

JOINT STIPULATION OF SETTLEMENT AND RELEASE

Subject to final approval by the Court, this Joint Stipulation of Settlement and Release Agreement (“Agreement”) is between Plaintiffs Leticia Ochoa, Steve Medina, and Jose Ullo (“Plaintiffs”), on behalf of themselves and those similarly situated and Defendant RePlanet, LLC (“Defendant”). Plaintiffs and Defendant are collectively referred to in this Agreement as the “Parties.”

I. DEFINITIONS

In addition to the other terms defined in this Agreement, the terms below have the following meaning:

- A. “Action” shall mean the consolidated lawsuit currently titled *Steve Medina and Jose Ullo v. Replanet, LLC dba Replanet Recycling, LLC and Leticia Ochoa v. RePlanet, LLC* currently pending in the Alameda Superior Court of California, Case Nos. RG16799801 and RG18916818;
- B. “Administrative Costs” shall mean all costs incurred by a Settlement Administrator to administer the settlement in the Action.
- C. “Agreement,” “Settlement Agreement” or “Settlement” shall mean this Joint Stipulation of Settlement and Release.
- D. “Application for Fees and Expenses” shall mean the application/motion that will be filed by Class Counsel seeking fees and expenses in conjunction with the Motion for Order Granting Final Approval of Class Action and PAGA Settlement and Entering of Judgment.
- E. “Aggrieved Members,” “Class,” “Class Members” and “Noticed Class Members” shall mean:

All persons employed by Defendant as hourly non-exempt employees who worked at Defendant’s various recycling locations throughout the state of California during the Class Period (defined as September 29, 2010 through March 14, 2017).

- F. “Claim Form” means the form that will be mailed to Class Members by which they are able to submit claims to the Settlement Administrator to receive payment under this Settlement. The proposed Claim Form is attached as **Exhibit B**. Upon Court approval, the Claim Form will be mailed to the Class Members and translated if necessary.
- G. “Claim Submission Period” refers to the 60-calendar day period of time following the date the Settlement Administrator initially mails out the Class Notice and Claim Form to Class Members, within which Class Members may submit a Claim Form to the Settlement Administrator.
- H. “Class Counsel” shall mean Rastegar Law Group, specifically including Farzad

Rastegar and all of its attorneys, Clark Law Group specifically including R. Craig Clark and all of its attorneys, and United Employees Law Group specifically including Walter Haines and all of its attorneys.

- I.** “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” shall mean the amount awarded to Class Counsel to compensate them for their fees and expenses, including their pre-filing investigation, their filing of the Action, and all related litigation activities, this Settlement, and all post-Settlement compliance procedures. Subject to Court approval, the Class Counsel Fees Payment shall be an amount not to exceed \$533,333.34 [one-third of the Gross Settlement Amount]. Subject to Court approval, the Class Counsel Litigation Expenses Payment shall be an amount not to exceed \$100,000 and will consist of reasonable litigation costs actually incurred by Class Counsel related to the Action and the settlement of the action as approved by the Court.
- J.** “Class List” shall mean the list of Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator in Microsoft Excel (.xls) or similar format. The Class List shall include the following for each Class Member: (1) full name, (2) last known mailing address, (3) last known telephone number, (4) social security number, (5) dates of employment, (6) the number of Work Weeks (as defined herein) during the Class Period, and any other information the Parties agree is necessary to calculate each Class Member’s Settlement Share.
- K.** “Class Notice” and/or “Notice” and/or “Class Notice Packet” or “Notice Packet” shall mean the Notice of Class Action Settlement, substantially similar to the form attached as **Exhibit A**. This Notice is mutually agreed upon by the Parties and will be presented to the Court for the Court’s approval with Plaintiffs’ Motion for Preliminary Approval. Upon the Court’s approval this Notice will be mailed to all Class Members and translated if necessary.
- L.** “Class Notice Packet” and/or “Notice Packet” shall collectively refer to the Class Notice of Class Action Settlement and Claim Form that will be mailed to Class Members in accordance with the terms of this Agreement.
- M.** “Class Period” shall mean the period of time from September 29, 2010 through March 14, 2017.
- N.** “Class Representatives” and “Plaintiffs” shall mean Leticia Ochoa, Steve Medina and Jose Ulloa as they are the named as Plaintiffs in the Action.
- O.** “Class Representative Payment(s)” shall mean the enhancement award made to the Class Representatives, in an amount not to exceed \$10,000 for each named Plaintiff, in exchange for their general release of claims and to compensate them for initiating the Action, performing work in support of the Action, and undertaking the risk of liability for attorneys’ fees and expenses in the event they were unsuccessful in the prosecution of the Action. This payment will be made out of the Gross Settlement Amount, at no additional cost to Defendant, and is subject to the Court’s approval.

- P. “Complaint” shall mean the collective complaints filed in this Action.
- Q. “Counsel for Defendant” or “Defense Counsel” shall mean Jackson Lewis PC and all of its attorneys, specifically including Lawrence H. Stone.
- R. “Defendant” shall mean RePlanet, LLC.
- S. “Effective Date” shall refer to the date by which the last of the following has occurred: (1) the Settlement Agreement has been executed by all Parties, Class Counsel and Defense Counsel; (2) the Court has given preliminary approval to the Settlement Agreement; (3) the Notice of Class Action Settlement has been given to the putative members of the Settlement Class, providing them with an opportunity to object to the terms of this Settlement Agreement or to opt out of the Settlement Agreement; (4) the Court has held a formal Final Fairness Hearing and entered a final Order and Judgment certifying the Settlement Class, and approving the Settlement Agreement; (5) 65 calendar days have passed since the Court has entered a final Order and Judgment certifying the Settlement Class, and approving the Settlement Agreement; and (6) in the event there are written objections filed prior to the Final Fairness Hearing which are not later withdrawn or denied, the later of the following events: five (5) business days after the period for filing any appeal, writ or other appellate proceeding opposing the Court’s final Order approving the Settlement Agreement has elapsed without any appeal, writ or other appellate proceeding having been filed; or, if any appeal, writ or other appellate proceeding opposing the Court’s final Order approving the Settlement Agreement has been filed, five (5) business days after any appeal, writ or other appellate proceedings opposing the Settlement Agreement has been finally and conclusively dismissed with no right to pursue further remedies or relief. For purposes of determining the Final Effective Date, the Settling Parties agree that only California Courts have jurisdiction over any such appeals, except for any appellate procedure over which the United States Supreme Court may exercise jurisdiction.
- T. “Employer Taxes” shall mean Defendant’s share of any employer payroll taxes to be paid in connection with the Settlement (i.e. FICA, FUTA, payroll taxes, and/or any similar tax or charge) that shall be paid from the Gross Settlement Amount.
- U. “Exclusion Period” shall refer to the 60-calendar day period following the date the Settlement Administrator mails the Class Notice and Claim Form to Class Members within which any Class Member may request to be excluded from the Settlement per the Exclusion Procedure described herein. Class Members who do not exclude themselves in accordance with the Exclusion Procedure described herein shall be bound by the Settlement Agreement.
- V. “Exclusion Procedure” shall refer to the process by which Class Members must undertake to not participate in, and to not be bound by, the Settlement Agreement. Specifically, the Class Notice shall provide that Class Members who wish to exclude themselves from the Class must submit to the Settlement Administrator a written statement (as directed by the Class Notice) requesting exclusion from the Settlement Agreement which must (a) contain the name, address, telephone number and the last four (4) digits of the social security number of the person requesting exclusion; (b) state that “I understand that I am requesting to be excluded from the

Settlement and that I will receive no money from the Settlement. I understand that, if I exclude myself from the Settlement, I may bring a separate action, but I might lose my separate action or win and recover nothing or less than what I would have recovered under the Settlement provisions in this case.”; (c) be addressed to the Settlement Administrator at the stated address in the Class Notice; and (d) be signed by the Class Member who is seeking to be excluded. The statement must be postmarked no later than the Exclusion Period deadline described herein. Any Class Member who properly excludes themselves from the Class using this procedure will no longer be a member of the Class, will be barred from participating in this Settlement, will be barred from objecting to this Settlement and will receive no benefit from this Settlement.

