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SUPERIOR COURT OF THE STATE OF CALIFORNIA
 COUNTY OF ORANGE – CIVIL COMPLEX CENTER

THERESA CATHERINE PORTER BROWN,
 individually, and on behalf of all others similarly
 situated,

Plaintiff,

vs.

ACRISURE OF CALIFORNIA, LLC, a limited
 liability company dba SHOREPOINT
 INSURANCE SERVICES; and DOES 1
 through 10, inclusive,

Defendants

Case No.: 30-2022-01276438-CU-OE-CXC

[Assigned to Hon. William Claster, Dept. CX-104]

**JOINT STIPULATION OF CLASS ACTION
 AND PAGA REPRESENTATIVE ACTION
 SETTLEMENT AGREEMENT AND
 RELEASE OF CLAIMS**

Complaint filed: May 13, 2022
 Trial date: Not set

1 **JOINT STIPULATION OF CLASS ACTION AND PAGA REPRESENTATIVE ACTION**
2 **SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS**

3 This Joint Stipulation of Class Action and PAGA Representative Action Settlement Agreement and
4 Release of Claims (“Joint Stipulation of Settlement” or “Settlement” or “Agreement”) is made and entered
5 into by and between Plaintiff THERESA CATHERINE PORTER BROWN, individually, and on behalf of
6 all others similarly situated, (“Plaintiff” or “Class Representative”), and Defendant ACRISURE OF
7 CALIFORNIA, LLC (“Defendant”), subject to the terms and conditions herein and the Court’s approval.
8 Plaintiff and Defendant are collectively referred to herein as “the Parties.”

9 THE PARTIES STIPULATE AND AGREE as follows:

10 **DEFINITIONS**

11 1. For purposes of this Settlement, this matter, entitled *Theresa Catherine Porter Brown,*
12 *individually and on behalf of all others similarly situated v. Acrisure of California, LLC dba Shorepoint*
13 *Insurance Services*, Case No. 30-2022-01276438-CU-OE-CXC, is referred to herein as the “Action.”

14 2. For purposes of this Settlement, “Agreement,” “Settlement Agreement,” “Settlement,” or
15 “Stipulation” means this Joint Stipulation of Class Action and PAGA Representative Action Settlement
16 Agreement and Release of Claims.

17 3. For purposes of this Settlement, the “Class Period” is May 13, 2018 through August 1, 2023, or
18 the Preliminary Approval Date, whichever occurs first.

19 4. For purposes of this Settlement, the “Class” or “Class Members” consist of: All individuals who
20 performed work in any non-exempt position for Defendant in California at any time during the Class Period.
21 Defendant’s best estimate is that the Class included approximately 1,185 individuals as of April 15, 2023.

22 5. For purposes of this Settlement, “Class Counsel” means MOON LAW GROUP, PC.

23 6. For purposes of this Settlement, “Class List and Data” means a file containing the following
24 information for each Class Member: (1) name; (2) last known address; (3) last known telephone number;
25 (4) social security number; (5) the respective number of Covered Workweeks that each Settlement Class
26 Member worked during the Class Period; and (6) the respective number of Pay Periods that each PAGA
27 Member worked during the PAGA Period.
28

1 7. For purposes of this Settlement, “Class Representative’s Released Claims” shall have the
2 meaning ascribed to it in Paragraph 62 herein.

3 8. For purposes of this Settlement, “Complaint” means the operative complaint at the time the
4 Court grants Preliminary Approval of this Settlement.

5 9. For purposes of this Settlement, “Court” means the California Superior Court, County of
6 Orange or any Court of competent jurisdiction.

7 10. For purposes of this Settlement, “Covered Workweeks” means the number of weeks a Class
8 Member worked for Defendant in a non-exempt position in California during the Class Period. Covered
9 Workweeks will be calculated based on Defendant’s business records.

10 11. For purposes of the Settlement, “Defendant’s Counsel” means SHOOK, HARDY & BACON
11 LLP.

12 12. For purposes of the Settlement, “Effective Date” means the first business day after all of the
13 following events have occurred: (a) the Settlement Agreement has been executed by all Parties and their
14 respective counsel; (b) the Court has given preliminary approval of the settlement; (c) the Notice has been
15 given to the Class Members; (d) the Court has held a final approval hearing and entered a Final Approval
16 Order and Judgment certifying the Settlement Class and approving the Settlement, and (e) the later of the
17 following events: (i) 65 calendar days following notice of entry of the Court’s Final Approval Order,
18 assuming no appeal or request for review is filed, or (ii) if any appeal, writ or other appellate proceeding
19 opposing this settlement has been filed within 65 calendar days following notice of entry of the Court’s Final
20 Approval Order, then 30 calendar days after when any appeal, writ, or other appellate proceeding opposing
21 the settlement has been resolved finally and conclusively with no right to pursue further remedies or relief.
22 In this regard, it is the intention of the Parties that the Settlement shall not become effective until the Court’s
23 order approving the Settlement is completely final, and there is no further recourse by an appellant or
24 objector who seeks to contest the Settlement.

25 13. For purposes of this Settlement, “Final Approval” refers to the order of the Court granting final
26 approval of this Settlement Agreement that disposes of all issues raised in this Action and entering a
27 Judgment approving this Settlement on substantially the same terms provided herein or as may be modified
28 by subsequent mutual agreement of the Parties or order of the Court.

1 14. For purposes of this Settlement, “Gross Settlement Amount” shall have the meaning ascribed
2 to it in Paragraph 50(b) herein.

3 15. For purposes of this Settlement, “Net Settlement Amount” shall have the meaning ascribed to it
4 in Paragraph 50(f) herein.

