Security
24 Number on the Request for Exclusion; (2) the Class Member has completed, dated, and signed the
25 Request for Exclusion; (3) the name and last four digits of the Social Security Number provided by
26 the Class Member on the Request for Exclusion matches Defendant's records; and (4) the Request
27 for Exclusion is postmarked on or before the Response Deadline.

28 3. Any Class Member who submits a timely and valid Request for Exclusion will

1 not be entitled to recovery under the Settlement and will not be bound by the Settlement or the order
2 granting final approval of the Settlement and judgment based thereon. A Class Member who opts
3 out of the Settlement does not have the right to object, appeal, or comment on the Settlement. Class
4 Members who do not submit a timely and valid Request for Exclusion shall be bound by all terms of
5 the Settlement and the order granting final approval of the Settlement and judgment based thereon.

6 4. The Settlement Administrator shall provide Defendant's Counsel and Class
7 Counsel with weekly updates about Class Members who submit Requests for Exclusion.

8 E. **Procedure to Object to Settlement.**

9 1. Any Class Member who seeks to object to the Settlement may do so by
10 submitting his or her written objection to the Settlement Administrator by mail. The objection must:
11 (a) contain the objecting Class Member's full name, address, telephone number, last four digits of
12 his or her Social Security number, and signature; (b) contain the words "Notice of Objection" or
13 "Formal Objection"; (c) contain the case name and number of the Action; (d) a clear and concise
14 statement, including factual and legal arguments, explaining his or her objection(s) to the Settlement;
15 (e) contain a statement indicating whether or not the Class Member is represented by counsel and
16 identifying any such legal counsel; (f) contain a statement indicating whether the Class Member
17 intends to appear at the Final Approval Hearing to present his or her objection(s); (g) list any
18 witnesses the objecting Class Member may call to testify at the Final Approval Hearing; and (h) be
19 filed with the Court and submitted to the Settlement Administrator no later than the Response
20 Deadline. The date of the postmark on the objection submission to the Settlement Administrator
21 shall be the exclusive means used to determine whether a Class Member has timely submitted his or
22 her objection on the Settlement Administrator. Within three (3) business days of receiving any
23 objection to the Settlement, the Settlement Administrator shall provide copies of such objections to
24 Class Counsel and Defendant's Counsel. The Settlement Administrator shall also attach copies of
25 such objections to its declaration that is filed with the Court in advance of the Final Approval
26 Hearing.

27 2. Plaintiff and/or Defendant may file a response to any objection(s) to the
28 Settlement no later than five (5) court days before the Final Approval Hearing.

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2 3. Class Members do not need to provide a written objection or notice of intent
3 to appear to appear and object at the Final Approval Hearing. The Class Member may appear
4 personally or through an attorney, at his or her own expense, at the Final Approval Hearing.
5 However, any attorney who will represent an objector must file a notice of appearance with the Court
6 and serve Class Counsel and Defendant's counsel no later than the Response Deadline.

7 4. Class Members who do not timely object to this Agreement shall have no right
8 to appeal the final approval order or judgment.

9 5. Only Class Members who do not opt out of the Class may submit objections.

10 6. The Parties and their respective counsel agree not to solicit or encourage any
11 Class Member to object to the settlement or to appeal the final approval order or judgment.

12 F. **Workweeks Disputes.** A Class Member may dispute the accuracy of the Workweeks
13 credited to him or her in conformity with the instructions in the Class Notice ("Workweeks Dispute").
14 Any such Workweeks Dispute must be in writing and must: (a) contain the Class Member's full
15 name, address, telephone number, last four digits of his or her Social Security number, and signature;
16 (b) contain the case name and number of the Action; (c) contain a clear statement explaining that he
17 or she disputes the number of Workweeks credited to him or her and what he or she contends is the
18 correct number that should be credited to him or her; (d) any documentation that he or she has to
19 support the dispute; and (e) be mailed to the Settlement Administrator, postmarked on or before the
20 Response Deadline. The Settlement Administrator shall provide copies of all Workweek Disputes to
21 Class Counsel and Defendant's Counsel within three (3) business days of receipt, and shall
22 immediately attempt to resolve all such disputes with the assistance of Defendant's Counsel and
23 Class Counsel. In the event of a dispute, Defendant's records regarding the number of Workweeks
24 of the Class Member shall be presumed to be correct and the Class Member will bear the burden of
25 proof (*i.e.* a Class Member who fails to provide written proof will have his or her challenge denied).
26 The Settlement Administrator shall investigate the challenge, requesting information from Defendant
27 as necessary and make the final determination of whether any additional amount is owed. All
28 Workweek Disputes will be resolved and decided by the Settlement Administrator and the Settlement

1 Administrator's decision on all Workweeks Disputes will be final and non-appealable.

2 **G. Final Approval.**

3 1. At the Final Approval Hearing, Class Counsel will move the Court for an order
4 granting final approval of the Settlement and entry of judgment in accordance with the California Rule
5 of Court 3.769(h). Class Counsel will seek approval of the Settlement as being fair, reasonable, and
6 adequate to the Class Members. Class Counsel and Defendant's Counsel will submit to the Court such
7 pleading and/or evidence as required for the Court's determination. Class Counsel will also submit a
8 fee and cost application to be determined at the Final Approval Hearing.