- W.** “Final Approval Hearing” shall mean the hearing by the Court to determine whether to give final approval to and implement the terms of this Agreement.
- X.** “Gross Settlement Amount” or “GSA” shall mean the non-reversionary maximum amount of \$1,600,000. This amount is inclusive of any and all employment taxes that may become due on any amount of this Settlement that is classified as wages. Under no condition will Defendant’s settlement payment exceed the GSA. Based on Defendant’s records there on 3,600 class members and 160,000 Work Weeks as of October 2016. In the event, these metrics increase by more than 10% (excluding new hires after October 1, 2016), the GSA shall increase proportionally.
- Y.** “Minimum Class Payout” refers to the minimum amount that Defendant has agreed to pay Participating Class Members under this Agreement, which is 30% of the NSA.
- Z.** “Minimum Payout” means the minimum amount that Defendant has agreed to pay under the settlement, which is no less than 30% of the NSA plus the Administrative Costs, Class Representative Payments, Class Counsel Fees Payment and Class Counsel Litigation Cost Payment.
- AA.** “Net Settlement Amount” or “NSA” shall mean the portion of the Gross Settlement Amount, distributable to Participating Class Members after the deduction of (i) the court-approved Class Representative Payments; (ii) the court-approved Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment; (iii) the court-approved Administrative Costs; (iv) the PAGA Payment to the LWDA; and (v) Employer Taxes. A minimum of 30% of the NSA will be paid to the Participating Class Members.
- BB.** “Objection Period” shall refer to the 60-calendar day period following the date the Settlement Administrator mails the Class Notice and Claim Form to Class Members within which any Class Member may object to the Settlement per the Objection Procedure described herein.
- CC.** “Objection Procedure” shall refer to the process by which Class Members must undertake to object to the Settlement. Specifically, the Class Notice shall provide that Class Members who wish to object to the settlement must do so in writing, and (a) mail the objection to the Settlement Administrator, postmarked by no later than

the close of the Objection Period and (b) file the objection with the Court in which the action is pending, and (c) serve the objection upon all counsel of record. Both (b) and (c) must occur by no later than the close of the Objection Period. The timeframe to file, mail, and serve an objection will not be increased for returned mailings or any argument regarding non-receipt of the notice.

- DD.** “PAGA” shall mean the Private Attorneys General Act of 2004, codified in Labor Code sections 2698 *et seq.*
- EE.** “PAGA Payment” shall mean \$25,000 of the Gross Settlement Amount allocated to satisfy any claim for civil penalties that may be owed under PAGA for all claims alleged pursuant to Labor Code § 2698 *et seq.* in the Action during the Class Period. Seventy-five percent (75%), or \$18,750 of the PAGA Payment shall be paid to the California Labor and Workforce Development Agency (“LWDA”) and twenty-five percent (25%), or \$6,250, shall be part of the Net Settlement Amount distributed to Participating Class Members.
- FF.** “Parties” shall mean both Plaintiffs and Defendant.
- GG.** “Participating Class Members” shall mean any Class Member who submits a timely Claim Form in accordance with the terms herein.
- HH.** “Preliminary Approval of the Settlement” shall mean the Court’s preliminary approval of the Settlement.
- II.** “Preliminary Approval Order” shall mean an order evidencing the Court’s preliminary approval of the Settlement.
- JJ.** “Released Claims” means all claims, demands, rights, causes of action, damages, restitution, penalties and other relief arising during the Class Period, which were based on the allegations and facts plead in the Action, including claims for failing to provide required meal and rest breaks (Labor Code §§ 226.7 and 512), failing to pay minimum wages and overtime compensation (Labor Code §§ 226, 510, 1194, and 1197), failing to pay all wages due at discharge or quitting (Labor Code §§ 201, 202 and 203), failing to provide accurate statements and maintain required records (Labor Code §§ 226, 1174, 1174.5), engaging in unlawful business practices (Bus. & Prof. Code § 17200 *et seq.*) and violating the Private Attorneys General Act of 2004 (codified, Labor Code § 2698 *et seq.*), and any other claims in law or equity to the extent such claims, causes of action, damages, restitution, penalties and other relief arose out of the facts asserted in the Action. The Released Claims do not cover or include (1) claims for Workers’ Compensation; (2) claims for unemployment or disability payments; (3) claims for discrimination, retaliation or harassment; (4) tort claims; or (5) any other claims that cannot be released as a matter of law.
- KK.** “Released Parties” shall mean RePlanet, LLC. and all of its present and former parent companies, subsidiaries, divisions, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity that could be liable for any of the Released Claims, and Defendant’s counsel of record in the Action.

- LL.** “Settlement Administrator” shall mean CPT Group Inc. (“CPT”), a third-party administrator agreed upon by the Parties to administer the Settlement.
- MM.** “Settlement Share” shall mean the amount payable to each Participating Class Member under the terms of this Settlement Agreement. The Settlement Share shall be determined by the Participating Class Member’s total number of Work Weeks (after resolution of any dispute regarding the number of Work Weeks) multiplied by the Work Week Value.
- NN.** “Work Weeks” shall mean the total number of weeks worked by a Class Member, during which a Class Member received pay for work performed while employed by Defendant during the Class Period. The Settlement Administrator will calculate the number of Work Weeks worked by the Class Members during the Class Period, the Work Week Value, and the individual Settlement Shares to eligible Class Members. The number of Work Weeks will be calculated by the Settlement Administrator for each Class Member based upon Defendant’s records. Defendant’s data will be presumed to be correct, unless a Class Member proves otherwise to the Settlement Administrator by credible evidence. All disputes will be resolved and decided by the Settlement Administrator and the Settlement Administrator’s decision on all disputes will be final and non-appealable.
- OO.** “Work Week Value” means the final Net Settlement Amount divided by the number of Work Weeks worked by all Class Members during the Class Period (with adjustments reflecting the resolution of all disputes regarding number of Work Weeks worked).

II. RECITALS

- A.** On or about September 29, 2014, Plaintiff Leticia Ochoa filed a class and representative action against Defendant entitled *Ochoa v. RePlanet, LLC* (“*Ochoa*”) in Riverside Superior Court, designated as case number RIC1409307. The complaint alleged that Defendant failed to provide required meal periods; failed to provide required rest periods; failed to pay overtime compensation; failed to pay minimum wages; failed to provide accurate wage statements; failed to pay all wages due to discharged or quitting employees; engaged in unlawful business practices; and that Defendant violated the Private Attorneys General Act of 2004 (codified in Labor Code § 2698 *et seq.*, “PAGA”).
- B.** On or about January 12, 2016, Plaintiff Steve Medina filed a class action against Defendant entitled *Medina et al. v. RePlanet, LLC dba RePlanet Recycling, LLC* (“*Medina*”) in Alameda Superior Court, designated as case number RG16799801. The *Medina* action sought damages, restitution and injunctive relief for Defendant’s alleged failure to provide meal and rest periods in violation of Labor Code §§ 226.7 and 512, and unfair business practices under Bus. & Prof. Code § 17200 *et seq.*
- C.** On or about February 10, 2016, Plaintiff Steve Medina filed a first amended complaint, which added claims pursuant to PAGA.

