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Services, Inc., and AmTrust North America, Inc.

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

JORGE ALEXANDRIA, an individual, on
behalf of the State of California, as a private
attorney general, and on behalf of All Aggrieved
Employees and all others similarly situated,

Plaintiff,

vs.

AMTRUST FINANCIAL SERVICES, INC., a
stock corporation; AMTRUST NORTH
AMERICA, INC., a stock corporation; and
DOES 1 to 10, inclusive,

Defendants.

Case No. 37-2022-00048165-CU-OE-CTL

**AMENDED JOINT STIPULATION FOR
CLASS AND REPRESENTATIVE ACTION
SETTLEMENT**

Action Filed: December 1, 2022
Trial Date: None Set

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

Plaintiff Jorge Alexandria and Defendants AmTrust Financial Services, Inc., and AmTrust North America, Inc., agree to settle this class and representative action subject to the terms and conditions below.

DEFINITIONS

1. “Agreement” means this Joint Stipulation of Class and Representative Action Settlement.

2. “Action” means *Jorge Alexandria v. AmTrust Financial Services, Inc., et al.*, filed on December 1, 2022 in the San Diego County Superior Court, Case No. 37-2022-00048165-CU-OE-CTL.

3. “Aggrieved Employees” means all current and former employees who worked for Defendants in the State of California during the PAGA Period.

4. “Class Counsel” means Ackermann & Tilajef, P.C.

5. “Class Counsel Award” means attorneys’ fees for Class Counsel’s litigation and resolution of this Action and their expenses and costs incurred in connection with the Action, paid from the Gross Settlement Fund.

6. “Class Information” means information regarding the Class Members that Defendants will in good faith compile from its records and provide to the Settlement Administrator. It will be formatted as a Microsoft Excel spreadsheet and will include: Class Members’ full name; last known address; last known home telephone number; Social Security Number; and total number of work months worked by each Class Member during the Class Period.

7. “Class Members” means all current and former employees who worked for Defendants in the State of California during the Class Period. Defendants estimate that there are 473 Class Members.

8. “Class Period” means the period from March 18, 2020 to March 7, 2022.

9. “Class Representative Service Award” means the amount that the Court authorizes to be paid to Plaintiff in recognition of his efforts and risks in assisting with the prosecution of the

1 Action.

2 10. "Complaint" means the operative Complaint filed in the Action.

3 11. "Compensable Work Months" means the number of work months during which the
4 Class Members worked remotely for Defendants during the Class Period.

5 12. "Court" means the San Diego County Superior Court.

6 13. "Defendants" means AmTrust Financial Services, Inc., and AmTrust North America,
7 Inc.

8 14. "Defendants' Counsel" means Ogletree, Deakins, Nash, Stewart and Smoak, P.C.

9 15. "Effective Date" means the date upon which the Court grants final approval of the
10 Settlement if (a) no Settlement Class Members file objections to the Settlement, or (b) any Settlement
11 Class Member files an objection but it is subsequently withdrawn. However, if an objection is filed
12 and an appeal or other appellate proceeding is initiated by an objector, the Effective Date will be 15
13 days after the date upon which the deadline to file a notice of appeal by an objector expires (if a
14 timely appeal or other appellate proceeding is not initiated by the objector); or if a timely appeal or
15 other appellate proceeding is initiated by an objector, the Effective Date will be the date of final
16 resolution of that appeal (including any requests for rehearing and/or petitions for *certiorari*),
17 resulting in final judicial approval of the Settlement.

18 16. "Gross Settlement Fund" means a maximum payment amount of \$336,151, less the
19 \$51,081 that Defendants have already paid to certain Class Members, inclusive of the Class Counsel
20 Award, the Class Representative Service Award, the LWDA PAGA Payment, the PAGA Payment,
21 and the Settlement Administration Costs. In no event will Defendants be liable for more or less than
22 \$285,070 as a result of this Settlement, unless Defendant elects to proceed pursuant to paragraph 51
23 of this Agreement.

24 17. "Individual PAGA Payment" means the amount payable from the PAGA Payment to
25 each Aggrieved Employee.

26 18. "Individual Settlement Payment" means the amount payable from the Net Settlement
27 Amount to each Settlement Class Member.

28 19. "LWDA Payment" means payment to the California Labor and Workforce

1 Development Agency (“LWDA”) under the Private Attorneys General Act of 2004 (“PAGA”).

2 20. “Net Settlement Amount” means the Gross Settlement Fund, less the Class Counsel
3 Award, the Class Representative Service Award, the PAGA Payment, the LWDA Payment, and the
4 Settlement Administration Costs.