9 2. The Final Approval Order and Judgment will, among other things: (a) find
10 that the dissemination of the Class Notice in the form and manner ordered by the Court was
11 accomplished as directed, met the requirements of due process, was the best notice practicable under
12 the circumstances, and constituted due and sufficient notice to all persons entitled thereto; (b) find
13 that the Class Representative and Class Counsel herein have fairly and adequately represented and
14 protected the interests of the Class at all times in the Action; (c) grant Final Approval to the
15 Settlement as fair, reasonable, adequate, in good faith, and in the best interests of the Class as a
16 whole, and order the Parties to carry out the provisions of this Settlement Agreement; (d) certify the
17 Class; (e) direct the Parties to implement the terms of the Settlement Agreement, including, without
18 limitation, the provisions regarding payments under the Settlement; (f) enter judgment, adjudging
19 that the Participating Class Members are conclusively deemed to have released the Released Parties
20 from the Class Released Claims and that PAGA Employees are conclusively deemed to have released
21 the Released Parties from the PAGA Released Claims; (g) award Attorneys' Fees and Litigation
22 Costs to Class Counsel, the Incentive Award to Plaintiff, and Settlement Administration Costs to the
23 Settlement Administrator, in accordance with this Agreement; (h) approve the allocation for the
24 PAGA Payment; and (h) reserving continuing jurisdiction as provided herein.

25 After entry of the Final Approval Order and Judgment, the Court shall have continuing and exclusive
26 jurisdiction over the Action for purposes of: (i) administration and consummation of the terms of this
27 Settlement Agreement; (ii) enforcing, constructing, and interpreting this Settlement Agreement; (iii)
28 addressing such post-judgment matters as may be appropriate under Court rules or applicable law;

and (iv) enforcing, constructing, and interpreting the Final Approval Order and Judgment.

H. **Distribution of Settlement Proceeds.**

1. The Settlement Administrator shall keep Defendant's Counsel and Class Counsel apprised of all distributions from the Qualified Settlement Fund Account. No person shall have any claim against Defendant, Defendant's Counsel, Plaintiff, Class Counsel, or the Settlement Administrator based on distributions and payments made in accordance with this Settlement Agreement.

2. Within fifteen (15) calendar days of the Effective Date, the Settlement Administrator will establish a Qualified Settlement Fund Account in a non-interest-bearing transaction account at a FDIC-insured institution for the benefit of Participating Class Members and PAGA Employees.

3. Within thirty (30) calendar days of the Effective Date, Defendant will pay the Gross Settlement Amount

4. Within forty-five (45) calendar days after the Effective Date, the Settlement Administrator shall distribute all Individual Settlement Payments to Participating Class Members, all Individual PAGA Payments to PAGA Employees, the LWDA Payment to the LWDA, Attorneys' Fees and Litigation Costs to Class Counsel, the Incentive Award to Plaintiff, and Settlement Administration Costs to itself, all as determined by the Court at the Final Approval Hearing.

5. The Settlement Administrator will be responsible for calculating each Participating Class Member's share of the Net Settlement Amount (i.e., Individual Settlement Payment), as follows:

a. **Individual Settlement Payment Calculations.** Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of Workweeks a Participating Class Member worked during the Class Period. The Net Settlement Amount shall be divided by the total number of Workweeks worked by all Participating Class Members and multiplied by the individual Workweeks of each Participating Class Member to determine his or her Individual Settlement Payment.

b. **Individual PAGA Payments.** Individual PAGA Payments will be calculated

1 and apportioned from the 25% portion of the PAGA Settlement Amount approved for
2 distribution by the Court (which is expected to be \$75,000.00) based on the number of
3 Workweeks worked during the Class Period. The 25% portion of the PAGA Settlement
4 Amount approved for distribution to the PAGA Employees by the Court shall be divided
5 by the total number of Workweeks worked by all PAGA Employees and multiplied by
6 the Workweeks of each PAGA Employee to determine his or her Individual PAGA
7 Payment.

8 6. Each Participating Class Member, including Plaintiff, will be responsible for
9 the payment of their employee share of payroll taxes. The portion of the Individual Settlement
10 Payment attributable to wages will be subject to the employees' share of payroll taxes, contributions,
11 and withholdings. The Settlement Administrator's determination of eligibility for, and the amounts
12 of, any settlement payments under this Settlement Agreement shall be conclusive, final, and binding
13 on all parties, including all Class Members.

14 7. Any settlement checks paid to Participating Class Members and/or PAGA
15 Employees will remain valid and negotiable for one hundred eighty (180) calendar days from the
16 date of their issuance after which they will become stale ("Check Stale Date") and shall automatically
17 be cancelled if not cashed or deposited by Participating Class Members or PAGA Employees within
18 that time. Any funds remaining in the Settlement Fund Account as a result of Participating Class
19 Members' failure to cash or deposit their checks by the Check Stale Date, shall be transmitted in the
20 names and respective amounts of the checks that are cancelled, to the Controller of the State of
21 California to be held pursuant to the Unclaimed Property Law, California Civil Code section 1500
22 *et seq.*, for the benefit of those Participating Class Members and PAGA Employees whose checks
23 were cancelled, until such time that they claim their property. Defendant will not be required to pay
24 any interest on said amount. The Parties agree that this disposition results in no "unpaid residue"
25 under California Code of Civil Procedure section 384, as the entire Net Settlement Amount will be
26 paid out to Participating Class Members, whether or not they cash or deposit their settlement checks.

27 8. The Settlement Administrator shall prepare any and all reports and/or
28 declarations regarding the distribution of funds under the Settlement, as ordered by the Court. The

1 Settlement Administrator shall also undertake amended and/or supplemental tax filings and
2 reporting, required under applicable local, state, and federal tax laws, that are necessitated due to the
3 cancellation of any settlement checks. To the extent that the Settlement Administrator is able to
4 obtain or receive the return or refund of the amounts that were transmitted to taxing authorities for
5 the employer's and employee's share of payroll taxes, contributions, and withholding associated with
6 cancelled Individual Settlement Payments, these amounts shall be transmitted to the Controller of
7 the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code
8 section 1500 *et seq.*, along with the funds associated with cancelled settlement checks.

9 9. Notwithstanding the above, within fourteen (14) calendar days after the
10 disbursement of all funds as set forth in Section V.H.4, the Settlement Administrator will serve on
11 the Parties a declaration providing a final report on the disbursements of all funds.