- D.** On or about April 4, 2016, Plaintiff Steve Medina requested, and the Court granted dismissal of the class claims in the *Medina* matter.
- E.** On or about May 2, 2016, Defendant informed counsel for *Medina* that the *Ochoa* matter was a related action.
- F.** On or about July 18, 2016, Plaintiff Steve Medina filed a second amended complaint for civil penalties pursuant to PAGA for Defendant's alleged violations of Labor Code §§ 201, 202, 203, 226, 226.7, 512 and 558. The second amended complaint added Jose Ulloa as a named Plaintiff and included additional facts and theories to support the allegations stated therein.
- G.** The parties to the *Ochoa* and *Medina* matters agreed to work cooperatively and consolidate all litigation efforts.
- H.** On or about October 6, 2016, the Parties participated in a full day of private mediation with well-respected mediator Steven J. Rottman, Esq.
- I.** On or about March 14, 2017, the Parties participated in a second full day of private mediation with Mr. Rottman, wherein the Parties reached a settlement in principal.
- J.** On or about August 10, 2018, the *Ochoa* matter was transferred to Alameda Superior Court, case number RG18916818. On or about September 18, 2018, pursuant to the Parties' stipulation, the Court consolidated the *Ochoa* and *Medina* Actions for all purposes and designated the *Medina* matter as the lead case for all future filings.
- K.** Class Counsel has conducted a thorough investigation into the facts of the Action, including extensive formal written discovery and exchanges of information, including but not limited to documents related to Defendant's financial status.
- L.** Defendant has furnished financial documents to Class Counsel to justify the terms of the settlement, as described herein. An expert hired by Class Counsel has reviewed such financial documents and provided its analysis to Class Counsel.
- M.** At all times, the Parties' settlement negotiations have been non-collusive, adversarial, and at arm's length. This Settlement Agreement represents a compromise and settlement of highly disputed claims and defenses, as Plaintiffs believe their claims have merit and Defendant believes its defenses have merit. Nothing in this Agreement shall be construed as an admission by Defendant or any of the Released Parties that the asserted claims have merit or as an admission by Plaintiffs that the defenses asserted by Defendant have merit.
- N.** Defendant has furnished financial documents to Class Counsel to justify its financial status and the terms of the settlement, as described herein. An expert hired by Class Counsel has reviewed the furnished financial information. Based on the financial information provided to Class Counsel and the analysis conducted by Class Counsel's experts, Class Counsel believes that the settlement is fair, adequate and reasonable.

- O.** Plaintiffs and Class Counsel believe the total consideration and payment set forth in this Settlement Agreement is adequate in light of the uncertainties surrounding the risk of further litigation, possible defenses that Defendant has asserted and could assert, and Defendant's current financial status. Class Counsel recognizes the substantial monetary benefit to the Class and the expenses and length of continued proceedings necessary to prosecute the Action against the Defendant through trial and possible appeals. Class Counsel has also considered the uncertain outcome and risk of further litigation, especially in complex actions such as this Action, as well as the difficulties and delay inherent in such litigation. Therefore, Class Counsel has determined that the settlement set forth in this Settlement Agreement is in the best interest of the Class and is fair and reasonable.
- P.** Defendant and its counsel have similarly concluded that it is desirable that the Action be settled in a manner and upon such terms and conditions set forth herein in order to avoid further risk and expense of litigation and the inconvenience and distraction of further legal proceedings. Therefore, Defendant has determined that it is desirable and beneficial to put to rest the claims in the Action.
- Q.** Because the settled action is a putative class action with PAGA claims, this Settlement Agreement must be provided to the LWDA and receive preliminary and final approval by the Court. Accordingly, Plaintiffs and Defendant enter into this Settlement Agreement on a conditional basis. Should the Court, or any other court or administrative agency taking jurisdiction of this matter, decline to approve all material aspects of the Settlement Agreement or make rulings substantially altering the material terms of the Settlement Agreement, except for the awards of the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment and/or the Class Representative Payments, the Defendant will have no obligation to make any payment, including any portion of the Gross Settlement Amount. If the Effective Date does not occur, this Settlement Agreement will be deemed null and void *ab initio* and will be of no force or effect whatsoever and will not be referred to or utilized for any purpose. Defendant denies all of Plaintiffs' claims as to liability and damages as well as Plaintiff Ochoa's class allegations. Defendant expressly reserves all rights to challenge any and all such claims and allegations upon all procedural and factual grounds, including the assertion of all defenses, if the Effective Date does not occur.
- R.** This Agreement replaces and supersedes any prior settlement term sheets, memorandums of understanding, or related documents that may have been agreed to by the Parties.

Based on the above Recitals, the Parties agree as follows:

III. SETTLEMENT TERMS AND CONDITIONS

- A. Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the maximum Gross Settlement Amount that Defendant is obligated to pay under this Settlement Agreement is \$1,600,000. Defendant will be and is responsible for its own attorney's fees and costs which will not be and are not paid out of the Gross Settlement Amount.

1. The Gross Settlement Amount is predicated on the representation of 3,600 Class Members and 160,000 work weeks, as of October 2016. In the event, these metrics increase by more than 10% (excluding new hires after October 1, 2016), the Gross Settlement Amount shall increase proportionally.

B. Settlement Share. Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay a Settlement Share from the Net Settlement Amount to each Participating Class Member.

1. Calculation.

- a. Plaintiffs and Defendant agree that the formula for allocating settlement payments to Participating Class Members provided herein is reasonable and that the payments provided herein are designed to provide a fair settlement, despite any uncertainties of the amounts that could be owed to Participating Class Members and the calculation of them. Plaintiffs and Defendant have agreed that the distribution to each Participating Class Member will be determined as set forth in paragraph (c) below of this section.
- b. A minimum of 30% of the NSA shall be paid to the Participating Class Members. The total amount of all Settlement Shares may not exceed the Net Settlement Amount. All payments that Defendant is required to make with respect to this Settlement Agreement shall be made from the Gross Settlement Amount.
- c. **Class Member Settlement Share Calculation.** All Participating Class Members will receive their proportionate share of the NSA. The NSA shall be distributed to the individual Participating Class Members based on the number of Work Weeks the individual Participating Class Members worked while employed with Defendant during the Class Period. The amount allocated for each individual Participating Class Member will be determined by multiplying the number of Work Weeks received during the Class Period by each Participating Class Member (after resolution of any dispute regarding the number of Work Weeks) multiplied by the Work Week Value.

2. Withholdings for Participating Class Members.

- a. Twenty percent (20%) of each Settlement Share is intended to settle each Participating Class Member's claims for unpaid wages (the "Wage Portion"). The Wage Portion will be reduced by applicable payroll tax withholdings and deductions; the employer's share of legally required payroll taxes for the Wage Portion will be paid to the Settlement Administrator by Defendant out of the Gross Settlement Amount; the Settlement Administrator will issue an IRS Form W-2 with respect to the Wage Portion withheld from each

Participating Class Member.

