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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

SHERRIE WARD and KEMIT JOHNSON;
individually, an on behalf of other members of the
general public similarly situated,

Plaintiffs,

v.

AMAZON PROCESSING, LLC, a Delaware
Limited Liability Company dba APPSTAR
FINANCIAL; and DOES 1-100, inclusive,

Defendants.

Case No. 37-2015-00012522-CU-OE-CTL

**JOINT STIPULATION AND
SETTLEMENT OF CLASS ACTION**

Dept: C-72
Judge: Hon. Timothy Taylor

Complaint Filed: April 15, 2015

IT IS HEREBY STIPULATED AND AGREED, by and among, Plaintiffs Sherrie Ward
and Kemit Johnson ("Plaintiffs"), on the one hand, and Defendant AMAZON PROCESSING LLC
("Defendant" or "AMAZON"), on the other hand subject to the approval of the Court pursuant to

California Code of Civil Procedure section 382 and California Rules of Court rule 3.769, that the settlement of this action shall be effectuated upon and subject to the following terms and conditions:

A. DEFINITIONS

As used in this Joint Stipulation and Settlement of Class Action (“Stipulation”), the following terms shall have the meanings specified below. To the extent terms or phrases used in this Stipulation are not specifically defined below, but are defined elsewhere in the Stipulation, they are incorporated by reference into this definition section.

“Action” shall mean San Diego Superior Court Case No. 37-2015-00012522-CU-OE-CTL entitled *Ward et al v. Amazon Processing, LLC et al.*

“Appointments Run” shall mean appointments conducted by Class Members during the Class Period that a Class Member was engaged as a contractor for Defendant in California during the Class Period.

“Agreement,” “Stipulation,” “Stipulation of Settlement,” “Settlement Agreement,” or “Stipulation and Agreement” shall mean this Joint Stipulation and Settlement of Class Action, including any attached Exhibits.

“Class Counsel” shall mean Douglas Han and Shunt Tatavos-Gharajeh of the Justice Law Corporation and Jong Yun Kim of the Law Offices of Jong Yun Kim.

“Class Counsel Attorneys’ Fees and Costs” is the amount to be paid to Class Counsel for fees and costs, pursuant to the terms of this Stipulation and subject to approval by the Court.

“Class Member” or “Settlement Class Member” or “Settlement Class” shall mean any person who is a member of the Settlement Class.

“Class” shall mean any person who provided services to Defendant as an independent contractor in California during the period April 15, 2011 through September 5, 2016 excluding Releasees.

“Class Notice” shall mean the Notice to Class of Proposed Settlement and Final Approval Hearing, as set forth in the form of **Exhibit 1** attached hereto, or as otherwise approved by the

1 Court, which is to be mailed to Class Members.

2 “Class Participant(s)” shall mean any and all Class Members except for those who submit a
3 timely and valid Opt-Out form requesting exclusion from the Settlement as provided herein.

4 “Class Period” shall mean April 15, 2011 through September 5, 2016.

5 “Class Representatives” shall mean Sherrie Ward and Kemit Johnson.

6 “Class Settlement” or “Settlement” shall mean the settlement embodied in this Stipulation,
7 which is subject to Court approval.

8 “Complaint” shall mean the Class Action Complaint originally filed by Sherrie Ward on
9 April 15, 2015 and the First Amended Complaint subsequently filed by Sherrie Ward and Kemit
10 Johnson on May 26, 2016 in the San Diego Superior Court, Case No. 37-2015-00012522-CU-OE-
11 CTL.

12 “Court” shall mean the Superior Court of the County of San Diego, State of California.

13 “Days” shall mean calendar days unless otherwise specifically stated.

14 “Defendant” shall mean Amazon Processing, LLC.

15 “Enhancement Awards” shall mean any additional monetary payments provided to the
16 Class Representatives for their efforts on behalf of the Class in this Action.

17 “Final Approval Date” shall mean the date upon which the Court enters an Order approving
18 the Class Settlement, after having determined that the Class Settlement is fair, adequate, and
19 reasonable to the Class as a whole, following: (i) notice to the Class; (ii) an opportunity to submit
20 timely objections to the settlement; and (iii) a hearing on the fairness of the terms of the settlement.

21 “Final Approval Hearing” shall mean the final hearing held to ascertain the fairness,
22 reasonableness, and adequacy of the Class Settlement, at which time the Court will enter its Order
23 approving the Class Settlement.

24 “Final Date for Submission of Opt-Outs” shall mean the date that is forty five (45) days
25 after the date that the Class Notice is sent to the Settlement Class.

26 “Final Date for Submission of Objections” shall mean the date that is forty five (45) days
27 after the date that the Class Notice is sent to the Settlement Class.

1 “Gross Settlement Amount” shall mean the Five Hundred and Thirty Five Thousand Two
2 Hundred and Seventy Two Dollars (\$535,272.00) more fully described in section E below from
3 which the payments to the Releasees have already been paid and from which the Class
4 Participants’ claims, attorneys’ fees, attorneys’ costs, the Enhancement Awards, the PAGA
5 Payment and the Settlement Administrator’s expenses will be paid.

6 “Hearing on Preliminary Approval” shall mean the hearing held on the motion for
7 preliminary approval of the Class Settlement.

8 “Individual Settlement Amount” shall mean the amount to be, and which is, distributed to
9 any and each Class Participant.