5 21. “Notice of Class Action Settlement” means the Notice of Class and Representative
6 Action Settlement (substantially in the form attached as **Exhibit 1**).

7 22. “Notice Packet” means the Notice of Class Action Settlement, Request for Exclusion,
8 and postage-paid return envelope to the Settlement Administrator.

9 23. “PAGA Payment” means payment to the Aggrieved Employees under the Private
10 Attorneys General Act of 2004.

11 24. “PAGA Period” means the period from April 15, 2021 to March 7, 2022.

12 25. “PAGA Released Claims” means any and all claims, obligations, demands, rights,
13 causes of action, and liabilities against Defendants during the PAGA Period, under PAGA that have
14 been asserted or could have been asserted in Plaintiff’s LWDA PAGA letter and/or the Complaint,
15 based on the facts, claims and/or allegations therein, including for failure to provide timely and/or
16 complete reimbursement for necessary business-related expenditures, and includes all such claims
17 for recovery of expenses and/or all penalties under California Labor Code section 2698, *et seq.*

18 26. “Parties” means Plaintiff and Defendants, collectively, and “Party” will mean either
19 Plaintiff or Defendants, individually.

20 27. “Payment Ratio” means the respective Compensable Work Months for each
21 Settlement Class Member divided by the total Compensable Work Months for all Settlement Class
22 Members (or Aggrieved Employees for the PAGA Payment).

23 28. “Plaintiff” means Plaintiff Jorge Alexandria.

24 29. “Preliminary Approval” means the date on which the court grants preliminary
25 approval of the Settlement.

26 30. “Released Claims” means all claims that means any and all claims, obligations,
27 demands, rights, causes of action, and liabilities against Defendants during the Class Period, under
28 Labor Code section 2802 that have been asserted or could have been asserted in Plaintiff’s LWDA

PAGA letter and/or the Complaint, based on the facts, claims and/or allegations therein, including for failure to provide timely and/or complete reimbursement for necessary business-related expenditures, and includes all such claims for recovery of expenses, penalties, interest, attorneys' fees, costs, injunctive relief, restitution, and any other equitable relief in California statute, ordinance, regulation, common law, or other source of law, including California Labor Code section 2802, California Business & Professions Code section 17200, *et seq.*, and California's Wage Orders, during the Class Period. The res judicata effect of the Judgment will be the same as that of the Released Claims obtained by this Agreement. The period of the Released Claims will be the Class Period.

31. "Released Parties" means Defendants and their past, present and/or future, direct and/or indirect, parent companies, subsidiaries, affiliates, divisions, officers, directors, managers, members, heirs, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, predecessors, successors, and/or assigns.

32. "Request for Exclusion" means the Request for Exclusion (substantially in the form attached as **Exhibit 2**).

33. "Response Deadline" means the date 45 days after the Settlement Administrator mails Notice Packets to Settlement Class Members and the last date on which Class Members may submit a Request for Exclusion, and/or objection to the Settlement.

34. "Settlement" means the disposition of the Action pursuant to this Agreement.

35. "Settlement Administration Costs" means the amount up to \$9,500.00 to be paid to the Settlement Administrator from the Gross Settlement Fund for administration of this Settlement.

36. "Settlement Administrator" means CPT Group, Inc.

37. "Settlement Class Members" means Class Members who do not submit timely and valid Requests for Exclusion as provided in this Agreement.

RECITALS

38. Class Certification. The Parties stipulate and agree to the certification of this Action for purposes of this Settlement only. Should the Settlement not become final and effective, class certification will immediately be set aside and immediately decertified (subject to further proceedings on motion of any party to certify or deny certification thereafter). The Parties'

1 willingness to stipulate to class certification as part of the Settlement will have no bearing on, and
2 will not be admissible in or considered in connection with, the issue of whether a class should be
3 certified in a non-settlement context in this Action or in any context in any other lawsuit.

4 39. Procedural Settlement History. On November 18, 2022, the Parties participated in a
5 private mediation with an experienced mediator, Tripper Ortman, after they engaged in informal
6 discovery, including Defendants providing to Plaintiff information regarding the putative class (*e.g.*,
7 the number of putative class members, total work months, *etc.*) and Defendants' policies and
8 procedures affecting putative class members. As a result, the Parties reached an agreement on all
9 material terms to resolve this Action in its entirety.