- b. Eighty percent (80%) of the Settlement Share is intended to settle each Participating Class Member's non-wage claims without limitation, claims for interest and penalties. This portion will not be subject to payroll tax withholding and deductions. The Settlement Administrator will issue each Participating Class Member an IRS Form 1099 with respect to this portion of his/her Settlement Share.

C. **Settlement Payments.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will make payments as follows:

1. **To the Named Plaintiffs:** In addition to his Settlement Share, and subject to the Court's approval, Plaintiffs Leticia Ochoa, Steve Medina and Jose Ulloa will each receive up to \$10,000 as a Class Representative Payment. Defendant will not oppose the reasonableness of this request. The Settlement Administrator will pay the Class Representative Payments in the amount approved by the Court out of the Gross Settlement Amount. Payroll tax withholding and deductions will not be taken from the Class Representative Payments. An IRS Form 1099 will be issued to Plaintiffs with respect to the Class Representative Payments. In the event the Court does not approve the entirety of the application for the Class Representative Payments, the Administrator shall pay whatever amount the Court awards, and neither Defendant nor the Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Plaintiffs, the difference shall become part of the NSA and be available for distribution to Participating Class Members. Should the Court award less than the requested amounts for the Class Representative Payments, Class Counsel retains the right to appeal the Court's order of the lesser amounts.
2. **To Class Counsel:** Class Counsel will apply to the Court for a total award of not more than \$533,333.34 (one-third of the Gross Settlement Amount) for Class Counsel's Fees Payment of which 87.5% (or \$466,666.67) shall be paid to Rastegar Law Group, APC and 12.5% (or \$66,666.67) shall be paid to Clark Law Group and United Employees Law Group. Class Counsel will apply to the court for a total award of not more than \$100,000 for Class Counsel's Litigation Expenses Payment. Defendant will not oppose Class Counsel's request for these fees and costs. The Settlement Administrator will pay the court-approved amounts for Class Counsel Fees and Litigation Expenses Payments out of the Gross Settlement Amount. Payroll tax withholding and deductions will not be taken from the Class Counsel Fees Payment or the Class Counsel Litigation Expenses Payment. IRS Forms 1099 will be issued to Class Counsel with respect to these payments. In the event the Court does not approve the entirety of the Class Counsel Fees Payment and/or Litigation Expenses Payments, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendant nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If

the amount awarded is less than the amount requested by Class Counsel for fees and/or costs, the difference shall become part of the Net Settlement Amount and be available for distribution to Participating Class Members. Should the Court award less than the requested amounts for the Class Counsel Fees Payment and/or the Class Counsel Litigation Expenses Payment, Class Counsel retains the right to appeal the Court's order of the lesser amounts.

3. **To the responsible tax authorities.** The Settlement Administrator will pay Employer Taxes (including the employer portion of payroll taxes, such as the employer's payment of applicable FICA, FUTA, and SDI contributions, etc.) to appropriate local, state, and federal taxing authorities out of the Gross Settlement Amount. The amount of the employees' portion of normal payroll withholding taxes shall also be paid by the Settlement Administrator out of the Gross Settlement Amount.
 4. **To the Settlement Administrator.** The Settlement Administrator will pay to itself reasonable fees and expenses approved by the Court. The fees and expenses are estimated to not exceed \$25,000. This will be paid out of the Gross Settlement Amount.
 5. **To the LWDA.** The Settlement Administrator will allocate \$25,000 for PAGA penalties in which 75% (or \$18,750) will be paid to the LWDA, with the remaining 25% (or \$6,250) allocated to the NSA for distribution to Participating Aggrieved Employees in satisfaction of the PAGA Payment.
 6. **To Class.** The Settlement Administrator will pay Participating Class Members according to the Settlement Share calculations set forth above. All payments to Participating Class Members shall be made from the Net Settlement Amount. A minimum of 30% of the NSA will be paid to the Class.
- D. **Certification.** The Parties agree and hereby stipulate, for settlement purposes only, to class certification for all non-exempt employees of Defendant who worked in Defendant's recycling locations in the state of California during the Class Period who were allegedly not provided with required meal and rest breaks, not paid minimum wages or overtime compensation, not provided with accurate wage statements, not paid all wages due upon discharge or quitting, and whose records were not maintained. If the Court does not grant Preliminary and Final Approval of the Settlement, the Parties will not stipulate to class certification and any prior stipulation will become null and void.
- E. **Tax Treatment.** The Class Representatives and Participating Class Members shall be exclusively liable for any and all of their respective tax liability, if any. The Class Representatives and Participating Class Members should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement Agreement. The settlement payments received by Participating Class Members will be reported as required to the state and federal taxing authorities on IRS forms 1099 and W-2 or similar forms. Each Participating Class

Member will be responsible for paying all applicable state, local, and federal income taxes on all amounts the Participating Class Member receives pursuant to this Agreement. Participating Class Members shall cooperate with Defendant and provide documentation as requested to demonstrate such payment should any taxing authority challenge the allocation of settlement payments.

F. Each Party to this Agreement acknowledges and agrees that:

1. No provision of this Settlement Agreement and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended);
2. He or she (a) has relied exclusively upon his, her or its own, independent legal and tax advisers for advice (including tax advice) in connection with this Settlement Agreement, (b) has not entered into this Settlement Agreement based upon the recommendation of any other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on him or her; and
3. No attorney or adviser to any other party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by him or her of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Settlement Agreement.

G. Appointment of Settlement Administrator. The Parties will ask the Court to appoint CPT as the Settlement Administrator, which, as a condition of appointment, will agree to be bound by this Agreement with respect to the performance of its duties and its compensation. The Settlement Administrator's duties will include preparing, printing, and mailing the Class Notice Packets to all Class Members; conducting a National Change of Address search on any Class Notice Packet returned by the U.S. Postal Service as non-deliverable, and re-mailing the Class Notice Packet to the Class Member's new address; setting up a toll-free telephone number to receive calls from Class Members; setting up a website to provide information to the Class Member's related to the settlement; receiving claim forms, exclusion requests, objections, and Change of Address updates; providing the Parties with weekly status reports informing Class Counsel and Counsel for Defendant of the number of Notice Packets mailed, the number of Notice Packets returned as undeliverable, the number of Notice Packets re-mailed, and the number of claim forms, exclusion requests and objections received; calculating individual Settlement Shares; issuing the checks to effectuate the payments due under this Settlement; issuing the tax reports required under this Settlement; and otherwise administering the Settlement pursuant to this Agreement. The Settlement Administrator will have the final authority to resolve all disputes concerning the calculation of a Participating Class Member's Settlement Share subject to the terms

set forth in this Agreement. The Settlement Administrator also shall be responsible for establishing a Qualified Settlement Fund within the meaning of the Internal Revenue Code, issuing Settlement Shares and the Class Representative Payments from the Qualified Settlement Fund. The Settlement Administrator's reasonable fees and expenses, including the cost of printing and mailing the Class Notice Packet, will be paid out of the Gross Settlement Amount, as set forth in this Agreement. If any checks are uncashed after the 180-day expiration date, the Settlement Administrator will submit the unclaimed funds to State of California's unclaimed property fund.