12 10. Plaintiff and Class Members will be solely responsible for the reporting and
13 payment of any state, local, and/or federal income tax, if any, on the amounts paid to them under the
14 Settlement. If it is determined that any taxes are due in connection with any amount paid under the
15 Settlement, Plaintiff and Class Members will be solely responsible for all liability for taxes and any
16 costs, fees, interest, assessments, penalties, damages, or other losses due to such a determination. No
17 payments made under this Settlement Agreement will have an effect on any employee pension
18 benefit plan or employee welfare benefit plan sponsored by Defendant.

19 11. No Credit Toward Benefit Plans. The Individual Settlement Payments made
20 to Participating Class Members and the Individual PAGA Payments made to PAGA Employees
21 under this Settlement Agreement, as well as any other payments made pursuant to this Agreement,
22 shall not be utilized to calculate any additional benefits under any benefit plans to which any Class
23 Members may be eligible, including, but not limited to: welfare plans, benefit plans, ERISA plans,
24 profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave
25 plans, PTO plans, and any other welfare or benefit plan.

26 **VI. DUTIES OF THE PARTIES**

27 A. **Second Amended Complaint.** Prior to bringing the motion for preliminary approval,
28 Plaintiff and Defendant will file a joint stipulation seeking leave to file the Second Amended

1 Complaint.

2 B. **Mutual Cooperation.** The Parties agree to cooperate to accomplish and implement
3 the terms of this Joint Stipulation. Such cooperation will include, but not be limited to, execution of
4 such other documents and taking such other actions as may reasonably be necessary to fulfill the
5 terms of this Joint Stipulation. The Parties will use their reasonable best efforts, including all efforts
6 contemplated by this Joint Stipulation and any other efforts that may become necessary by court
7 order, or otherwise, to effectuate this Joint Stipulation and the terms set forth herein. As soon as
8 practicable after execution of this Joint Stipulation, Class Counsel, with the cooperation of Defendant
9 and its counsel, will try to secure Preliminary Approval and Final Approval.

10 C. **Duty to Support and Defend the Settlement.** The Parties agree the settlement is fair
11 and reasonable and will so represent to the Court. In addition, the mediator (Paul Grossman) may
12 execute a declaration supporting the settlement, and the Court may contact the mediator to discuss
13 the settlement and whether or not it is fair and reasonable. The Parties agree to abide by all terms of
14 the Joint Stipulation in good faith and to support the Joint Stipulation fully, and to use their best
15 efforts to defend this Settlement from any legal challenge, whether by appeal or collateral attack.
16 Plaintiff agrees to take all steps necessary to implement and effectuate the Settlement.

17 **VII. MISCELLANEOUS PROVISIONS:**

18 1. **Interim Stay of Proceedings.** Plaintiff and Defendant agree to the stay of all
19 proceedings in the Litigation, including with respect to California Code of Civil Procedure section
20 583.310, except such proceedings necessary to implement and complete the Settlement, pending final
21 approval of the Settlement by the Court.

22 2. **Revocation of Settlement Agreement.** Notwithstanding any other provision included
23 herein, the Parties agree that Defendant retains the right, in the exercise of their sole discretion, to
24 nullify the Settlement within 30 calendar days after expiration of the opt-out period if five percent
25 (5%) or more of the Class Members opt out of the Settlement and/or if the combined workweeks
26 worked by Class Members who timely exclude themselves amounts to more than five percent (5%)
27 of the total workweeks worked by all Class Members.

28 3. **Administration Costs if Settlement Fails or is Delayed.** If an objection to the

1 Settlement Agreement is filed with the Court, regardless of the ultimate outcome of any appeals
2 taken, or if the Settlement is voided, delayed, or rescinded, any costs incurred by the Settlement
3 Administrator shall be paid equally by the Parties (half by Class Counsel and half by Defendant),
4 unless otherwise specified in this Agreement.

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

9 5. Nullification of Settlement Agreement. In the event that (i) the Court does not finally
10 approve the Settlement as provided herein, or (ii) the Settlement does not become final for any other
11 reason, then this Settlement Agreement, and any documents generated to bring it into effect, shall be
12 null and void. Any order or judgment entered by the Court in furtherance of this Settlement
13 Agreement shall likewise be treated as void from the beginning.

14 6. Continued Jurisdiction. Upon final approval of the Settlement by the Court or after
15 the Final Approval/Settlement Fairness Hearing, the Court shall have continuing jurisdiction solely
16 for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement; (b)
17 settlement administration matters; and (c) such matters as may be appropriate under Court rules or
18 as set forth in this Agreement.

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

22 8. Confidentiality. The Parties will not make any public disclosures of any kind
23 regarding the Settlement, including but not limited to postings on Class Counsel's website and
24 postings on any social media sites/outlets. Class Counsel will take all steps necessary to ensure the
25 Class Representatives are aware of, and will encourage them to adhere to, the restriction against any
26 public disclosures regarding the Settlement or this Confidential Memorandum of Understanding.
27 Class Counsel will not include or use the Settlement for any marketing or promotional purposes, or
28 for attempting to influence Defendant's business relationships, either before or after the Motion for

1 Preliminary Approval is filed. Following preliminary approval of the Settlement, the Class
2 Representatives and Class Counsel will not initiate any communications with the media or third
3 parties. If contacted by the media or third parties, Class Counsel will only discuss information
4 publicly available. Class Counsel will take all steps necessary to ensure the Class Representatives
5 are aware of, and will encourage them to adhere to, the restriction against initiating any media
6 comment. Class Counsel further agrees not to use the Settlement or any of its terms for any marketing
7 or promotional purposes. Nothing herein will restrict Class Counsel from including publicly
8 available information regarding this settlement in future judicial submissions regarding Class
9 Counsel's qualifications and experience.

10 9. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute
11 the entirety of the Parties' settlement terms as it relates to the Released Claims.