10 “Named Plaintiffs” shall mean Sherrie Ward and Kemit Johnson.

11 “Net Settlement Amount” shall mean Four Hundred and Fifty Six Thousand Dollars
12 (\$456,000.00) less the PAGA Payment, the Class Representative Enhancement Awards, Class
13 Counsel Attorneys’ Fees and Costs and the Settlement Administrator’s expenses that will be
14 distributed to Class Members who submit valid and timely Claim Forms on a pro-rata basis.
15 Seventy Nine Thousand One Hundred and Seventy Two Dollars (\$79,172) has already been
16 distributed to Releasees.

17 “Notice Packet” shall mean the Class Notice and postage-prepaid reply envelope that is
18 mailed by the Settlement Administrator to Class Members.

19 “Opt-Out(s)” shall mean any and all Class Members who timely and validly request
20 exclusion from the Class by submitting an Opt-Out Form in accordance with the terms of the Class
21 Notice.

22 “Opt-Out Form” shall mean a document completed by a Class Member by which such
23 Class Member requests exclusion from the Settlement as set forth in the form of **Exhibit 2**, in
24 accordance with the terms of the Class Notice.

25 “PAGA Claim” shall mean the claims asserted in the First Amended Complaint under
26 California Labor Code section 2699 et seq.

27 “PAGA Members” shall mean all contractors who were engaged to provide services by

1 Defendant under an independent contractor agreement within the State of California between April
2 15, 2014 and September 5, 2016.

3 “PAGA Payment” shall mean the Thirty Two Thousand Two Hundred (\$32,200.00)
4 allocated to settlement of the PAGA claim, seventy five percent (75%) of which will be paid to the
5 California Labor and Workforce Development Agency ("LWDA"), and the remaining twenty five
6 percent (25%) to be distributed to PAGA Members as part of the Settlement.

7 “Parties” shall mean Defendant and Class Representatives Sherrie Ward and Kemit
8 Johnson.

9 “Preliminary Approval Date” means the date upon which the Court enters an Order
10 granting the motion for preliminary approval of the Class Settlement.

11 “Release Agreement” means any agreement signed by a current or former contractor who
12 provided services to Defendant during the pendency of this Action pursuant to which a negotiated
13 payment of consideration was paid by Defendant.

14 “Releasees” means those current or former independent contractors who signed a Release
15 Agreement with Defendant during the pendency of this Action. Other than receiving a pro-rata
16 share of the PAGA Payment, Releasees are precluded from participating in this Settlement.

17 “Released Claims” means any and all claims, debts, liabilities, demands, obligations, costs,
18 expenses, attorneys’ fees, interest, penalties, damages, actions or causes of action of every nature
19 and description, whether pled or could have been pled based on the factual allegations in the
20 Complaint and First Amended Complaint or based on the following alleged causes of action: (1)
21 Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of
22 California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (3) Violation of
23 California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (4) Violation of
24 California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (5) Violation of California
25 Labor Code § 226(a) (Non-Compliant Wage Statements); (6) Violation of California Labor Code
26 §§ 2801 and 2802 (Unreimbursed Business Expenses); (7) Violation of California Labor Code §§
27 2698, et seq. (Private Attorneys General Act of 2004); and (8) Violation of California Business and

1 Professions Code § 17200, et seq. as well as any potential penalties associated with these causes of
2 action under the California Labor Code.

3 “Released Parties” shall mean Defendant Amazon Processing, LLC and its present and
4 former owners, members, officers, stockholders, parent companies, subsidiaries, affiliates,
5 successors, predecessors, partnerships, related entities, joint ventures, directors, stockholders,
6 managers, agents, employees, assigns, representatives, insurers, co-insurers, reinsurers, attorneys,
7 accountants, auditors, advisors, representatives, consultants, pension and welfare benefit plans,
8 plan fiduciaries, administrators, trustees, general and limited partners and each of their respective
9 present and former officers, directors, stockholders, managers, agents, employees, attorneys,
10 assigns, or representatives.

11 “Settlement Administrator” shall mean the firm Simpluris, Inc. which the Parties have
12 agreed will be responsible for administration of the Settlement and related matters.

13 “Settlement Class” shall mean any and all sales consultants who were engaged by the
14 Defendant as independent contractors in the State of California, excluding the Releasees, during
15 the period April 15, 2011 through September 5, 2016.

16 “Settlement Fund Account” shall mean the bank account established pursuant to the terms
17 of this Stipulation from which all monies payable under the terms of this Stipulation shall be paid,
18 as set forth herein.

19 “Settling Parties” shall mean Sherrie Ward, Kemit Johnson and Class Members who do not
20 Opt-Out, and Defendant.

21 “Void checks” or “void payments” shall mean any checks or payments issued to Class
22 Participants pursuant to this Stipulation that are not cashed or presented for payment within six
23 months from the date of issuance.

24 **B. BACKGROUND OF ACTION**

25 Plaintiff Sherrie Ward, a former independent contractor of Defendant, filed a Class Action
26 Complaint on April 15, 2015, in the Superior Court of California, County of San Diego. In the
27 First Amended Complaint, Plaintiff alleges a variety of claims against Defendant, including failure

1 to provide meal periods, failure to provide rest periods, failure to pay overtime, failure to pay
2 minimum wage, failure to provide accurate itemized wage statements, failure to pay all wages upon
3 termination of employment, failure to reimburse business expenses, violation of California's unfair
4 business practices laws, and violation of the California Labor Code Private Attorneys General Act
5 of 2004 as well as any potential penalties and attorneys' fees associated with these causes of action
6 under the California Labor Code.