H. Procedure for Approving Settlement.

1. Motion for Conditional Certification and Preliminary Approval.

- a.** Plaintiffs will move for an order conditionally certifying the Class for settlement purposes only, giving Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Class Notice.
- b.** Plaintiffs will file with the Court a proposed order granting Preliminary Approval at the time Plaintiffs files the Motion for Preliminary Approval.
- c.** The Parties will jointly appear, support the granting of the motion, and submit a proposed order granting conditional certification of the Class and preliminary approval of the Settlement; appointing Class Representatives, Class Counsel, and Settlement Administrator; and approving the Class Notice.
- d.** Should the Court decline to conditionally certify the Settlement Class or to preliminarily approve all material aspects of the Settlement, the Settlement will be null and void and the Parties will have no further obligations under it. Provided, however, that the Court's approval or denial of any amount requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administrative Costs, and Class Representative Payments are not material aspects of the Settlement. Any order or proceeding relating to an application for the Class Counsel Fees Payment, Class Counsel Litigation Expense Payment, Administrative Costs, and Class Representative Payments shall not operate to terminate or cancel this Settlement Agreement. Nothing in this Agreement shall limit Plaintiffs' or Class Counsel's ability to appeal any decision by the Court to award less than the requested Class Counsel Fees Payment, Class Counsel Litigation Expense Payment, Administrative Costs and Class Representative Payments.

- 2. Notice to Class Members.** After the Court enters its order granting Preliminary Approval of the Settlement, every Class Member will be

provided with the Class Notice Packets in accordance with the following procedure:

- a.** Within 14 calendar days after entry of an order granting Preliminary Approval of the Settlement, Defendant shall deliver to the Settlement Administrator, in Microsoft Excel (.xls) or similar format, a Class List for Class Members. Defendant will provide the Settlement Administrator with the following information for each Class Member: (1) his or her full name, (2) last known mailing address, (3) last known telephone number, (4) social security number (which the Settlement Administrator shall maintain as confidential), (5) dates of employment, and (6) the number of Work Weeks worked by the Class Member during the Class Period. If any or all of this information is unavailable to Defendant, Defendant will so inform Class Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon how to deal with the unavailable information. The Settlement Administrator shall treat this information as confidential and will not share it with Class Counsel unless the Parties make a contrary agreement or exception.
- b.** Within 28 calendar days after entry of an order granting Preliminary Approval of the Settlement, the Settlement Administrator will perform a National Change of Address check and will mail the Class Notice Packets to all identified Class Members via first-class regular U.S. Mail using the mailing address information provided by Defendant, unless modified by any updated address information that the Settlement Administrator obtains in the course of administration of the Settlement.
- c.** If a Class Notice Packet is returned because of an incorrect address, within 10 calendar days from receipt of the returned packet, the Settlement Administrator will search for a more current address for the Class Member and re-mail the Class Notice Packet and Claim Form to the Class Member. The Settlement Administrator will use the National Change of Address Data Base and skip traces to attempt to find the current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Class Notice Packet is returned by the U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address; and promptly re-mailing to Class Members for whom new addresses are found. If the Class Notice Packet is re-mailed, the Settlement Administrator will note for its own records the date and address of each such re-mailing.
- d.** The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Counsel for Defendant

of the number of Notice Packets mailed, the number of Notice Packets returned as undeliverable, the number of Notice Packets re-mailed, the number of claim forms, exclusion requests and objections received.

- e. No later than 7 calendar days after the end of the Claim Submission/Exclusion/Objection Period, the Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Agreement. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel in conjunction with the Motion for Final Approval. Before the Final Approval Hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

- 3. **Claim Settlement.** This is a non-reversionary settlement that requires Participating Class Members to make a claim to receive their proportionate Settlement Shares. The Class Notice Packet mailed to each Class Member shall explain that Class Members will need to submit a claim form in order to receive a Settlement Share. The Class Notice will also explain that Class Members will have the ability to exclude themselves and/or object to the settlement. The Class Notice will also include the individual Class Members Work Weeks based on information provided by Defendant. Under no circumstances will any portion of the Gross Settlement Amount revert to Defendant.
- 4. **Requests for Exclusion from the Settlement.** Class Members who wish to be excluded from the Settlement must comply with the Exclusion Procedure described herein and must submit a written exclusion from the Settlement bearing a post-mark from a date within the Exclusion Period. If a Class Member submits a deficient exclusion (i.e. a submission that is not signed by the Class Member or cannot be interpreted or verified by the Settlement Administrator as authentic), the Settlement Administrator shall notify the Class Member of the deficiency within 5 business days of receipt. The Class Member shall have until the end of the Exclusion Period to cure any deficiencies, at which point his or her request for exclusion will be rejected if not received. Class Members submitting an exclusion after the end of the Exclusion Period or a deficient exclusion shall be bound by the Settlement and release. Any Class Member who submits a signed and timely request for exclusion will no longer be a member of the Class, will be barred from participating in this Settlement, will be barred from objecting to this Settlement and will receive no benefit from this Settlement. The Settlement Administrator will notify Class Counsel and Counsel for Defendant of the total number of timely exclusion requests 7 calendar days after the Exclusion Period ends.
- 5. **Right to Rescission:** In the event that more than five percent (5%) of the Class Members Exclude themselves from the Settlement, Defendant has the

right to rescind the Settlement. The Parties agree that if Defendant exercises its option to rescind the Settlement, Defendant will be responsible for the Settlement Administrator fees. Otherwise, if the Settlement is not finally approved by the Court, the Parties will be responsible for the Settlement Administrator's fees on a 50/50 basis.

6. **Objections to Settlement.** The Class Notice will provide that Class Members who wish to object to the Settlement must do so in writing, and (a) mail the objection to the Settlement Administrator, postmarked by no later than the close of the Objection Period and (b) file the objection with the Court in which the action is pending, and (c) serve the objection upon all counsel of record. Both (b) and (c) must occur by no later than the close of the Objection Period. The timeframe to file, mail, and serve an objection will not be increased for returned mailings or any argument regarding non-receipt of the notice.
 - a. **Format and Contents.** Any Objections shall: (a) state the objecting person's full name, address, and telephone number; (b) include the words "Notice of Objection" or "Formal Objection"; (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) the objector may call to testify at the Final Approval Hearing; and (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval Hearing. The objection will not be valid if it objects only to the appropriateness of the Action or the merits thereof.
 - b. **Notice of Intention to Appear.** Class Members who timely file, mail, and serve valid objections to the Settlement may appear at the Final Approval Hearing either in person or through the objector's own counsel. Anyone who fails to file, mail, and serve timely written objections in this manner shall be deemed to have waived any objections and shall be foreclosed from making any objection to the Settlement and filing any appeal from any final approval order issued by the Court, unless otherwise ordered by the Court.
 - c. **Response to Objections.** Plaintiffs and/or Defendant may file a response to objections to the Settlement no later 5 court days before the Final Approval Hearing.
7. **Dispute Resolution Procedure.** If a Class Member disputes the number of Work Weeks shown in the Class Notice, the Class Member must — in writing mailed and postmarked no later than 60 calendar days after the Settlement Administrator first mails the Notice Packet — notify the Settlement Administrator of the dispute and provide a statement of the number of total Work Weeks the Class Member worked while employed with Defendant during the Class Period, supported by written documentation. The timeframe to submit a dispute will not be increased for returned mailings. In the event of a dispute, Defendant's records regarding the number of Work Weeks worked by the Class Member shall be presumed

to be correct and the Class Member will bear the burden of proof (i.e. a Class Member who fails to provide written proof will have his or her challenge denied). The Settlement Administrator shall investigate the challenge, requesting information from Defendant as necessary and make the final determination of whether any additional amount is owed. In no case will a challenge to employment data result in a payment by Defendant in excess of the Gross Settlement Amount.