12 10. Amendment or Modification. This Settlement Agreement may be amended or
13 modified only by a written instrument signed by counsel for all Parties or their successors-in-interest
14 and approved by the Court. Notwithstanding the above, before the Settlement Agreement has been
15 submitted to the Court in connection with seeking preliminary approval of the Settlement, the
16 Settlement Agreement may be amended or modified only by a written instrument signed by counsel
17 for all Parties or their successors-in-interest

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

28 12. Binding on Successors and Assigns. This Settlement Agreement shall be binding

upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

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

14. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, shall be deemed to be one and the same instrument provided that counsel for the Parties shall exchange among themselves original signed counterparts. Electronically generated signatures (e.g., DocuSign signatures) shall have the same legal effect as an ink signature and shall be valid and fully enforceable.

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

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

17. Plaintiff's Waiver of Right to Be Excluded. Plaintiff agrees to sign this Settlement Agreement and, by signing this Settlement Agreement, is hereby bound by the terms herein. For good and valuable consideration, Plaintiff further agrees that he shall not request to be excluded from the Settlement Agreement. Any such request for exclusion by Plaintiff shall be void and of no force or effect. Efforts by Plaintiff to circumvent the terms of this paragraph shall be void and of no force or effect.

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2 18. Appeals. Either party may appeal any court order that materially alters the Settlement
3 Agreement's terms. Class Counsel and Plaintiff, however, waive any appeal of any reduction in the
4 Class Counsel Award or Plaintiff's Incentive Award below the amount requests from the Court.

5 19. Class Action Certification for Settlement Purposes Only. The Parties agree to
6 stipulate to class action certification only for purposes of the Settlement. If, for any reason, the
7 Settlement is not approved, the stipulation to certification will be void. The Parties further agree that
8 certification for purposes of the Settlement is not an admission that class action certification is proper
9 under the standards applied to contested certification motions and that this Settlement Agreement
10 will not be admissible in this or any other proceeding as evidence that either (i) a class action should
11 be certified, or (ii) Defendant is liable to Plaintiff or any Class Member, other than according to the
12 Settlement's terms.

13 20. Notices. All notices, demands, and other communications to be provided concerning
14 this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at
15 the addresses set forth below, or such other addresses as either Party may designate in writing from
16 time to time:

17 if to Defendant: Chad D. Bernard and Danielle C. Cepeda of Jackson Lewis, P.C, 725
18 South Figueroa Street, Suite 2500, Los Angeles, California 90017;
chad.bernard@jacksonlewis.com; and
danielle.cepeda@jacksonlewis.com

19 if to Plaintiff: Edwin Aiwarzian, Arby Aiwarzian, Joanna Ghosh, and Brian St.
20 John of LAWYERS for JUSTICE, PC 410 West Arden Avenue,
21 Suite 203 Glendale, California 9120; edwin@calljutsice.com;
arby@calljustice.com; joanna@calljustice.com; and
22 brian@calljutsice.com

23 21. Non-Admission of Liability. The Parties enter into this Agreement to resolve the
24 dispute that has arisen between them and to avoid the burden, expense, and risk of continued
25 litigation. In entering into this Agreement, Defendant does not admit, and specifically denies, that
26 they have violated any federal, state, or local law; violated any regulations or guidelines promulgated
27 pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any
28 contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged

1 in any other unlawful conduct with respect to its employees. Neither this Agreement, nor any of its
2 terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission
3 or concession by Defendant of any such violations or failures to comply with any applicable law.
4 Except as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its
5 terms and provisions shall not be offered or received as evidence in any action or proceeding to
6 establish any liability or admission on the part of Defendant or to establish the existence of any
7 condition constituting a violation of, or a non-compliance with, federal, state, local, or other
8 applicable law.

9 22. Captions. The captions and section numbers in this Agreement are inserted for the
10 reader's convenience, and in no way define, limit, construe, or describe the scope or intent of the
11 provisions of this Agreement.

12 23. Waiver. No waiver of any condition or covenant contained in this Agreement or
13 failure to exercise a right or remedy by any of the Parties hereto shall be considered to imply or
14 constitute a further waiver by such party of the same or any other condition, covenant, right, or
15 remedy.

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

21 25. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
22 conditions of this Agreement. Accordingly, this Agreement shall not be construed more strictly
23 against one party than another merely by virtue of the fact that it may have been prepared by counsel
24 for one of the Parties, it being recognized that, because of the arm's-length negotiations between the
25 Parties, all Parties have contributed to the preparation of this Agreement.

26 26. Representation by Counsel. The Parties acknowledge that they have been represented
27 by counsel throughout all negotiations that preceded the execution of this Agreement, and that this
28 Agreement has been executed with the consent and advice of counsel. Further, Plaintiff and Class

1 Counsel warrant and represent that there are no liens on the Settlement Agreement.

2 27. All Terms Subject to Final Court Approval. All terms described in this Settlement
3 Agreement herein shall be subject to final Court approval.

4 28. Cooperation and Execution of Necessary Documents. All Parties shall cooperate in
5 good faith and execute all documents to the extent reasonably necessary to effectuate the terms of
6 this Settlement Agreement.

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

12
13 **IT IS SO AGREED:**

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15 [Signatures on next page]
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1 Date: 11/08/2022
2 _____, 2022

Electronically Signed
2022.11.08 22:27:16 UTC - 172.58.26.119
Nintex AssureSign® 10c518a-4d0f-4810-a05d-a1470164468

Francisco Chavez

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5 Date: _____, 2022

American Paper and Plastics Inc.