7 **C. PRE-TRIAL PROCEEDINGS AND NEGOTIATIONS**

8 **1. Discovery, Investigation and Research**

9 Class Counsel has conducted discovery and investigation during the prosecution of the
10 Action. This discovery and investigation has included, among other things, (a) inspection and
11 analysis of several thousand pages of documents including class member contracts and release
12 agreements and key policies and procedures of Defendant; (b) analysis of the legal positions taken
13 by Defendant; (c) analysis of information obtained from class members; (d) inspection and analysis
14 of documents produced by non-parties; (e) interviews of material witnesses; (f) analysis of
15 potential class-wide damages; and (g) research of the applicable law with respect to the claims
16 asserted in the Action and the potential defenses thereto.

17 The Class Representatives have vigorously prosecuted this case, and Defendant has
18 forcefully contested it. The parties engaged in substantial discovery prior and after mediation
19 including the exchange of significant documentation and information. Plaintiff Ward propounded
20 multiple sets of interrogatories and requests for production of documents to which Defendant
21 responded with documents and information about its proposed defense and the putative class
22 members. Throughout the course of discovery, the parties engaged in multiple meet and confer
23 attempts regarding the proper scope of discovery and Plaintiff Ward's requests for supplemental
24 responses to discovery. Ultimately, Defendant produced almost 4,000 pages of documents to Class
25 Counsel. Defendant also conducted extensive negotiations with more than 160 class members and
26 presented release agreements signed by class members to Class Counsel prior to mediation.
27 Accordingly, the Parties have engaged in sufficient discovery and investigation to assess the

1 relative merits of the claims of the Class Representatives and of Defendant's defenses to them.

2 **2. Allegations of the Class Representatives and Benefits of Settlement**

3 The discussions between counsel, and the informal discovery conducted in this matter, have
4 been adequate to give the Class Representatives and Class Counsel a sound understanding of the
5 merits of their positions and to evaluate the worth of the claims of the Class. This Settlement was
6 reached after Class Counsel thoroughly reviewed all available evidence and after arm's-length
7 bargaining by the Parties, including attendance at mediation before experienced wage and hour
8 class action mediator Mark Rudy on June 28, 2016. Although the matter did not resolve at
9 mediation, the mediator continued to discuss the potential terms of a settlement and the Parties
10 ultimately agreed to this Settlement. The informal discovery conducted in this Action, and the
11 information exchanged through the Parties' negotiations, are sufficient to assess reliably the merits
12 of the respective Parties' positions and to compromise the issues on a fair and equitable basis.

13 The Class Representatives and Class Counsel believe that the causes, allegations and
14 contentions asserted in the Action have merit. However, the Class Representatives and Class
15 Counsel recognize and acknowledge the expense and delay of lengthy proceedings necessary to
16 prosecute the Action against Defendant through trial and through appeals. Class Counsel has taken
17 into account the uncertain outcome and the risk of any litigation, the risk of continued litigation in
18 complex actions such as this, as well as the difficulties and delays inherent in such litigation, and
19 the potential difficulty maintaining the Action as a Class Action given the arguably different
20 circumstances surrounding each Class Member's claims. Class Counsel is also mindful of the
21 inherent problems of proof under, and possible defenses to, the claims alleged in the Action. Class
22 Counsel has also taken into consideration the release agreements signed by putative class members
23 since the Action was filed. Accordingly, Class Counsel believes that the Settlement set forth in this
24 Stipulation confers substantial benefits upon the Class Participants and each of the members of the
25 Class, and that an independent review of this Stipulation of Settlement by the Court in the approval
26 process will confirm this conclusion. Based on their own independent investigation and
27 evaluation, Class Counsel has determined that the Settlement set forth in the Stipulation is in the

best interests of the Class Representatives and the members of the Settlement Class.

3. Defendant's Denials of Wrongdoing and Liability.

Defendant has denied and continues to deny generally the claims and contentions alleged in the Action. Defendant has expressly denied and continues to deny the charges of wrongdoing or liability against it arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Action. Nonetheless, Defendant has concluded that the further conduct of the Action would be protracted and expensive, and it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation in order to limit further expense, inconvenience and distraction, to dispose of burdensome and protracted litigation, and to permit the operation of Defendant's business without further expensive litigation and the distraction and diversion of its personnel with respect to matters at issue in the Action. Defendant has also taken into account the uncertainty and risks inherent in any litigation, especially in complex cases such as the Action. Defendant has, therefore, determined that it is desirable and beneficial that the Action be settled in the manner and upon the terms and conditions set forth in this Stipulation.

4. Intent of the Settlement

The Class Settlement set forth herein intends to achieve the following: (1) entry of an Order preliminarily approving the Class Settlement and granting the relief set forth in this Stipulation of Settlement, including monetary relief to the Class Participants; (2) entry of an order granting Final Approval of the Settlement; (3) entry of final judgment of the Action; and (4) discharge of Released Parties from liability for any and all of the Released Claims.

D. PROCEDURAL ISSUES

1. Preliminary Approval

Class Counsel will submit this Stipulation to the Court and file an unopposed motion for its preliminary approval.

The Court's preliminary approval of this Settlement shall be embodied in an Order substantially in the form attached hereto as **Exhibit 3**.