8. No Solicitation of Objection. Neither the Parties nor their respective counsel will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement or appeal from the Judgment.

9. Additional Briefing and Final Approval.

a. Class Counsel will file unopposed motions and memorandums in support thereof for Final Approval of the Settlement and the following payments in accord with the terms of the Settlement: (1) the Class Counsel Fees Payment, (2) the Class Counsel Litigation Expenses Payment, (3) the Administrative Costs, (4) the Class Representative Payments, and (5) the PAGA Payment per code before the Final Approval Hearing.

b. If the Court does not grant Final Approval of the Settlement or if the Court's Final Approval of the Settlement is reversed or materially modified on appellate review, then this Settlement will become null and void; if that occurs, the Parties will have no further obligations under the Settlement, including any obligation by Defendant to pay the Gross Settlement Amount or any amounts that otherwise would have been owed under this Agreement, and the Settlement Administrator will immediately return to Defendant, without further authorization from Plaintiffs or Class Counsel, 100% of any funds paid by Defendant to the Settlement Administrator pursuant to this Agreement.

c. Upon Final Approval of the Settlement by the Court, the Parties shall present to the Court a mutually agreed upon proposed Final Approval Order, approving the Settlement and entering Judgment in accordance therewith. The Final Approval Order will, among other things: (1) grant Final Approval to the Settlement as fair, reasonable, adequate, in good faith and in the best interests of the Class as a whole, and order the Parties to carry out the provisions of this Agreement; (2) dismiss with prejudice the Action (including the Class Action and PAGA Action); (3) adjudge that the Participating Class Members are conclusively deemed to have released Defendant and the Released Parties from the Released Claims; (4) prohibit and permanently enjoin each Participating Class Member from pursuing in any fashion against Defendant or the Released Parties any and all of the Released Claims; and (5) reserve continuing jurisdiction as provided herein.

- d. After entry of the Judgment, the Court shall have continuing jurisdiction over the Action for purposes of (i) enforcing this Settlement Agreement, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as may be appropriate under Court rules or applicable law.

10. **Waiver of Right to Appeal.** Provided that the Judgment is consistent with the terms and conditions of this Agreement, if Participating Class Members do not timely object to the Settlement, then the Parties and their respective counsel waive any and all rights to appeal from the Judgment, including, but not limited to, all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate or set aside judgment, and any extraordinary writ, and the Judgment will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any invalid appeal, appellate proceedings or post-judgment proceedings. This paragraph does not preclude Plaintiffs or Class Counsel from appealing from a refusal by the Court to award the full Class Representative Payments, the Class Counsel Fees Payment, the Administrative Costs, or the Class Counsel Litigation Expenses Payment sought by them. Class Counsel retains the right to appeal from an order of the Court, awarding sums less than the requested amounts for the Class Representative Payments, the Class Counsel Fees Payment, the Administrative Costs, or the Class Counsel Litigation Expenses Payment. If an appeal is taken from the Judgment, the time for consummation of the Settlement (including making payments under the Settlement) will be suspended until such time as the appeal is finally resolved or withdrawn and the Judgment becomes final.
11. **Vacating, Reversing, or Modifying Judgment on Appeal.** If, after a notice of appeal, the reviewing court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement, and that court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher court, then this Settlement will become null and void at the Parties election and the Parties will have no further obligations under it, and the Settlement Administrator will immediately return to Defendant, without further authorization from Plaintiffs or Class Counsel, 100% of any funds paid by Defendant to the Settlement Administrator pursuant to this Agreement. An order to vacate, reverse, or modify the court awarded Class Representative Payments, Administrative Costs, or the Class Counsel Fees and Litigation Expenses Payments will not constitute a vacation, reversal, or material modification of the Judgment within the meaning of this paragraph. A material modification would include, but is not necessarily limited to, any alteration of the Gross Settlement Amount, an alteration in the calculation of the Net Settlement Amount, any change to the calculation of the Settlement Amount and any change to the Released Claims and Released Parties.

12. Funding and Disbursement of Settlement Shares and Payments.

- a. Final Calculations.** Within 15 calendar days after the Effective Date, the Settlement Administrator will provide Defendant with the final total calculation of all funds necessary to make the payments required under this Agreement, including all payments from the Gross Settlement Amount (the Court-awarded Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administrative Costs, Class Representative Payments, and the portion of the PAGA payment due to the LWDA) and all payments to Participating Class Members from the Net Settlement Amount along with the employer share of payroll taxes.
- b. Funding of Gross Settlement Amount.** No later than 30 calendar days after the Effective Date, Defendant shall deposit with the Settlement Administrator an initial sum of \$850,000. At three (3) month intervals following the initial deposit, Defendant shall deposit another \$200,000 until the Gross Settlement Amount is reached.

The Settlement Administrator shall make the following payments as follows:

- (1) to Participating Class Members, their respective Settlement Shares, as soon as there are enough funds deposited to accomplish the distribution;
- (2) to Plaintiffs the Court-awarded Class Representative Payment, upon full payment of the Gross Settlement Amount;
- (3) to the responsible tax authorities, the employer and employee share of payroll taxes resulting from this Settlement as soon as there are enough funds deposited to accomplish the distribution but not before payment to Participating Class Members;
- (4) to the Settlement Administrator, its reasonable fees and expenses as approved by the Court, as soon as there are enough funds deposited to accomplish the distribution but not before payment to Participating Class Members;
- (5) to the LWDA, the PAGA Payment, as soon as there are enough funds deposited to accomplish the distribution but not before payment to Participating Class Members; and
- (6) to Class Counsel, the Court-awarded Class Counsel Fees Payment and the Court-awarded Class Counsel Litigation

Expense Payment, upon full payment of the Gross Settlement Amount.

13. **Uncashed Settlement Share Checks.** Participating Class Members must cash or deposit their Settlement Share checks within 180 days after the checks are mailed to them. If any checks are not redeemed or deposited within 90 days after mailing, the Settlement Administrator will send a postcard indicating that unless the check is redeemed or deposited in the next 90 days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced. If any checks remain uncashed or not deposited by the expiration of the 90-day period after the mailing of the reminder notice, the Settlement Administrator will pay the funds represented by such un-redeemed checks to the State of California's unclaimed property fund.
14. **Final Report by Settlement Administrator.** Within 21 calendar days after the disbursement of all funds, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds.
15. **Release of Claims.**
 - a. Providing there is Final Approval of this Agreement, then as of the date of the disbursement of settlement funds, each Participating Class Member, individually, including those who failed to timely submit a valid Request for Exclusion from the settlement ("Releasers") shall fully and finally release and discharge Defendant and the Released Parties (as defined herein), and each of them, from the Released Claims (as defined herein) that occurred during the Class Period.
 - b. The Parties' intent in entering into this Settlement is to release Defendant and any of the Released Parties from any and all of the Released Claims. This release excludes the release of any claims not permitted to be released by law.
 - c. **Release by Plaintiffs.** Upon the date of the disbursement of settlement funds, Plaintiffs, for themselves, their successors, assigns, agents, executors, heirs and personal representatives, spouse and attorneys, and any and all of them (collectively, the "Plaintiff Releasers"), voluntarily and with the advice of counsel, will waive and release any and all claims, obligations, demands, actions, rights, causes of action, and liabilities against Defendant and any of the Released Parties of whatever kind and nature, character, and description, whether in law or equity, whether sounding in tort, contract, federal, state and/or local law, statute, ordinance, regulation, constitution, common law, or other source of law or contract, whether known or unknown, and whether anticipated or unanticipated, including all claims arising from or

relating to any and all Released Claims occurring during the Class Period, but not limited to, all claims which relate in any way to Plaintiff's employment with or termination of employment from Defendant or any of the other Released Parties. Plaintiffs further release all unknown claims against Defendant and any of the Released Parties, covered by California Civil Code Section 1542, which states: **"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."**

16. Miscellaneous Terms.

a. No Admission of Liability or Class Certification for Other Purposes.