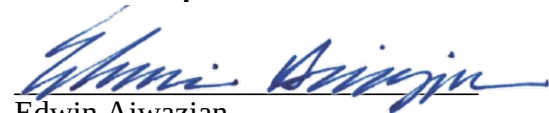
Name:

Title:

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9 **APPROVED AS TO FORM:**

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12 **LAWYERS for JUSTICE**

13
14 Date: November 8, 2022



Edwin Aiwanian

Arby Aiwanian

Joanna Ghosh

Brian J. St. John

Counsel for Plaintiff Francisco Chavez

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16
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18 **JACKSON LEWIS P.C.**

19
20 Date: _____, 2022

Chad D. Bernard

Danielle C. Cepeda

Counsel for Defendant American Paper and
21
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27
28 Plastics Inc.

1
2 Date: _____, 2022

Francisco Chavez

3
4
5 Date: November 11, 2022


American Paper and Plastics Inc.

Name: PAUL M. CERVINO

Title: Chief Financial Officer

6
7
8
9 **APPROVED AS TO FORM:**

10
11
12
13 **LAWYERS for JUSTICE**

14 Date: _____, 2022

15 Edwin Aiwarzian
16 Arby Aiwarzian
17 Joanna Ghosh
18 Brian J. St. John
19 Counsel for Plaintiff Francisco Chavez

20
21 **JACKSON LEWIS P.C.**

22 Date: November 14, 2022


23 Chad D. Bernard
24 Danielle C. Cepeda
25 Counsel for Defendant American Paper and
26 Plastics Inc.

EXHIBIT A

EXHIBIT “A” – NOTICE OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT

Francisco Chavez v. American Paper and Plastics Inc.
Superior Court of California, County of Los Angeles
Case No. 21STCV07182

TO: ALL INDIVIDUALS WHO ARE CURRENTLY EMPLOYED OR WERE FORMALLY EMPLOYED BY DEFENDANT AMERICAN PAPER AND PLASTICS, INC. (“DEFENDANT”) IN CALIFORNIA AS HOURLY, NON-EXEMPT EMPLOYEES, FROM FEBRUARY 24, 2017 TO MAY 2, 2022.

**IMPORTANT LEGAL NOTICE- THIS NOTICE MAY AFFECT YOUR LEGAL RIGHTS.
YOU MAY BE ENTITLED TO MONEY FROM THIS SETTLEMENT.**

YOU ARE NOTIFIED THAT: on [REDACTED], the Superior Court of the State of California, in and for the County of Los Angeles, granted preliminary approval of a class and representative settlement (the “Settlement”) in the class action lawsuit entitled *Francisco Chavez v. American Paper and Plastics Inc.* Case No. 21STCV07182 (the “Action”) and scheduled a hearing on [hearing date] at [hearing time] (“Final Approval Hearing”) to determine whether or not the Court should grant final approval of the settlement.

THIS NOTICE IS TO INFORM YOU ABOUT:

- A POTENTIAL SETTLEMENT OF THIS PROPOSED CLASS ACTION LAWSUIT;
- YOUR RIGHT TO RECEIVE AN INDIVIDUAL SETTLEMENT PAYMENT AND, IF APPLICABLE, AN INDIVIDUAL PAGA PAYMENT;
- YOUR RIGHT TO CHALLENGE THE WORKWEEKS USED TO COMPUTE YOUR ESTIMATED SETTLEMENT SHARE(S);
- YOUR RIGHT TO SUBMIT ANY OBJECTIONS YOU MAY HAVE TO THE PROPOSED CLASS PORTION OF THE SETTLEMENT; AND
- YOUR RIGHT TO EXCLUDE YOURSELF FROM THE CLASS PORTION OF THE SETTLEMENT.

You have the option to be part of the proposed class portion of the Settlement (“Class Settlement”) and receive a share of the settlement funds for the Class (“Individual Settlement Payment”), pending approval by the Court. If you **do not** want to be included in the Class Settlement, you must opt out of the Class Settlement as described below by [REDACTED], or you will be bound by the terms and conditions of the Class Settlement, including the release of Released Claims (as defined in Section 10 below) except for those arising under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* (“PAGA”) in the event the Court grants final approval of the Settlement. Released Claims arising under PAGA will be released as provided in Section 10 below, and PAGA Employees will be entitled to their share of the settlement funds for PAGA Employees (“Individual PAGA Payment”) under the PAGA-portion of the Settlement (“PAGA Settlement”), regardless of whether or not the Class Member opts out.

This Notice provides you with a summary of the terms and conditions of the proposed Settlement. You have the right to view the entire Settlement Agreement and all other documents submitted to the Court in the Action, which are on file with the Superior Court of the State of California, in and for the County of Los Angeles, located at 312 North Spring Street, Los Angeles, California 90012.

If you wish to be included in this Settlement and receive an Individual Settlement Payment and, if applicable, an Individual PAGA Payment, you need not do anything. If you do not do anything, you will receive a payment of your Individual Settlement Payment and, if applicable, Individual PAGA Payment and you will be bound by the terms and conditions of the Settlement, including the full release of Released Claims (as defined in Section 10 below). **Your estimated Settlement Share is \$ [REDACTED].**

1. Why am I receiving this Notice?

You are receiving this Notice because records indicate that you are part of the proposed class for purposes of this Settlement. The purpose of this Notice is to describe the lawsuit and Settlement to you and inform you of your rights and options in connection with the Settlement.

2. Who is in the Class and who is a PAGA Member?

The Class consists of all individuals who are currently employed or were formerly employed by Defendant American Paper and Plastics, Inc. (“Defendant”) in California as hourly, non-exempt employees, from February 24, 2017, to May 2, 2022 (“Class Period”). A member of the Class is referred to as “Class Member.”

“**PAGA Employees**” consist of all non-exempt employees who worked in California for Defendant from February 24, 2020, through May 2, 2022. (“PAGA Period”).