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provided to Class Counsel shall not contain social security numbers. Within thirty (30) days of the Preliminary Approval Date, the Settlement Administrator shall send each Class Member the Notice Packet via first-class United States mail.

Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database information to update and correct for any known or identifiable address changes. The Class Notice included in the Notice Packet shall be substantially in the form attached hereto as **Exhibit 1**, or as otherwise approved by the Court. The Class Notice shall include the number of Appointments Run during the Class Period and shall afford each Class Member the opportunity to challenge the number of Appointments Run reflected in Defendant's business records, and to provide evidence supporting any such challenge.

If a new address is obtained by way of a returned Notice Packet, then the Settlement Administrator shall promptly forward the original Notice Packet to the updated address via first-class regular U.S. mail, indicating on the original Notice Packet the date of such re-mailing. Where a Class Notice is returned as undeliverable, without a forwarding address, the Settlement Administrator will perform a computer/SSN and "skiptrace" search to obtain an updated address, and a second Notice Packet will be sent to any new or different address obtained. However, nothing in this paragraph shall be deemed to extend or modify the deadline for submission of Opt-Out forms or objections. It will be conclusively presumed that if an envelope containing the Notice Packet has not been returned within thirty (30) days of the mailing that the Class Member received the Notice Packet including the Class Notice.

At least ten (10) days prior to the Final Approval Hearing, the Settlement Administrator shall provide Defense Counsel and Class Counsel with a declaration of Due Diligence and Proof of Mailing with regard to the mailing of the Class Notice and its attempts to locate Class Members. The declaration shall specify, among other items, the number of Class Members to whom Class Notices were sent and the number of Class Members to whom Class Notices were not delivered. The Parties' Counsel shall file this declaration with the Court.

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pursuant to California Code of Civil Procedure section 382 shall consist of any and all sales consultants who were engaged by Defendant as independent contractors in the State of California at any time from April 15, 2011 through September 5, 2016.

2. Distribution of the Settlement

The claims of all Class Members are settled for the Gross Settlement Amount of Five Hundred and Thirty Five Thousand Two Hundred and Seventy Two Dollars (\$535,272.00), which includes the approximately Seventy Nine Thousand One Hundred and Seventy Two Dollars (\$79,172) already paid by Defendant to the Releasees. The remaining Four Hundred and Fifty Six Thousand Dollars (\$456,000.00) less the PAGA Payment, the Class Representative Enhancement Awards, Class Counsel Attorneys' Fees and Costs and the Settlement Administrator's expenses will be distributed to Class Members -- excluding the Releasees -- on a pro-rata basis (i.e. "Net Settlement Amount"). Other than receiving a pro-rata share of the PAGA Payment, Releasees shall not be eligible to participate in the Settlement and shall not be mailed a Notice Packet. A minimum of one hundred percent (100%) of the Net Settlement Amount shall be paid out to Class Participants.

Within twenty (20) days following the Final Approval Date, provided no objection to the settlement has been filed, Defendant shall deposit Four Hundred and Fifty Six Thousand Dollars (\$456,000.00) in an account established at a bank to be selected by the Settlement Administrator from which all payments to be made under the terms of this Stipulation shall be drawn.

The Individual Settlement Amounts to all Class Participants, the Class Representative Enhancement Award, and the Settlement Administrator's expenses shall be distributed by the Settlement Administrator no later than thirty (30) days after Final Approval, if no objections have been made.

The PAGA Payment shall also be distributed by the Settlement Administrator no later than thirty (30) days after Final Approval with seventy five percent (75%) of the PAGA payment being paid to the California Labor and Workforce Development Agency ("LWDA") and twenty five percent (25%) being paid to the PAGA Members pursuant to Labor Code section 2699(i) on a pro-

1 rata basis.

2 If objections have been made, then the distributions shall occur no later than fifteen (15)
3 days after the order granting Final Approval has become non-appealable.

4 The Settlement Administrator shall be the only entity authorized to make withdrawals or
5 payments from the Settlement Fund Account.

6 The Settlement Administrator will: (a) acknowledge that it has fiduciary obligations to the
7 Parties, and will attest that it will not allow any disbursements to be made from the Settlement
8 Fund except as expressly authorized by this Stipulation; (b) agree that it will receive no
9 disbursements or fees from the Settlement Fund Account for actions undertaken or expenses
10 incurred without prior approval by Defense and Class Counsel; and (c) acknowledge its obligations
11 to return the entire Settlement Fund to Defendant (less any administrative expenses incurred by the
12 Settlement Administrator) in the event that this Stipulation: (i) does not receive final approval by
13 the Court; (ii) is modified or reversed on appeal; and/or (iii) is otherwise rendered null and void.

14 **3. Additional Administrative Duties of the Settlement Administrator**

15 The Settlement Administrator shall report Individual Settlement Amounts to all required
16 taxing and other authorities, and issue IRS Forms 1099s. Upon completion of administration of the
17 Settlement, the Settlement Administrator shall provide written certification of such completion to
18 the Court and counsel for all Parties.