10 40. Benefits of Settlement to Class Members. Plaintiff and Class Counsel recognize the
11 expense and length of continued proceedings necessary to litigate their disputes through trial and
12 through any possible appeals. Plaintiff has also taken into account the uncertainty and risk of the
13 outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiff and
14 Class Counsel are also aware of the burdens of proof necessary to establish liability for the claims
15 asserted in the Action, both generally and in response to Defendants' defenses thereto, and the
16 difficulties in establishing damages for the Class Members. Plaintiff and Class Counsel have also
17 taken into account the extensive settlement negotiations conducted. Based on the foregoing, Plaintiff
18 and Class Counsel have determined that the Settlement set forth in this Agreement is a fair, adequate,
19 and reasonable settlement, and is in the best interests of the Class Members.

20 41. Defendants' Reasons for Settlement. Defendants have concluded that any further
21 defense of this litigation would be protracted and expensive for all Parties. Substantial amounts of
22 time and resources of Defendants have been and, unless this Settlement is approved, will continue to
23 be devoted to the defense of the claims asserted by Plaintiff and the Class Members. Defendants have
24 also taken into account the risks of further litigation in reaching its decision to enter into this
25 Settlement. Despite continuing to contend that it is not liable for any of the claims set forth by
26 Plaintiff, Defendants have, nonetheless, agreed to settle in the manner and upon the terms set forth
27 in this Agreement to put to rest the claims as set forth in the Action. Defendants have claimed and
28 continue to claim that the PAGA Released Claims and Released Claims have no merit and do not

1 give rise to liability. This Agreement is a compromise of disputed claims. Nothing contained in this
2 Agreement and no documents referred to herein and no action taken to carry out this Agreement may
3 be construed or used as an admission by or against Defendants as to the merits or lack thereof of the
4 claims asserted. The monies being paid as part of the settlement are genuinely disputed and the
5 Parties agree that the provisions of Labor Code section 206.5 are not applicable to this Settlement.

6 42. Settlement Class Members' Claims. The Settlement Class Members have claimed and
7 continue to claim that the Released Claims have merit and give rise to liability on the part of
8 Defendants. This Agreement is a compromise of disputed claims. Nothing contained in this
9 Agreement and no documents referred to herein and no action taken to carry out this Agreement may
10 be construed or used as an admission by or against the Settlement Class Members or Class Counsel
11 as to the merits or lack thereof of the claims asserted.

12 **TERMS OF AGREEMENT**

13 43. Release as to the Settlement Class Members. As of the date Defendants fully fund the
14 Gross Settlement Fund, in exchange for the Gross Settlement Fund, Plaintiff and the Settlement Class
15 Members release the Released Parties from the Released Claims. Plaintiff and the Settlement Class
16 Members may hereafter discover facts or legal arguments in addition to or different from those they
17 now know or currently believe to be true with respect to the claims and causes of action in this case
18 which are the subject matter of the Released Claims. Regardless, the discovery of new facts or legal
19 arguments will in no way limit the scope or definition of the Released Claims and by virtue of this
20 Agreement, the Settlement Class Members will be deemed to have, and by operation of the final
21 judgment approved by the Court, will have fully, finally, and forever settled and released all of the
22 Released Claims as defined above.

23 44. PAGA Release. As of the date Defendants fully fund the Gross Settlement Fund, in
24 exchange for the PAGA Payment, Plaintiff and the Aggrieved Employees will release the Released
25 Parties from the PAGA Released Claims for the PAGA Period. Plaintiff and the Aggrieved
26 Employees may hereafter discover facts or legal arguments in addition to or different from those they
27 now know or currently believe to be true with respect to the claims and causes of action in this case
28 which are the subject matter of the PAGA Released Claims. Regardless, the discovery of new facts

or legal arguments will in no way limit the scope or definition of the PAGA Released Claims and by virtue of this Agreement, Plaintiff and the Aggrieved Employees will be deemed to have, and by operation of the final judgment approved by the Court, will have fully, finally, and forever settled and released all of the PAGA Released Claims as defined above.

45. Release as to Plaintiff. As of the date Defendants fully fund the Gross Settlement Fund, in exchange for the Gross Settlement Fund, Plaintiff releases the Released Parties from all claims and causes of action, including but not limited to the Released Claims, and stipulates and agrees that, upon the Effective Date, Plaintiff will be deemed to have, and by operation of the final judgment will have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which Section 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 materially affected his or her settlement with the debtor or released party.