- (1)** Defendant and the Released Parties deny that they have engaged in any unlawful activity, have failed to comply with the law in any respect, have any liability to anyone under the claims asserted in the Action, or that, but for the Settlement, a class could be certified in the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant or the Released Parties of liability or wrongdoing, or an admission by Plaintiffs that any of her claims were non-meritorious or any defenses to their claims were meritorious. This Settlement and the fact that Plaintiffs and Defendant were willing to settle the Action will have no bearing on and will not be admissible in any litigation (other than solely in connection with the Settlement).
- (2)** The Parties have agreed to class certification for the sole purpose of effectuating this Settlement. By and through this Settlement and respective motions for preliminary and final approval, the Parties will ask that the Court certify, for purposes of Settlement only, the allegations in the Action that Defendant failed to provide required meal periods; failed to provide required rest periods; failed to pay overtime compensation; failed to pay minimum wages; failed to provide accurate wage statements; failed to pay all wages due to discharged or quitting employees; engaged in unlawful business practices; and that Defendant violated the Private Attorneys General Act of 2004. Should the Settlement not be approved by the Court, or should the judgment regarding the settlement not become final, the fact that the Parties were willing to stipulate to class certification as part of the Settlement will have no bearing on, and will

not be admissible in connection with, the issue of whether a class should be certified in a non-settlement context in the Action, or any other action, and in any of those events Defendant and the Released Parties expressly reserve the right to oppose class certification.

(3) Whether or not the Settlement set forth in this Agreement becomes final, neither the Settlement, this Agreement, any document, statement, proceeding or conduct related to the Settlement or the Agreement, nor any reports or accounting of those matters, will be (i) construed as, offered or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendant or any of the Released Parties, including, but not limited to, evidence of a presumption, concession, indication or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession or damage; or (ii) disclosed, referred to or offered in evidence against any of the Released Parties, in any further proceeding in the Action, or any other civil, criminal or administrative action or proceeding except for purposes of effectuating the Settlement pursuant to this Agreement.

(4) This section and all other provisions of this Agreement notwithstanding, any and all provisions of this Agreement may be admitted in evidence and otherwise used in any and all proceedings to enforce any or all terms of this Agreement or in defense of any claims released or barred by this Agreement.

b. **No Inducements.** Plaintiffs and Defendant acknowledge that they are entering into this Settlement Agreement as a free and voluntary act without duress or undue pressure or influence of any kind or nature whatsoever, and that neither Plaintiffs nor Defendant have relied on any promises, representations or warranties regarding the subject matter hereof other than as set forth in this Settlement Agreement.

c. **Waiver of Right to Object.** By signing this Settlement Agreement, Plaintiffs, on behalf of the Class and themselves, agree to be bound by its terms. Plaintiffs further agree not to request to be excluded from the Settlement and agree not to object to any of the terms of the Settlement Agreement. Any request for exclusion from the Settlement Agreement by Plaintiffs or any objection by Plaintiffs will be void and of no force and effect. Likewise, Defendant agrees to be bound by the terms of the Settlement and agrees not to object to any of the terms of the Settlement Agreement.

d. **No Impact on Benefit Plans.** It is expressly understood and agreed that the receipt of a Settlement Share will not entitle any

Participating Class Member to additional compensation or benefits under any company bonus, contract, incentive plan, contest or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle any Settlement Class Member to any increased retirement, 401(k) or matching benefits, or deferred compensation benefits. Plaintiffs and Defendant agree that any payments made to Participating Class Members under the terms of this Agreement do not represent any modification of previously credited length of service or other eligibility criteria under any bonus plan, incentive plan, contract, employee pension benefit plan or employee welfare plan sponsored by any of the Released Parties or to which any of the Released Parties are required to make contributions. All individual Settlement Shares shall be deemed to be paid to Participating Class Members solely in the year in which such payments actually are received by Participating Class Members. Further, any payments made under this Agreement shall not be considered compensation in any year for purposes of determining eligibility for, or benefit accrual within, any employee pension benefit plan or employee welfare benefit plan sponsored by any of the Released Parties or to which any of the Released Parties are required to make contributions. It is the Parties' intent that the Settlement Shares provided for in the Agreement are the sole payments to be made by Defendant to the Participating Class Members, and that the Participating Class Members are not entitled to any new or additional compensation or benefits as a result of having received the individual Settlement Shares (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the Class Period).

- e. **Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibit will constitute the entire agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Agreement or its exhibit other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibit.
- f. **Attorney Authorization.** Class Counsel and Counsel for Defendant warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement except that Plaintiffs and Defendant must sign this Agreement and any document modifying the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the

implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases all such documents, supplemental provisions and assistance of the Court will be consistent with this Agreement.

- g. Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their attorneys.
- h. Agreement Binding on Successors.** This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- i. No Prior Assignment.** Plaintiffs hereby represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.
- j. Applicable Law.** All terms and conditions of this Agreement and its exhibit will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.
- k. Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting. The Parties further agree to cooperate fully with each other to accomplish the terms of the Settlement by using any efforts that may become necessary by order of the Court, or otherwise, to effectuate the Settlement.
- l. Public Disclosure.** Plaintiffs and Class Counsel agree that they will not make any public disclosure of the Settlement until after the Settlement is preliminarily approved by the Court. Class Counsel will take all steps necessary to ensure the Plaintiffs are aware of, and will encourage them to adhere to, the restriction against any public disclosure of the Settlement until after the Settlement is preliminarily approved by the Court. At no time will Class Counsel identify Defendants by name in any public disclosure regarding the Settlement made for the purpose of advertising, this does not bar Class Counsel from identifying Defendants by name in any court filing, notice to class members, etc. that is calculated to advance the

resolution of this case and the settlement.

- m. **No Media.** Following preliminary approval of the Settlement, Plaintiffs and Class Counsel agree that they will not have any communications with the media, other than to direct the media to the public records of the Action on file with the Court. Class Counsel will take all necessary steps to ensure Plaintiffs are aware of, and will encourage him to adhere to, the restriction against any media comment on the Settlement and its terms. Class Counsel further agrees not to use the Settlement or the Settlement terms for any marketing purposes.
- n. **Fair Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, considering all relevant factors, current and potential.
- o. **No Tax or Legal Advice.** The Parties understand and agree that Defendant is neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Class Members will assume any such tax obligations or consequences that may arise from this Agreement, and that Class Members shall not seek any indemnification from Defendant or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any Class Member, such Class Member assumes all responsibility for the payment of any such taxes.
- p. **Headings.** The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- q. **Enforcement Action.** The Court shall retain jurisdiction with respect to the implementation and enforcement of the terms of the Settlement Agreement, and all Parties hereto, including Participating Class Members, for purposes of implementing and enforcing the Settlement Agreement embodied in the Settlement Agreement. To the extent that any party, including any Participating Class Member, institutes any legal action or other proceeding against any other party or parties to enforce the provisions of this Settlement Agreement, to declare rights and/or obligations under this Settlement Agreement, or to enjoin any proceedings in violation of this Settlement Agreement, the successful party or parties shall be entitled to recover from the unsuccessful party or parties reasonable attorneys' fees and costs incurred in connection with any enforcement action.