19 **4. Individual Settlement Amounts**

20 Individual Settlement Amounts to be paid to Class Participants shall be paid from the Net
21 Settlement Amount.

22 **a. Calculation of Individual Settlement Amounts**

23 Individual Settlement Amounts to be paid to Class Participants shall be paid from the Net
24 Settlement Amount. From the Net Settlement Amount, the Class Participants' base Individual
25 Settlement Amounts will be calculated as follows: The dollar amount payable to each Class
26 Participant will be calculated by taking the Net Settlement Amount, divided by the total number of
27 Appointments Run by all members of the Class, multiplied by the total number of Appointments

1 Run by each individual member of the Class. For Class Members who did not have any
2 Appointments Run, the Settlement Administrator shall allocate a minimum of one appointment to
3 the Class Member. Other than a pro-rata share of the PAGA Payment, no settlement payment shall
4 be made to Releasees. The Settlement Administrator shall distribute 100% of the Net Settlement
5 Amount to the Class Participants. A Form 1099 shall be issued to the Class Participants and the
6 PAGA Members for all payments made under this Agreement.

7 **b. Estimated Individual Settlement Amounts**

8 Because the precise number of Class Participants is unknown, the amount to be paid to each
9 is not subject to a reliable estimate at this time.

10 **5. Enhancement Award for the Class Representatives**

11 The Class Representatives Sherrie Ward and Kemit Johnson may each receive an approved
12 Enhancement Award, in the amount of Five Thousand Dollars (\$5,000.00) for their efforts on
13 behalf of the Class in this Action. Defendant shall not oppose any request by the Class
14 Representatives for Enhancement Awards consistent with this Agreement. The Class
15 Representatives agree to release all known and unknown claims against Defendant as a condition
16 of receiving an Enhancement Award. Any Enhancement Award approved by the Court shall be
17 paid to the Class Representatives from the Gross Settlement Amount, and shall be in addition to
18 any distribution to which they may otherwise be entitled as a Class Member. The Settlement
19 Administrator shall issue the Class Representatives a Form 1099 reflecting such payments.

20 **6. Voided Checks**

21 If a Class Participant does not cash an Individual Settlement Amount check within one
22 hundred eighty (180) days of the postmark date of its mailing to the Class Participant from the
23 Settlement Administrator, the check will become void and the Individual Settlement Amount shall
24 revert to Defendant on the following day.

25 **7. Time for Payment of Individual Settlement Amounts**

26 The Settlement Administrator shall make every effort to mail, by first-class U.S. Mail to the
27 last-known address, the Individual Settlement Amount to each Class Participant no later than thirty

(30) days after Final Approval, if no objections have been made. If objections have been made, then the distribution shall occur no later than fifteen (15) days after the order granting Final Approval has become non-appealable.

If the Settlement Administrator is not able to mail the Individual Settlement Amounts to Class Participants within the time period set forth above, it shall so inform Class Counsel and Defense Counsel, and provide an approximate date by which the Individual Settlement Amounts will be mailed. Under no circumstances shall the Settlement Administrator distribute checks to Class Participants until all timely claims have been considered, calculated, and accounted for, and the obligations set forth in Section D have been satisfied. In the event that any Class Participant is deceased, payment shall be made payable to the estate of that Class Member and delivered to the executor or administrator of that estate, unless the Settlement Administrator has received an affidavit or declaration pursuant to section 13101 of the California Probate Code, in which case payment shall be made to the affiant(s) or declarant(s).

Within four (4) calendar days of mailing the Individual Settlement Amounts to Class Participants, the Settlement Administrator shall provide to Class Counsel a declaration of payment.

8. Class Counsel Attorneys' Fees and Litigation Costs

Class Counsel may submit an application for an award of attorneys' fees in the total amount of \$187,345.20 (or 35%) of the Gross Settlement Amount, to be heard by the Court at the Final Approval Hearing. Class Counsel may also submit an application for an award of actual out-of-pocket and verified litigation costs. Defendant and its attorneys agree not to object to any such fee and cost application in those amounts. Class Counsel asserts a statutory fee claim pursuant to the California Labor Code, among other bases for fee claims. As a condition of this Settlement, Class Counsel has agreed to pursue their fees only in the manner reflected by this Stipulation. Any fees and costs awarded by the Court shall be paid from the Gross Settlement Amount, and shall not constitute payment to any Class Member(s).

The attorneys' fees and costs approved by the Court shall encompass: (a) all work performed and costs incurred by any attorney purporting to represent the Class in the Action

1 through the Final Approval Date; (b) all work to be performed and costs to be incurred in
2 connection with preliminary and final approval by the Court of the Class Settlement; and (c) all
3 work and costs, if any, incurred in connection with administering the Settlement through entry of
4 final judgment of the Action.

5 Class Counsel Attorneys' Fees and Costs, as awarded by the Court, shall be paid within
6 thirty (30) days of the Final Approval Date.

7 Defendant shall bear its own fees and costs of every kind in connection with the Action and
8 the negotiation of the settlement of the Action.

9 **9. PAGA Payment and Notification of LWDA of PAGA Claims and Settlement**

10 Class Counsel shall be responsible for notifying the LWDA of the (1) pending settlement,
11 (2) the release of PAGA claims herein, (3) the amount of the PAGA Payment, and (4) preliminary
12 and final approval hearings. Within 30 days of final approval of the PAGA Payment by the Court,
13 the Settlement Administrator shall distribute to the LWDA the PAGA Payment.