3. What is the Case About?

Plaintiffs Francisco Chavez (“Plaintiff”) brought claims against Defendant, individually and on behalf of the Class Members, alleging that Defendant committed various wage-and-hour violations relating to hourly-paid employees. Specifically, the Second Amended Class Action Complaint for Damages and Enforcement of Private Attorneys General Act, California Labor Code § 2698, *Et Seq.*, filed on [REDACTED], 2022 (“Operative Complaint”), alleges that Defendants: failed to provide meal periods and rest breaks, failed to pay all wages due including overtime and minimum wages, failed to provide accurate itemized wage statements, failed to reimburse business expenses, and thereby engaged in unfair business practices and conduct giving rise to civil penalties under the Private Attorneys General Act (“PAGA”). The Operative Complaint seeks to recover these allegedly unpaid wages, related interest and penalties, as well as attorneys’ fees and costs.

Defendant denies all of Plaintiff’s allegations and specifically denies that they violated the law in any way as described in the lawsuit. Nothing in this Notice, or the Settlement, or any actions to carry out the terms of the Settlement mean that Defendants admit any fault, guilt, negligence, wrongdoing, or liability whatsoever. There have been no findings by any court of wrongdoing by the Defendant.

The Parties participated in mediation with a respected class action mediator and, as a result, the Parties reached a settlement. The Parties have since entered into the Joint Stipulation of Class and Representative Action Settlement (“Settlement Agreement”).

On [date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Phoenix Settlement Administration Solutions as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Francisco Chavez as representative of the Class (“Class Representative”), and the following Plaintiff’s attorneys as counsel for the Class (“Class Counsel”):

Edwin Aiwazian, Esq.
Arby Aiwazian, Esq.
Joanna Ghosh, Esq.
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020 / Fax: (818) 265-1021

The Settlement represents a compromise and settlement of highly disputed claims. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of Class Members. The Court has made no ruling on the merits of the Class Members’ claims and has determined only that certification

of the Class for settlement purposes is appropriate under California law. Class Counsel believes that the Settlement described below is fair, adequate, reasonable, and in the best interests of Plaintiffs and the Class.

4. What are the terms of the Settlement?

The terms of the Settlement are summarized generally below but are more specifically detailed in the Settlement Agreement on file with the Court.

Defendants have agreed to pay a total of one million six hundred thousand dollars (\$1,600,000) under the Settlement (the “Gross Settlement Amount”) to resolve all claims and causes of action of the Settlement Class associated with the allegations and facts alleged in the Operative Complaint. The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) Attorneys’ Fees in an amount not to exceed 35% of the Gross Settlement Amount (i.e., \$560,000) and reimbursement of litigation costs in an amount not to exceed thirty thousand dollars (\$30,000) to Class Counsel; (2) Incentive Award in an amount not to exceed seven thousand five hundred dollars (\$7,500) to Plaintiff for his services in the Action; (3) PAGA Settlement Amount in the amount of one hundred thousand dollars (\$100,000), of which seventy-five thousand dollars (\$75,000) will be paid to the Labor and Workforce Development Agency (“LWDA”) for its 75% portion of the PAGA Settlement Amount (“LWDA Payment”) and the remaining twenty-five thousand dollars (i.e., 25% of the PAGA Settlement Amount) will be distributed to PAGA Employees on a *pro rata* basis; and (4) Administration Expenses in an amount not to exceed fifteen thousand dollars (\$15,000) to the Settlement Administrator.

- Attorneys’ Fees and Litigation Costs: Under the terms of the Settlement, Class Counsel will receive an amount up to thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$560,000) as Attorneys’ Fees to compensate them for their work in the Action. Class Counsel will also receive an additional amount for reimbursement of actual costs they have incurred in this Action, not to exceed thirty thousand dollars (\$30,000). These payments are for services provided, and to be provided, to the Class, and to compensate the lawyers for the risk of bringing this case on a contingency fee basis (that is, without being paid any money to date) where they invested time and all litigation costs with the chance of no recovery. These amounts are subject to approval by the Court.
- Plaintiff’s Incentive Award: Plaintiff will seek an amount up to seven thousand five hundred dollars (\$7,500) (“Incentive Award”) to compensate him for his services in connection with the Action, including undergoing the burden of bringing and prosecuting the Action.
- Settlement Administration Costs: The Parties estimate that the settlement administration costs will be approximately eight thousand dollars (\$8,000) (“Settlement Administration Costs”). This amount will be paid to the Settlement Administrator, Phoenix, for its work in administering this Settlement, including and not limited to, the expense of notifying the Class Members of the Settlement, processing requests for exclusion, objections, and Workweeks disputes, calculating Individual Settlement Payments and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.
- PAGA Settlement Amount: The amount of three hundred thousand dollars (\$300,000) of the Gross Settlement Amount is allocated to civil penalties under the PAGA. Seventy-five percent (75%) of the PAGA Payment, or \$225,000, will be paid to the LWDA, and twenty-five percent (25%) of the PAGA Payment, or \$75,000, will be distributed to the PAGA Employees.

Class Members who do not opt out of the Class Settlement (“Participating Class Members”) are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Payment”) and PAGA Employees will receive payment under the PAGA Settlement of their *pro rata* share of the 25% portion of the PAGA Settlement Amount (“Individual PAGA Payment”) based on the number of weeks they were each employed by Defendant as an hourly, non-exempt employee (excluding any weeks that the Class Member was employed as an exempt employee) (“Workweeks”) during the relevant time period.

Your estimated Individual Settlement Payment (as stated below in Section 5) was determined first by calculating the number of Workweeks you worked during the Class Period , then by dividing the Net Settlement Amount by the Workweeks of all Class Members during the Class Period and multiplying the result by your individual Workweeks during the Class Period(stated below in Section 5).

Your estimated Individual PAGA Payment (as stated below in Section 5) was determined first by calculating the number of Workweeks you worked during the PAGA Period , then by dividing the 25% portion of the PAGA Settlement Amount approved for distribution to the PAGA Employees by the Workweeks of all PAGA Employees during the PAGA Period and multiplying the result by your individual Workweeks during the PAGA Period (stated below in Section 5).