- r. Notice.** All notices, demands or other communications given under this Agreement will be in writing and deemed to have been duly given as of the 3rd business day after mailing by United States mail, addressed as follows:

///

///

To Plaintiffs and the Class:

Farzad Rastegar
Joshua N. Lange
RASTEGAR LAW GROUP, APC
22760 Hawthorn Blvd., Suite 200
Torrance, CA 90505
Telephone: (310) 961-9600
Facsimile: (310) 961-9094

R. Craig Clark
Monique Rodriguez
CLARK LAW GROUP
205 West Date Street
San Diego, CA 92101
Telephone: (619) 239-1321
Facsimile: (888) 273-4554

Walter Haines
UNITED EMPLOYEES LAW GROUP
5500 Bolsa Ave., Suite 201
Huntington Beach, CA 92649
Telephone: (562) 256-1047
Facsimile: (562) 256-4554

To Defendant:

Lawrence Stone
Steven Zimmerman
JACKSON LEWIS PC
725 South Figueroa St., Suite 2500
Los Angeles, CA 90017
Telephone: (213) 689-0404
Facsimile: (213) 689-0430

- s. **Execution in Counterpart.** This Agreement may be executed in one or more counterparts. All executed counterparts and each of them will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- t. **Dates.** If any of the dates in the Agreement fall on a weekend, bank or court holiday, the time to act shall be extended to the next business day.

IV. EXECUTION BY PARTIES AND COUNSEL

IN WITNESS WHEREOF, the Parties and their counsel have executed this Stipulation on the date below their signatures or the signature of their representatives. The date of the Stipulation shall be the date of the latest signature.

Dated: April 16, 2019

LETICIA OCHOA, Plaintiff

LAOL

Dated: _____, 2019

STEVE MEDINA, Plaintiff

Dated: _____, 2019

JOSE ULLOA, Plaintiff

Dated: _____, 2019

REPLANET, LLC

By: _____

Name: _____

Title: _____

- s. **Execution in Counterpart.** This Agreement may be executed in one or more counterparts. All executed counterparts and each of them will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- t. **Dates.** If any of the dates in the Agreement fall on a weekend, bank or court holiday, the time to act shall be extended to the next business day.

IV. EXECUTION BY PARTIES AND COUNSEL

IN WITNESS WHEREOF, the Parties and their counsel have executed this Stipulation on the date below their signatures or the signature of their representatives. The date of the Stipulation shall be the date of the latest signature.

Dated: _____, 2019

LETICIA OCHOA, Plaintiff

Dated: 3/12, 2019

STEVE MEDINA, Plaintiff

Steve Medina

Dated: _____, 2019

JOSE ULLOA, Plaintiff

Dated: _____, 2019

REPLANET, LLC

By: _____

Name: _____

Title: _____

- s. **Execution in Counterpart.** This Agreement may be executed in one or more counterparts. All executed counterparts and each of them will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- t. **Dates.** If any of the dates in the Agreement fall on a weekend, bank or court holiday, the time to act shall be extended to the next business day.

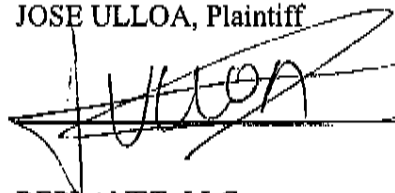
IV. EXECUTION BY PARTIES AND COUNSEL

IN WITNESS WHEREOF, the Parties and their counsel have executed this Stipulation on the date below their signatures or the signature of their representatives. The date of the Stipulation shall be the date of the latest signature.

Dated: _____, 2019 LETICIA OCHOA, Plaintiff

Dated: _____, 2019 STEVE MEDINA, Plaintiff

Dated: March, 19, 2019 JOSE ULLOA, Plaintiff

_____

Dated: _____, 2019 REPLANET, LLC

By: _____

Name: _____

Title: _____

- s. **Execution in Counterpart.** This Agreement may be executed in one or more counterparts. All executed counterparts and each of them will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- t. **Dates.** If any of the dates in the Agreement fall on a weekend, bank or court holiday, the time to act shall be extended to the next business day.

IV. EXECUTION BY PARTIES AND COUNSEL

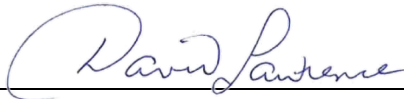
IN WITNESS WHEREOF, the Parties and their counsel have executed this Stipulation on the date below their signatures or the signature of their representatives. The date of the Stipulation shall be the date of the latest signature.

Dated: _____, 2019 LETICIA OCHOA, Plaintiff

Dated: _____, 2019 STEVE MEDINA, Plaintiff

Dated: _____, 2019 JOSE ULLOA, Plaintiff

Dated: June 17, 2019 REPLANET, LLC

By: 

Name: David Lawrence

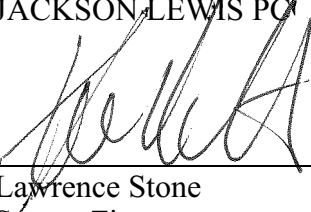
Title: President and CFO

Approved as to form and content:

Dated: March 8, 2019

JACKSON LEWIS PC

By



Lawrence Stone
Steven Zimmerman
Attorneys for Defendant RePlanet, LLC

Dated: _____, 2019

RASTEGAR LAW GROUP, APC

By

Farzad Rastegar
Joshua N. Lange
Attorneys for Plaintiff Leticia Ochoa

Dated: _____, 2019

CLARK LAW GROUP

By

R. Craig Clark
Monique Rodriguez
Attorneys for Plaintiffs Steve Medina & Jose Ulloa

Dated: _____, 2019

UNITED EMPLOYEES LAW GROUP

By

Walter Haines
Attorneys for Plaintiffs Steve Medina & Jose Ulloa

Approved as to form and content:

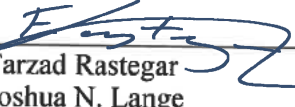
Dated: _____, 2019

JACKSON LEWIS PC

By _____
Lawrence Stone
Steven Zimmerman
Attorneys for Defendant RePlanet, LLC

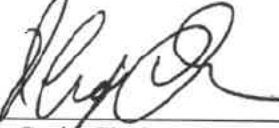
Dated: April 16, 2019

RASTEGAR LAW GROUP, APC

By  _____
Farzad Rastegar
Joshua N. Lange
Attorneys for Plaintiff Leticia Ochoa

Dated: March 27, 2019

CLARK LAW GROUP

By  _____
R. Craig Clark
Monique Rodriguez
Attorneys for Plaintiffs Steve Medina & Jose Ulloa

Dated: Mar 12, 2019

UNITED EMPLOYEES LAW GROUP

By  _____
Walter Haines
Attorneys for Plaintiffs Steve Medina & Jose Ulloa