14 **10. Extension of Time to Pay and/or Process Claims**

15 Should the Settlement Administrator need more time than is provided under this Stipulation
16 to complete any of its obligations, the Settlement Administrator may request, in writing, such
17 additional time (including an explanation of the need for additional time) from Defense Counsel
18 and Class Counsel. If Defense Counsel and/or Class Counsel do not agree, in writing, to the
19 Settlement Administrator's request for additional time, the Settlement Administrator may seek such
20 additional time from the Court.

21 **F. NULLIFICATION OF THE SETTLEMENT AGREEMENT**

22 **1. Non-Approval By The Court**

23 In the event: (i) the Court does not enter the order of Preliminary Approval substantially in
24 the same form as specified herein; (ii) the Court does not finally approve the Settlement
25 substantially in the same form as provided herein; (iii) the Court does not enter the Final Judgment
26 substantially in the form as provided herein, which becomes final as a result of the occurrence of
27 the Effective Date; or (iv) the settlement does not become final for any other reasons, this

1 Settlement Agreement shall be null and void. In such a case, the Parties shall proceed in all
2 respects as if this Settlement Agreement had not been executed, except that any fees already
3 incurred by the Settlement Administrator up to the date that Defendant receives notice by the Court
4 of any of the events (i) through (iv) shall be paid by Defendant.

5 **2. Invalidation**

6 Invalidation of any material portion of this Settlement shall invalidate this Settlement in its
7 entirety, unless the Parties shall subsequently agree in writing that the remaining provisions of the
8 Settlement are to remain in full force and effect. However, before declaring any provision of this
9 Settlement Agreement invalid, the Court shall first attempt to construe the provisions valid to the
10 fullest extent possible consistent with applicable precedents so as to define all provisions of this
11 Settlement Agreement valid and enforceable.

12 **3. Class Certification for Settlement Purposes Only**

13 The Parties agree to stipulate to class certification only for purposes of the Settlement. If,
14 for any reason, the Settlement is not approved, the stipulation to certification will be void. The
15 Parties further agree that certification for purposes of the Settlement is not an admission that class
16 certification is proper under the standard applied to contested certification motions and that this
17 Settlement will not be admissible in this or any other proceeding as evidence that (i) a class should
18 be certified or (ii) Defendant is liable to Plaintiff or the Class Members.

19 **4. Stay Upon Appeal**

20 In the event of a timely appeal from the judgment, the judgment shall be stayed, and none
21 of the Settlement Fund shall be distributed to Class Members or Class Counsel, and the Action
22 required by this Stipulation shall not take place until all appeal rights have been exhausted by
23 operation of law.

24 **5. Defendant's Right to Withdraw Based on Opt-Outs**

25 If, prior to the Hearing for Final Approval, more than five percent (5%) combined of all
26 Class Members who otherwise would be Class Participants have filed proper and timely Opt-Out
27 Forms in accordance with the provisions of the Class Notice, Defendant shall have the sole and

1 absolute discretion, but not obligation, to terminate the Settlement.

2 In the event Defendant elects to so terminate this Stipulation of Settlement, Defendant shall,
3 at its own expense, provide such Notice of Termination in writing by first-class U.S. mail to Class
4 Counsel and each Class Member no later than ten (10) calendar days before the Final Approval
5 Hearing.

6 In the event Defendant elects to so terminate this Stipulation of Settlement, it shall not be
7 responsible for paying any of the Class Counsel Attorneys' Fees or Costs set forth herein, including
8 the Attorneys' Fees and costs provided for in Section E, or any other fees and/or costs incurred by
9 Class Counsel to effectuate this Stipulation. In the event of termination by Defendant pursuant to
10 this subparagraph, Defendant shall be responsible for all costs of administration incurred up to the
11 date of termination. In the event Defendant elect to so terminate, such withdrawal shall have the
12 same effect as would non-approval pursuant to Section F(1).

13 **G. FINAL APPROVAL HEARING AND ENTRY OF JUDGMENT**

14 At the Final Approval Hearing, the Parties shall move the Court for entry of the Final
15 Order, certifying the Class for settlement purposes only, approving the Settlement as being fair,
16 reasonable and adequate to the Class Participants, and for the entry of a Final Judgment consistent
17 with the terms of the Settlement. Class Counsel and Defense Counsel shall submit to the Court
18 such pleading and/or evidence as may be required for the Court's determination.

19 At the Final Approval Hearing, the Court will, among other things, be asked for the entry of
20 an Order permanently enjoining all Class Participants including the Releasees from pursuing and/or
21 seeking to reopen any of the Released Claims.

1 **H. RELEASES AND WAIVERS**

2 **1. Release of Claims by Class Participants**

3 Upon approval of the Stipulation of Settlement at the Final Approval Hearing, all Class
4 Members who have not filed timely, valid Opt-Out Forms, the Releasees and the Class
5 Representative each release the Released Parties, and each of them, of and from any and all of the
6 Released Claims effective upon the date when the Final Approval has become non-appealable.

7 **2. Release of Claims by Class Representatives**

8 The Class Representatives also expressly waive any and all rights and benefits conferred
9 upon them by California Civil Code section 1542 or any other similar state or federal law, which
10 provides as follows: “A general release does not extend to claims which the creditor does not know
11 or suspect to exist in his or her favor at the time of executing the release, which if known by him or
12 her must have materially affected his or her settlement with the debtor.” The Class Representatives
13 expressly agree to release any and all unknown, unsuspected, and unanticipated claims, liabilities,
14 and causes of action that they may have against Defendant.