Plaintiff may hereafter discover facts in addition to or different from those he now knows or believes to be true, but upon the Effective Date, will be deemed to have, and by operation of the final judgment will have, fully, finally, and forever settled and released any and all claims and causes of action against the Released Parties, whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed, upon any theory of law or equity, including but not limited to conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

46. Tax Liability. The Parties make no representations as to the tax treatment or legal effect of the payments called for hereunder, and the Class Members are not relying on any statement or representation by the Parties in this regard. The Class Members understand and agree that they will be responsible for the payment of any employee taxes and penalties assessed on the payments described herein and will hold the Parties free and harmless from and against any claims, liabilities, costs and expenses, including attorney's fees, resulting in any way from personal tax treatment of

1 the payments made pursuant to this Agreement, including the treatment of such payments as not
2 subject to withholding or deduction for payroll and employment taxes.

3 47. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
4 the “acknowledging party” and each Party to this Agreement other than the acknowledging party, an
5 “other party”) acknowledges and agrees that: (1) no provision of this Agreement, and no written
6 communication or disclosure between or among the Parties or their attorneys and other advisers, is
7 or was intended to be, nor will any such communication or disclosure constitute or be construed or
8 be relied upon as, tax advice within the meaning of United States Treasury Department circular 230
9 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her
10 or its own, independent legal and tax counsel for advice (including tax advice) in connection with
11 this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other
12 Party or any attorney or advisor to any other Party, and (c) is not entitled to rely upon any
13 communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty
14 that may be imposed on the acknowledging party, and (3) no attorney or adviser to any other Party
15 has imposed any limitation that protects the confidentiality of any such attorney’s or adviser’s tax
16 strategies (regardless of whether such limitation is legally binding) upon disclosure by the
17 acknowledging party of the tax treatment or tax structure of any transaction, including any
18 transaction contemplated by this Agreement.

19 48. Settlement Administration. Within 30 calendar days after the Court grants
20 Preliminary Approval of this Agreement, Defendants will provide the Settlement Administrator with
21 the Class Information for purposes of mailing Notice Packets to Settlement Class Members.

22 a. Notice By First Class U.S. Mail. Upon receipt of the Class Information, the Settlement
23 Administrator will perform a search based on the National Change of Address Database to update
24 and correct any known or identifiable address changes. Within 14 calendar days after receiving the
25 Class Information from Defendants as provided herein, the Settlement Administrator will mail copies
26 of the Notice Packet to all Class Members via regular First Class U.S. Mail. The Settlement
27 Administrator will exercise its best judgment to determine the current mailing address for each Class
28 Member. The address identified by the Settlement Administrator as the current mailing address will

1 be presumed to be the best mailing address for each Class Member.

2 i. Undeliverable Notices. Any Notice Packets returned to the Settlement
3 Administrator as non-delivered on or before the Response Deadline will be re-mailed to the
4 forwarding address affixed thereto. If no forwarding address is provided, the Settlement
5 Administrator will promptly attempt to determine a correct address by use of skip-tracing, or other
6 search using the name, address and/or Social Security number of the Class Member involved, and
7 will then perform a re-mailing, if another mailing address is identified by the Settlement
8 Administrator. Class Members who received a re-mailed Notice Packet will have their Response
9 Deadline extended 15 days from the original Response Deadline.

10 ii. Disputes Regarding Individual Settlement Payments. Class Members will
11 have the opportunity, should they disagree with Defendants' records regarding the dates and/or work
12 months stated on their Notice of Class Action Settlement, to provide documentation and/or an
13 explanation to show contrary dates and/or work months. If there is a dispute, the Settlement
14 Administrator will consult with the Parties to determine whether an adjustment is warranted. The
15 Settlement Administrator will determine the eligibility for, and the amounts of, any Individual
16 Settlement Payments under the terms of this Agreement. The Settlement Administrator's
17 determination of the eligibility for and amount of any Individual Settlement Payment will be binding
18 upon the Settlement Class Member and the Parties.

19 iii. Disputes Regarding Administration of Settlement. Any disputes not resolved
20 by the Settlement Administrator concerning the administration of the Settlement will be resolved by
21 the Court under the laws of the State of California. Prior to any such involvement of the Court,
22 counsel for the Parties will confer in good faith to resolve the disputes without the necessity of
23 involving the Court.