Each Individual Settlement Payment will be allocated twenty percent (20%) as wages (“wages portion”) to be reported on IRS Form W-2, and eighty percent (80%) as penalties interest, and other non-wages (“non-wages portion”) to be reported on IRS Form 1099 (if applicable). Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties.

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

Participating Class Members and PAGA Employees will have one hundred eighty (180) calendar days to cash, deposit, and/or negotiate their Settlement Share Check. After the 180-day period, the checks will become null and void, and the monies remaining in the distribution account will be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500, *et seq.* for the benefit of those Participating Class Members and/or PAGA Employees who did not cash their checks until such time that they claim their property.

5. What is my estimated Individual Settlement Payment and Individual PAGA Payment?

According to Defendants’ records:

During the period from February 24, 2017 through May 2, 2022, you were employed by Defendant as an hourly-paid, non-exempt employee for a total of [NUMBER] Workweeks during the Class Period.

During the period from February 24, 2020 through May 2, 2022, you were employed by Defendant as an hourly-paid, non-exempt employee for a total of [NUMBER] Workweeks during the PAGA Period.

Your estimated Individual Settlement Payment is based on the number of Workweeks during the Class Period credited to you.

Under the terms of the Settlement, your Individual Settlement Payment is estimated to be \$[REDACTED]. The Individual Settlement Payment is subject to reduction for the employee’s share of all applicable income and payroll taxes with respect to the wages portion of the Individual Settlement Payment and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Your estimated Individual PAGA Payment is based on the number of Workweeks during the PAGA Period credited to you.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED]. The Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

If you do nothing you will receive payment of your Individual Settlement Payment and, if applicable, your Individual PAGA Payment, and you will be bound by the terms of the Settlement, including the release of Released Claims described below in Section 10. You will not need to submit a claim form to receive your Individual Settlement Payment and, if applicable, Individual PAGA Payment.

6. How do I dispute the number of Workweeks stated in this Notice?

If you believe the number of Workweeks indicated above in Section 5 is incorrect, you may submit a challenge in writing to the Settlement Administrator. The dispute must be sent to the Settlement Administrator at the address listed below in Section 9, postmarked **on or before [Response Deadline]**, and must: (a) contain your full name, address, telephone number, last four digits of your Social Security number, and signature; (b) contain the case name and number of the Action (*Chavez v. American Paper and Plastics Inc.*, Case No. 21STCV07182); (c) contain a clear statement explaining that you dispute the number of Workweeks credited to you and what you contend is the correct number that should be credited to you; (d) any documentation that you have to support the dispute. The Settlement Administrator will use Defendant's records and any information you provide to resolve any dispute about your employment data.

If you challenge the Workweeks worked as stated above, the Settlement Administrator will investigate and review the records available from the Defendant to determine whether the Workweeks you worked during the Class Period and/or PAGA Period are correct as stated above. Your submission of a dispute will be your authorization for the Settlement Administrator to review your employment and payment records, and for the Defendant to release any such records to the Settlement Administrator for the limited purpose of determining the Workweeks you worked.

After reviewing the available records, the Settlement Administrator will make a determination regarding your Workweeks to compute your Individual Settlement Payment and/or Individual PAGA Payment. Your share of the Net Settlement Amount and/or 25% portion of the PAGA Settlement Amount approved for distribution to the PAGA Employees may be increased or decreased as a result of this process. The Settlement Administrator's decision regarding your number of Workweeks will be based on the information contained in the records produced in the Action and will prevail over a dispute that does not provide persuasive documentation indicating that these records are wrong. The decision of the Settlement Administrator will be final and will not be subject to appeal.

7. How do I opt out if I do not want to be part of the Class Settlement?

If you request to be excluded from, or opt out of, the Class Settlement, you will NOT receive an Individual Settlement Payment, nor will you release any of the Class Released Claims, as described below in Section 10. To opt out, you must submit to the Settlement Administrator a written exclusion from the Class Settlement (opt out) **on or before [Response Deadline]**. The written request for exclusion from the Class Settlement must: (a) contain your name, address, telephone number, and last four digits of your Social Security number, and signature; (b) contain the case name and number of the Action (*Chavez v. American Paper and Plastics Inc.*, Case No. 21STCV07182); (c) clearly state that you wish to be excluded from the Class Settlement; and (d) be returned to the Settlement Administrator by mail at the address listed below in Section 9, postmarked on or before **[Response Deadline]**.

You may withdraw your request for exclusion prior to **[Response Deadline]** by writing to the Settlement Administrator and stating your intent to withdraw your request for exclusion from the Class Settlement.

Any Class Member who properly requests to opt out from the Class Settlement will not be entitled to receive an Individual Settlement Payment and will not be bound by the Class Settlement or have any right to object, appeal or

comment thereon. Notwithstanding the above, all PAGA Employees will be bound by the PAGA Settlement and will receive their Individual PAGA Payment irrespective of whether they submit a request for exclusion from the Class Settlement.

8. Can I object to the Class Settlement?

Any Class Member who has not opted out of the Class Settlement (i.e., Participating Class Member) may object to the Class Settlement. Written objections to the Class Settlement must be mailed to the Settlement Administrator no later than **[Response Deadline]** and must: (a) contain your full name, address, telephone number, last four digits of your Social Security number, and signature; (b) contain the words “Notice of Objection” or “Formal Objection”; (c) contain the case name and number of the Action (*Chavez v. American Paper and Plastics Inc.*, Case No. 21STCV07182); (d) a clear and concise statement, including factual and legal arguments, explaining your objection(s) to the Settlement; (e) contain a statement indicating whether or not you are represented by counsel and identifying any such legal counsel; (f) contain a statement indicating whether you intend to appear at the Final Approval Hearing to present your objection(s); (g) list any witnesses you may call to testify at the Final Approval Hearing; and (h) be filed with the Court and submitted to the Settlement Administrator no later than **[Response Deadline]**.