15 **3. Entry of Final Judgment**

16 The Court shall enter final judgment in the Action on the Final Approval Date, if final
17 approval has been granted, as part of the consideration for this Settlement. Such entry of final
18 judgment shall operate to permanently bar and enjoin all Class Members including the Releasees
19 (excluding those who submit a valid and timely Opt-Out form) from instituting, commencing,
20 prosecuting, or pursuing, either directly or in any other capacity, any of the claims, damages,
21 causes of action, or claims for attorneys’ fees asserted in the Action or identified as Released
22 Claims in this Agreement. Notwithstanding the entry of final judgment in the Actions, the Court
23 shall retain jurisdiction to interpret and enforce this Stipulation of Settlement pursuant to California
24 Code of Civil Procedure section 664.6.

25 **4. Preliminary and Permanent Injunction.**

26 Except as to Class Members who timely submit a valid Opt Out Form the Preliminary
27 Approval Order and Final Judgment will contain provisions enjoining Plaintiffs, the Class

Members and the Releasees from prosecuting the claims released herein and enjoining Plaintiffs, the Class Members and the Releasees from initiating or continuing other proceedings regarding the claims released herein, including but not limited to filing any claims for monetary relief of the Released Claims in any forum whatsoever. Inclusion of these provisions in the Order of Preliminary Approval Order and Final Judgment and Order of Final Approval is a material part of the consideration for this Settlement.

A. DUTIES OF THE PARTIES

1. Mutual Full Cooperation

The Parties agree to cooperate fully with one another to accomplish and implement the terms of this Stipulation of Settlement. Such cooperation shall include, but not be limited to, execution of such other documents and the taking of such other actions as may reasonably be necessary to fulfill the terms of this Settlement. The Parties shall use their best efforts, including all efforts contemplated by this Stipulation of Settlement and any other efforts that may become necessary by Court Order, or otherwise, to effectuate this Stipulation and the terms set forth herein. As soon as practicable after execution of this Stipulation, Class Counsel with the cooperation of Defendant and its Counsel, shall take all necessary and reasonable steps to secure the Court's Final Approval of this Stipulation.

2. Duties Prior to Court Approval

Class Counsel shall submit this Stipulation to the Court for preliminary approval and determination by the Court as to its fairness, adequacy, and reasonableness. After execution of this Stipulation, Class Counsel shall apply to the Court for the entry of a preliminary order substantially in the form filed concurrently herewith as **Exhibit 3** scheduling a hearing on the question of whether the proposed Class Settlement should be approved as fair, reasonable, and adequate as to the Class Members, approving as to form and content the proposed Class Notice attached hereto as **Exhibit 1**, and directing the mailing of the Notice Packet to Class Members. Defense Counsel shall file a Notice of Joinder in the motion for preliminary approval.

1 **B. MISCELLANEOUS PROVISIONS**

2 **1. Voiding the Stipulation**

3 Pending Court approval and other than as provided in Section E herein, if any of the
4 conditions set forth in this Stipulation are not met and satisfied, this Stipulation shall, at the option
5 of either Plaintiff or Defendant, be ineffective, void, and of no further force and effect, and shall
6 not be used or be admissible in any subsequent proceeding, either in this Court or in any other
7 court or forum.

8 **2. Different Facts**

9 The Parties hereto, and each of them, acknowledge that, except for matters expressly
10 represented herein, the facts in relation to the dispute and all claims released by the terms of the
11 Stipulation may turn out to be other than or different from the facts now known by each Party
12 and/or its counsel, or believed by such Party or counsel to be true, and each Party therefore
13 expressly assumes the risk of the existence of different or presently unknown facts, and agrees that
14 this Stipulation shall be in all respects effective and binding despite such difference.

15 **3. No Prior Assignments**

16 The Parties hereto represent, covenant, and warrant that they have not directly or indirectly
17 assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or
18 entity any portion of any liability, claim, demand, action, cause of action, or right herein released
19 and discharged except as set forth herein.

20 **4. Non-Admission**

21 Nothing in this Stipulation shall be construed to be or deemed an admission by Defendant
22 of any liability, culpability, negligence, or wrongdoing toward the Class Representative, the
23 Releasees, the Class Members, or any other person, and Defendant specifically disclaims any
24 liability, culpability, negligence, or wrongdoing toward the Class Representative, the Releasees, the
25 Class Members, or any other person. Each of the Parties has entered into this Stipulation with the
26 intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and
27 contingencies.

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not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

11. Integration Clause

This Stipulation of Settlement contains the entire agreement between the Parties relating to the Settlement of the Action and the transactions contemplated thereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written, and whether by a Party or such Party's legal counsel, are merged herein. No rights under this Stipulation may be waived except in writing.

12. Exhibits Incorporated by Reference.

The terms of this Agreement include the terms set forth in any attached Exhibit, which are incorporated by this reference as though fully set forth herein. Any Exhibit to this Agreement is an integral part of the Settlement.

13. Successors and Assigns

This Stipulation shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

14. Class Counsel Signatories

Because the Members of the Class are so numerous, the Parties agree that it is impossible or impractical to have each Class Member sign this Stipulation. It is agreed that, for purposes of seeking approval of the Class Settlement, this Stipulation may be executed on behalf of the Class Members who do not Opt-Out of the Settlement by Class Counsel and the Class Representative.