24 b. Exclusions. The Notice Packet will state that Class Members who wish to exclude
25 themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The
26 Request for Exclusion will not be valid if it is not timely submitted, if it is not signed by the Class
27 Member, or if it does not contain the name and address of the Class Member. The date of the
28 postmark on the return mailing envelope or fax stamp on the Request for Exclusion will be the

exclusive means used to determine whether the Request for Exclusion was timely submitted. Any Class Member who requests to be excluded from the Settlement will not be entitled to any recovery under the Settlement (with the exception of the recovery under this Settlement for Individual PAGA Payments, if applicable) and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon. Class Members who fail to submit a valid and timely Request for Exclusion on or before the Response Deadline will be bound by all terms of the Settlement and any final judgment entered in this Action if the Settlement is approved by the Court. No later than 25 calendar days after the Response Deadline, the Settlement Administrator will provide Defendants' Counsel with a final list of Class Members who have timely submitted written requests for exclusion. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to submit Requests for Exclusion from the Settlement.

c. Objections. The Notice Packet will state that Class Members who wish to object to the Settlement may file with the Court and serve on all Parties a written statement of objection ("Notice of Objection") by the Response Deadline. The Notice of Objection must be signed by the Settlement Class Member and state: (1) the full name of the Settlement Class Member; (2) the dates of employment of the Settlement Class Member; (3) the last four digits of the Settlement Class Member's Social Security number; (4) the name and case number of the Action; and (5) the factual and legal basis for the objection with any supporting documents and evidence. Settlement Class Members will have a right to appear at the Final Approval/Settlement Fairness Hearing in order to have their objections heard by the Court whether or not they submit a timely Notice of Objection. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to file or serve written objections to the Settlement or appeal from the Order and Final Judgment. Class Counsel will not represent any Settlement Class Members with respect to any such objections.

49. Funding and Allocation of Gross Settlement Fund. The Gross Settlement Fund means a maximum payment amount of \$336,151, less the \$51,081 that Defendants has already paid to certain Class Members, inclusive of the Class Counsel Award, the Class Representative Service Award, the LWDA Payment, the PAGA Payment, and the Settlement Administration Costs. The

balance after deducting the Class Counsel Award, the Class Representative Service Award, the LWDA Payment, the PAGA Payment, and the Settlement Administration Costs is the Net Settlement Amount. Within 30 calendar days after the Effective Date, Defendant will provide the Gross Settlement Fund to the Settlement Administrator to fund the Settlement, as set forth in this Agreement.

a. Individual Settlement Payments. Individual Settlement Payments will be paid from the Net Settlement Amount and will be paid pursuant to the settlement formula set forth herein. Individual Settlement Payments will be mailed by regular First Class U.S. Mail to Settlement Class Members' last known mailing address within 15 calendar days after Defendants provide funds to the Settlement Administrator for disbursement under this Agreement. Individual Settlement Payments will be allocated as 100% as reimbursement, penalties, and interest. Any checks issued to Settlement Class Members will remain valid and negotiable for 180 days from the date of their issuance. At that time, any such uncashed checks will be paid to the State Controller's Office Unclaimed Property Fund, in the name of the Settlement Class Member, so that all Settlement Class Members have an opportunity to claim their payments from the State Controller's Office Unclaimed Property Fund after the expiration of the settlement checks.

i. Calculation of Individual Settlement Payments. The Compensable Work Months for each Settlement Class Member will be divided by the total Compensable Work Months for all Settlement Class Members, resulting in the Payment Ratio for each Settlement Class Member. Each Settlement Class Member's Payment Ratio is then multiplied by the Net Settlement Amount to determine the proportionate allocation.

ii. Aggrieved Employee PAGA Payments. Individual PAGA Payments will be paid from the PAGA Payment pursuant to the settlement formula set forth herein. Individual PAGA Payments will be mailed by regular First Class U.S. Mail to the Class Member's last known mailing address within 10 calendar days after Defendants provide funds to the Settlement Administrator for disbursement under this Agreement. The Individual PAGA Payments will be allocated as 100% as penalties. Any checks issued to the Aggrieved Employees will remain valid and negotiable for 180 days from the date of their issuance. At that time, any such uncashed checks will be paid to the State

1 Controller's Office Unclaimed Property Fund, in the name of the Aggrieved Employee, so that all
2 such individuals have an opportunity to claim their payments from the State Controller's Office
3 Unclaimed Property Fund after the expiration of the settlement checks.