Participating Class Members may also present their objections at the Final Approval Hearing, regardless of whether they submitted a written objection.

If a Participating Class Member unsuccessfully objects to the Class Settlement, the Participating Class Member will remain a member of the Settlement Class and if the Court grants final approval of the Settlement, the Participating Class Member will be bound by the terms of the Settlement and judgment in the same way and to the same extent as a Participating Class Member who does not object.

9. Who is the Settlement Administrator?

The Settlement Administrator is the company approved by the Court to administer the Settlement. The Settlement Administrator’s contact information is:

PHOENIX
INSERT ADDRESS AND CONTACT INFORMATION

The Settlement Administrator’s duties include processing challenges, objections, and exclusions to the Class Settlement, making payments to the Participating Class Members PAGA Employees, and providing answers to any questions you may have. The Settlement Administrator will also post a copy of the final judgment on its website for a period of at least sixty (60) calendar days. The costs of administering the Settlement, estimated at \$8,000, will be deducted from the Gross Settlement Amount.

10. What is Being Released as Part of the Settlement?

If the Court grants final approval of the Settlement, upon the full funding of the Gross Settlement Amount, all Class Members who have not opted out of the Class Settlement are bound by the terms of the Class Settlement, including the release of all Class Released Claims that they may have against the Released Parties at any time during the Class Period, as set forth in the Settlement Agreement and below. In addition, all PAGA Employees are bound by the release of all PAGA Released Claims that they may have against the Released Parties at any time during the PAGA Period, as set forth in the Settlement Agreement and below.

“Class Released Claims” means any and all claims, rights, demands, liabilities, and causes of action based on the same set of operative facts as those set forth in the operative Complaint, including but not limited to claims based on the following categories of allegations: all claims under state, federal or local law, whether statutory, common

law or administrative law, arising out of or related to allegations set forth in the operative Complaint, claims for failure to pay overtime wages, failure to provide meal periods, failure to provide rest periods, failure to furnish accurate wage statements, failure to pay all wages earned, failure to maintain required records, failure to pay earned wages upon termination or discharge, failure to reimburse business expenses, unfair competition, including, but not limited to, claims for injunctive relief, punitive damages, liquidated damages, penalties of any nature, interest, fees, including fees under California Code of Civil Procedure section 1021.5; costs; and all other claims and allegations made or which could have been made in the Action based on the facts and allegations pled in the operative Complaint from February 24, 2017, through May 2, 2022.

“PAGA Released Claims” means all claims, demands, rights, liabilities and causes of action under California Labor Code Private Attorneys General Act of 2004 (Labor Code section 2698 et seq.) alleged in the letter to the Labor & Workforce Development Agency dated February 25, 2022 (i.e., the PAGA Letter), based on the factual allegations in the operative Complaint, that arose during the PAGA Period including but not limited to the following claims for civil penalties: (a) failure to pay all overtime wages owed; (b) failure to pay all minimum wages owed; (c) failure to provide meal periods, or premium pay for non-compliant meal periods; (d) failure to authorize and permit rest periods, or premium pay for non-compliant rest periods; (e) failure to timely pay all wages due upon separation of employment; (f) failure to issue accurate, itemized wage statements based on the foregoing Labor Code violations, Labor Code §§ 201, 202, 203, 226(a), 226.7, 510, 512, 1194, 1197, 1197.1; 1198, 2800, and 2802, and sections 11 and 12 of IWC Wage Order No. 1. The Parties agree that there is no statutory right for any PAGA Employee to opt out or otherwise exclude himself or herself from the PAGA Payment and the associated release of claims and rights under PAGA.

“Released Parties” means Defendant, and any of its former and present parents, subsidiaries, affiliates, divisions, corporations in common control, predecessors, successors, and assigns, as well as all past and present officers, directors, employees, partners, shareholders and agents, attorneys, insurers, and any other successors, assigns, or legal representatives.

11. What if the Settlement is not approved by the Court?

The Court will hold a Final Approval Hearing on [REDACTED] at [REDACTED] in Department 6 of the Spring Street Courthouse, located at 312 North Spring Street Los Angeles, California 90012, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award the Attorneys’ Fees and Litigation Costs to Class Counsel, Incentive Award to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

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

If the Settlement Agreement is not approved by the Court, or if any of their conditions are not satisfied, the conditional settlement will be voided, no money will be paid, and the parties will continue to litigate this case. If that happens there is no assurance: (a) that any decision at trial would be in favor of class members; (b) that a trial decision, if any, would be as favorable to the class members as this settlement; or (c) that any favorable trial decision would be upheld if an appeal is filed

12. What if I have further questions about the Settlement or Action?

For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other court records in the Action at the Spring Street Courthouse, located at 312 North Spring Street, Los Angeles, CA 90012, during business hours. Because of the Los Angeles Superior Court’s COVID-19 pandemic procedures, in order to view documents filed in the lawsuit, Class Members may be required to make an appointment with the Court to view documents. To schedule an appointment, you may

call the Court Support Services at the following number: (213) 310-7000, or you may visit the Court's website at www.lacourt.org.

Individuals who come to the courthouse must wear facial coverings and maintain social distancing at all times within the public areas of the courthouse or courtroom. For more information regarding the mandatory use of facial coverings and social distancing requirements in all Los Angeles County courthouses, you may visit the Los Angeles Superior Court's *Here For You | Safe For You* page at <http://www.lacourt.org/newsmedia/ui/HfySfy.aspx>.

You may also contact the Settlement Administrator or Class Counsel at the address listed above without having to pay for any attorneys' fees. You also have the right to speak with an attorney of your choosing at your own expense. Please do not contact Defendants' Counsel.

**DO NOT CONTACT THE COURT. THE COURT CANNOT PROVIDE YOU WITH LEGAL ADVICE
OR ANY OPINION AS TO THIS SETTLEMENT OR LAWSUIT.**