15. Corporate Signatories

Any person executing this Stipulation or any such related document on behalf of a corporate signatory hereby warrants and promises, for the benefit of all Parties hereto, that such person has been duly authorized by such corporation to execute this Stipulation or any such related document.

16. Execution in Counterparts

This Stipulation shall become effective upon its execution by all of the undersigned. The

1 Settling Parties may execute this Stipulation in counterparts, and execution of counterparts shall
2 have the same force and effect as if all Settling Parties had signed the same instrument. A
3 facsimile or electronic signature shall be as valid and enforceable as an original signature.

4 The Parties hereby stipulate to the entry of an Order in the form attached hereto as

5 **Exhibit 3.**

6 AMAZON PROCESSING, LLC

7
8 Dated: 11/30/2016

By: 

11 CLASS REPRESENTATIVE SHERRIE WARD

12 Dated: _____

By: _____

15 CLASS REPRESENTATIVE KEMIT JOHNSON

16 Dated: _____

By: _____

1 Settling Parties may execute this Stipulation in counterparts, and execution of counterparts shall
2 have the same force and effect as if all Settling Parties had signed the same instrument. A
3 facsimile or electronic signature shall be as valid and enforceable as an original signature.

4 The Parties hereby stipulate to the entry of an Order in the form attached hereto as

5 **Exhibit 3.**

6 AMAZON PROCESSING, LLC

7
8 Dated: _____

By: _____

11 CLASS REPRESENTATIVE SHERRIE WARD

12 Dated: Nov 30, 2016

By: *Sherrie D Ward*
Sherrie D Ward (Nov 30, 2016)

15 CLASS REPRESENTATIVE KEMIT JOHNSON

16 Dated: _____

By: _____

1 Settling Parties may execute this Stipulation in counterparts, and execution of counterparts shall
2 have the same force and effect as if all Settling Parties had signed the same instrument. A
3 facsimile or electronic signature shall be as valid and enforceable as an original signature.

4 The Parties hereby stipulate to the entry of an Order in the form attached hereto as

5 **Exhibit 3.**

6 AMAZON PROCESSING, LLC

7
8 Dated: _____

By: _____

11 CLASS REPRESENTATIVE SHERRIE WARD

12 Dated: _____

By: _____

15 CLASS REPRESENTATIVE KEMIT JOHNSON

16 Dated: Nov 30, 2016

By: 
Kemit B. Johnson (Nov 30, 2016)

**CLIENT CONSENT TO AGREEMENT
RE: ALLOCATION OF ATTORNEYS' FEES AND CASE
COSTS/EXPENSES**

I, Kemit Johnson, state as follows:

1. I have been advised in writing that my attorneys, Law Offices of Jong Yun Kim ("LOJYK") and the Justice Law Corporation ("JLC") have entered into a proposed agreement to share attorneys' fees. I understand that the attorneys will divide any attorneys' fees awarded by the Court or generated as a result of this case as follows:

<u>Law Firm</u>	<u>Division of Attorneys' Fees</u>
JLC	80%
LOJYK	20%

2. I understand that the retainer agreement I entered into with the attorneys will not be increased as a result of this proposed agreement by the attorneys' share fees.
3. My attorneys have answered any and all questions that I have about the proposed attorneys' fee division. I understand the proposed attorneys' fee division fully.
4. I hereby consent to the proposed attorneys' fee division.

Dated: Nov 30, 2016


Kemit B Johnson (Nov 30, 2016)

Kemit Johnson

**CLIENT CONSENT TO AGREEMENT
RE: ALLOCATION OF ATTORNEYS' FEES AND CASE
COSTS/EXPENSES**

I, Sherrie Ward, state as follows:

1. I have been advised in writing that my attorneys, Law Offices of Jong Yun Kim ("LOJYK") and the Justice Law Corporation ("JLC") have entered into a proposed agreement to share attorneys' fees. I understand that the attorneys will divide any attorneys' fees awarded by the Court or generated as a result of this case as follows:

<u>Law Firm</u>	<u>Division of Attorneys' Fees</u>
JLC	80%
LOJYK	20%

2. I understand that the retainer agreement I entered into with the attorneys will not be increased as a result of this proposed agreement by the attorneys' share fees.
3. My attorneys have answered any and all questions that I have about the proposed attorneys' fee division. I understand the proposed attorneys' fee division fully.
4. I hereby consent to the proposed attorneys' fee division.

Dated: Nov 30, 2016

Sherrie D Ward
Sherrie D Ward (Nov 30, 2016)

Sherrie Ward

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**PROOF OF SERVICE
1013A(3) CCP**

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101, Pasadena, CA 91103 and my electronic service address is nalonsoesteban@justicelawcorp.com

On December 11, 2025, I served the foregoing document described as

JOINT STIPULATION AND SETTLEMENT OF CLASS ACTION

for the following case: **Ward et al v. Amazon Processing, LLC et al.**
LWDA/Court Case No.: **LWDA-CM-296484-17**
Court Case No.: 37-2015-00012522-CU-OE-CTL
San Diego Superior Court

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

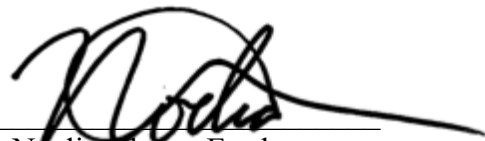
[X] BY ELECTRONIC SUBMISSION

Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE

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

Executed on December 11, 2025, at Pasadena, California.


Noelia Alonso Esteban