4 iii. Calculation of Individual PAGA Payments. The Compensable Work Months for each
5 Aggrieved Employee will be divided by the total Compensable Work Months for all Aggrieved
6 Employees, resulting in the Payment Ratio for each Aggrieved Employee. Each Aggrieved
7 Employee's Payment Ratio is then multiplied by the PAGA Payment to determine the proportionate
8 allocation.

9 iv. Settlement Class Members are not eligible to receive any compensation other than
10 Individual Settlement Payments and Individual PAGA Payments from this Settlement, if applicable.

11 b. Class Representative Service Award. Defendants agrees not to oppose or object to
12 any application or motion by Plaintiff for a Class Representative Service Award of up to \$15,000
13 each in exchange for the PAGA Released Claims, Released Claims, and a General Release and for
14 Plaintiff's time and effort in bringing and prosecuting this matter. The Class Representative Service
15 Award will be paid to Plaintiff from the Gross Settlement Fund no later than 15 calendar days after
16 Defendants provide funds to the Settlement Administrator for disbursement under this Agreement.
17 The Settlement Administrator will issue an IRS Form 1099 – MISC to Plaintiff for their respective
18 Class Representative Service Award. Plaintiff will be solely and legally responsible to pay any and
19 all applicable taxes on their respective Class Representative Service Award and will hold harmless
20 Defendants from any claim or liability for taxes, penalties, or interest arising as a result of the Class
21 Representative Service Award. The Class Representative Service Award will be in addition to the
22 Plaintiff's respective Individual PAGA Payment and Individual Settlement Payment as a Settlement
23 Class Member. In the event that the Court reduces or does not approve the requested Class
24 Representative Service Award, Plaintiff will not have the right to revoke the Settlement, and it will
25 remain binding.

26 c. Class Counsel Award. Defendants agree not to oppose or object to any application or
27 motion by Class Counsel for attorneys' fees not to exceed \$95,023.33, plus their actual costs and
28 expenses not to exceed \$20,000, from the Gross Settlement Fund. The Class Counsel Award will be

1 paid to Class Counsel from the Gross Settlement Fund no later than 15 calendar days after Defendants
2 provide funds to the Settlement Administrator for disbursement under this Agreement. Class Counsel
3 will be solely and legally responsible to pay all applicable taxes on the payment made pursuant to
4 this paragraph. The Settlement Administrator will issue an IRS Form 1099 – MISC to Class Counsel
5 for the payments made pursuant to this paragraph. In the event that the Court reduces or does not
6 approve the requested Class Counsel Award, Plaintiff and Class Counsel will not have the right to
7 revoke the Settlement, and it will remain binding.

8 d. PAGA. Class Counsel will comply with the settlement provisions of PAGA, Cal.
9 Labor Code section 2699 *et seq.*, including taking the following steps to effectuate settlement: (1)
10 provide a copy of this Agreement to the LWDA at the same time this Agreement is submitted to the
11 Court, and (2) provide to the LWDA a copy of the Court's judgment and any other order that awards
12 or denies PAGA penalties within 10 days after entry of judgment or order. Subject to Court approval,
13 the Parties will allocate a payment under PAGA in the amount of \$10,000 from the Gross Settlement
14 Fund, to be distributed as follows: 75% or \$7,500 to the LWDA (*i.e.*, the LWDA Payment); and 25%
15 or \$2,500 to the Aggrieved Employees (*i.e.*, the PAGA Payment) as described in this Agreement.

16 e. Settlement Administration Costs. The Settlement Administrator will be paid for the
17 costs of administration of the Settlement from the Gross Settlement Fund. Such costs of
18 administration for the disbursement of the Gross Settlement Fund will be no more than \$9,500. The
19 Settlement Administrator will be paid the Settlement Administration Costs no later than 14 calendar
20 days after Defendants provide funds to the Settlement Administrator for disbursement under this
21 Agreement. The Settlement Administrator, on Defendants' behalf, will have the authority and
22 obligation to make payments, credits and disbursements, including payments and credits in the
23 manner set forth herein, to Settlement Class Members calculated in accordance with the methodology
24 set out in this Agreement and orders of the Court.

25 i. The Parties agree to cooperate in the Settlement administration process and to
26 make all reasonable efforts to control and minimize the cost and expenses incurred in administration
27 of the Settlement. The Parties each represent they do not have any financial interest in the Settlement
28 Administrator or otherwise have a relationship with the Settlement Administrator that could create a

1 conflict of interest.

2 ii. The Settlement Administrator will be responsible for: processing and mailing
3 payments to the Plaintiff, Class Counsel, Settlement Class Members, and the LWDA; printing,
4 translating and mailing the Notice Packets and postcards to the Settlement Class Members as directed
5 by the Court; receiving and reporting the Request for Exclusions submitted by Settlement Class
6 Members; deducting taxes from Individual Settlement Payments and distributing tax forms;
7 processing and mailing tax payments to the appropriate state and federal taxing authorities; providing
8 declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; and
9 other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform.

10 The Settlement Administrator will keep the Parties timely apprised of the performance of all
11 Settlement Administrator responsibilities. No later than 25 calendar days after the Response
12 Deadline, the Settlement Administrator will provide counsel for the Parties with a final accounting
13 of the Gross Settlement Fund and report the amount of all payments to be made to each Settlement
14 Class Member by employee number.

15 f. No person will have any claim against Defendants, Plaintiff, Settlement Class
16 Members, Defendants' Counsel, Class Counsel or the Settlement Administrator based on
17 distributions and payments made in accordance with this Agreement.

18 50. Option to Terminate Settlement. If, after the Response Deadline and before the Final
19 Approval/Settlement Fairness Hearing, the number of Class Members who submitted timely and
20 valid written requests for exclusion from the Settlement is at least 5% of all Class Members,
21 Defendants will have, in its sole discretion, the option to terminate this Settlement. If Defendants
22 exercise its option to terminate this Settlement, Defendants will: (a) provide written notice to Class
23 Counsel within seven calendar days after the Response Deadline and (b) pay all Settlement
24 Administration Costs incurred up to the date or as a result of the termination; and the Parties will
25 proceed in all respects as if this Agreement had not been executed.

26 51. Escalator. This settlement was entered into based on Defendants' representation that
27 there are 8,073 Compensable Work Months during the Class Period. If the total number of
28 Compensable Work Months conveyed to the Settlement Administrator during the Class Period is

1 10% more than the amounts stated, Defendants will have the option of: increasing the Gross
2 Settlement Fund proportionally for any months above 8,880. If Defendants elect not to do so, Plaintiff
3 can withdraw from the settlement, and the Parties will proceed to status quo ante as to the Class and
4 PAGA claims.

5 52. Final Settlement Approval Hearing and Entry of Final Judgment. Upon expiration of
6 the Response Deadline, with the Court's permission, a Final Approval/Settlement Fairness Hearing
7 will be conducted to determine final approval of the Settlement along with the amount properly
8 payable for (i) the Class Counsel Award, (ii) the Class Representative Service Award, (iii) Individual
9 Settlement Payments, (iv) the LWDA PAGA Payment, (v) the Aggrieved Employee PAGA
10 Payment; and (vi) the Settlement Administration Costs. Pursuant to California Rule of Court
11 3.769(h), after granting Final Approval, the Court will retain jurisdiction over the Parties to enforce
12 the terms of the judgment.

13 53. Nullification of Settlement Agreement. In the event: (i) the Court does not grant
14 preliminary approval; (ii) the Court does not grant final approval; (iii) the Court does not enter a final
15 judgment as provided herein; or (iv) the Settlement does not become final for any other reason, this
16 Settlement Agreement will be null and void and any order or judgment entered by the Court in
17 furtherance of this Settlement will be treated as void from the beginning. In such a case, the Parties
18 and any funds to be awarded under this Settlement will be returned to their respective statuses as of
19 the date and time immediately prior to the execution of this Agreement, and the Parties will proceed
20 in all respects as if this Agreement had not been executed. In the event an appeal is filed from the
21 Court's final judgment, or any other appellate review is sought, administration of the Settlement will
22 be stayed pending final resolution of the appeal or other appellate review, but any fees incurred by
23 the Settlement Administrator prior to it being notified of the filing of an appeal from the Court's
24 Final Judgment, or any other appellate review, will be paid to the Settlement Administrator within
25 30 days of said notification.

26 54. No Effect on Employee Benefits. Amounts paid to Plaintiff or other Class Members
27 pursuant to this Agreement will be deemed not to be pensionable earnings and will not have any
28 effect on the eligibility for, or calculation of, any of the employee benefits (*e.g.*, vacations, holiday

1 pay, retirement plans, etc.) of Plaintiff or the Class Members.

2 55. No Admission By the Parties. Defendants deny any and all claims alleged in this
3 Action and denies all wrongdoing whatsoever. This Agreement is not a concession or admission, and
4 will not be used against Defendants as an admission or indication with respect to any claim of any
5 fault, concession or omission by Defendants.

6 56. Exhibits and Headings. The terms of this Agreement include the terms set forth in any
7 attached Exhibits 1-2, which are incorporated by this reference as though fully set forth herein. Any
8 Exhibits to this Agreement are an integral part of the Settlement. The descriptive headings of any
9 paragraphs or sections of this Agreement are inserted for convenience of reference only and do not
10 constitute a part of this Agreement.

11 57. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action,
12 except such proceedings necessary to implement and complete the Settlement, in abeyance pending
13 the Final Approval/Settlement Fairness Hearing to be conducted by the Court.

14 58. Amendment or Modification. This Agreement may be amended or modified only by
15 a written instrument signed by counsel for all Parties or their successors-in-interest.

16 59. Entire Agreement. This Agreement and any attached Exhibits constitute the entire
17 Agreement among these Parties, and no oral or written representations, warranties or inducements
18 have been made to any Party concerning this Agreement or its Exhibits other than the representations,
19 warranties and covenants contained and memorialized in the Agreement and its Exhibits.

20 60. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
21 represent they are expressly authorized by the Parties whom they represent to negotiate this
22 Agreement and to take all appropriate actions required or permitted to be taken by such Parties
23 pursuant to this Agreement to effectuate its terms, and to execute any other documents required to
24 effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other
25 and use their best efforts to effect the implementation of the Settlement. The persons signing this
26 Agreement on behalf of Defendants represent and warrant that they are authorized to sign this
27 Agreement on behalf of Defendants. Plaintiff represents and warrants that he is authorized to sign
28 this Agreement and that she has not assigned any claim, or part of a claim, covered by this Settlement

1 to a third-party.

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

4 62. California Law Governs. All terms of this Agreement and the Exhibits hereto and any
5 disputes arising hereunder will be governed by and interpreted according to the laws of the State of
6 California.

7 63. Counterparts. This Agreement may be executed in one or more counterparts. All
8 executed counterparts and each of them will be deemed to be one and the same instrument provided
9 that counsel for the Parties to this Agreement will exchange among themselves copies or originals
10 of the signed counterparts.

11 64. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this Settlement
12 is a fair, adequate and reasonable settlement of this Action and have arrived at this Settlement after
13 extensive arms-length negotiations, taking into account all relevant factors, present and potential.

14 65. Jurisdiction of the Court. In accordance with California Rule of Court 3.769(h), the
15 Parties agree that the Court will retain jurisdiction with respect to the interpretation, implementation
16 and enforcement of the terms of this Agreement and all orders and judgments entered in connection
17 therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes
18 of interpreting, implementing and enforcing the settlement embodied in this Agreement and all orders
19 and judgments entered in connection therewith.

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

24 67. Press Release. Class Counsel agrees not to issue a press release or otherwise notify
25 the media about the terms of the Settlement or advertise or market any of the terms of the Settlement
26 through written, recorded or electronic communications. Plaintiff and Class Counsel agree that, if
27 contacted regarding this case, they will state only that the Action exists and has been resolved. This
28 provision is not intended to, and does not, limit Class Counsel from responding to questions from

and providing advice to the Settlement Class Members regarding the settlement after Preliminary Approval.

68. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this settlement only provided.

PLAINTIFF

DATED: 6/2/2023 | 10:30 AM PDT

DocuSigned by:
By: Jorge Alexandria
9FEA08B66FFB45E
Jorge Alexandria

PLAINTIFF'S AND CLASS COUNSEL ACKERMANN & TILAJEF, P.C.

DATED: 6/2/2023 | 10:38 AM PDT

DocuSigned by:
By: Craig Ackermann
968133D51C1DA44
Craig Ackermann
Avi Kreitenberg

Attorneys for Plaintiff, the Class, the LWDA, and the Aggrieved Employees

DEFENDANT AMTRUST FINANCIAL SERVICES, INC.

DATED: June 2, 2023 | 1:38 PM PDT

DocuSigned by:
By: [Signature]
57207D7AD5F04BB
Senior Vice President
Its: Corporate Counsel

DEFENDANT AMTRUST NORTH AMERICA, INC.

DATED: June 2, 2023 | 1:38 PM PDT

DocuSigned by:
By: [Signature]
57207D7AD5F04BB
Senior Vice President
Its: Corporate Counsel

DEFENDANTS' COUNSEL
OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.

DATED: June 2, 2023

By:


Tyler M. Duncan

Attorneys for Defendants AmTrust Financial
Services, Inc., and AmTrust North America, Inc.