5 16. For purposes of this Settlement, “Notice” means the notice of the proposed settlement of class
6 action and PAGA Settlement and setting of a Final Approval hearing that will be sent to the Class Members,
7 as set forth in Paragraph 50(t) herein.

8 17. For purposes of this Settlement, “Objecting Settlement Class Member” means a Settlement
9 Class Member, other than Plaintiff, who submits a valid and timely objection to the terms of this Agreement
10 pursuant to Paragraph 50(y) herein.

11 18. For purposes of this Settlement, “PAGA Allocation” means the amount that the Parties have
12 agreed to pay to the Labor and Workforce Development Agency (“LWDA”) in resolution of the Labor Code
13 Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”) claims asserted in the
14 Action. The Parties have agreed that the PAGA Allocation will be \$399,750.00 of the Gross Settlement
15 Amount.

16 19. For purposes of this Settlement, “PAGA Employee” means all individuals who performed
17 work in any non-exempt position for Defendant in California at any time during the PAGA Period. It is
18 stipulated by the Parties that, for purposes of this Settlement only, all PAGA Employees are “aggrieved
19 employees” as defined pursuant to PAGA.

20 20. For purposes of this Settlement, “PAGA Pay Periods” means the number of pay periods each
21 PAGA Employee worked for Defendant in a non-exempt position in California during the PAGA Period.
22 PAGA Pay Periods will be calculated based on Defendant’s business records.

23 21. For purposes of this Settlement, “PAGA Penalty Payment” means seventy-five percent (75%)
24 of the PAGA Allocation, or \$299,812.50, that will be paid to the LWDA.

25 22. For purposes of this Settlement, “PAGA Period” means the period between May 13, 2021,
26 through August 1, 2023, or the Preliminary Approval Date, whichever occurs first.

27 23. For purposes of this Settlement, “PAGA Representative” or “Class Representative” or
28 “Plaintiff” means Plaintiff Theresa Catherine Porter Brown.

24. For purposes of this Settlement, “PAGA Settlement Payment” means and twenty-five percent (25%) of the PAGA Allocation, or \$99,937.50, that will be included in the Net Settlement Amount for distribution to the PAGA Employees on a *pro rata* basis.

25. For purposes of this Settlement, “Preliminary Approval Date” means the date the Court preliminarily approves the Settlement Agreement, and the exhibits thereto, and enters the Preliminary Approval Order.

26. For purposes of this Settlement, “Preliminary Approval Order” means the judicial Order to be entered by the Court, upon the application or motion of the Plaintiff, preliminarily approving this Settlement and providing for the issuance of the Notice to the Class Members, an opportunity to submit timely Requests for Exclusion from the settlement of the Class Claims, an opportunity to submit timely objections to the terms of this Settlement related to the Class Claims, and setting a hearing on the fairness of the terms of the Settlement, including approval of attorneys’ fees and costs.

27. For purposes of this Settlement, “QSF” means the Qualified Settlement Fund set up by the Settlement Administrator for the benefit of the Settlement Class Members, and from which the settlement payments shall be made, and which is intended to be a fund that qualifies under Internal Revenue Code Section 468.

28. For purposes of this Settlement, “Release” or “Released Claims” means the release and discharge of the Class Claims by Plaintiff and all of the Settlement Class Members and the release and discharge of the PAGA Claims by Plaintiff and all of the PAGA Employees.

29. For purposes of this Settlement, “Released Class Claims” or “Class Claims” means any and all claims, causes of action, demands, damages, or liabilities arising at any time during the Class Period that were pled or which could have been pled based on the factual allegations contained in the Complaint, including claims for: (i) failure to pay minimum wages in violation of Labor Code §§ 204, 1194, 1194.2 and 1197; (ii) failure to pay overtime compensation in violation of Labor Code §§ 1194 and 1198; (iii) failure to provide meal periods in violation of Labor Code §§ 226.7 and 512; (iv) failure to authorize and permit rest breaks in violation of Labor Code § 226.7; (v) failure to indemnify necessary business expenses in violation of Labor Code § 2802; (vi) failure to timely pay final wages at termination in violation of Labor Code §§ 201-203; (vii) failure to provide accurate itemized wage statements in violation of Labor Code § 226; (viii)

1 unfair business practices in violation of Cal. Business & Professions Code § 17200 . The Released Class
2 Claims extend to all theories of relief, whether under California law, federal law, state law or common law
3 (including, without limitation, as alleged violations of the California Labor Code, the IWC Wage Orders,
4 applicable regulations, or California’s Business and Professions Code §§ 17200). The Released Class
5 Claims include all types of relief available for the Released Class Claims, including without limitation any
6 claims for damages, restitution, losses, penalties, fines, liens, attorneys’ fees, costs, expenses, debts, interest,
7 injunctive relief, declaratory relief, or liquidated damages.

8 30. For purposes of this Settlement, “Released Parties” means Defendant, together with each of its
9 past, present, and future parent companies, subsidiaries, affiliated and related companies, successors, and
10 predecessors, as well as their respective past, present, and future owners, officers, directors, employees,
11 managers, agents, principals, representatives, administrators, accountants, auditors, consultants, fiduciaries,
12 insurers and reinsurers, company-sponsored employee benefit plans, and attorneys, both individually and in
13 their official capacities, as well as all persons acting by, through, under, or in concert with any of these
14 persons or entities.

15 31. For purposes of this Settlement, “Released PAGA Claims” or “PAGA Claims” means any and
16 all claims, causes of action, demands, damages, or liabilities arising at any time during the PAGA Period
17 that were pled or which could have been pled based on the factual allegations contained in the Complaint,
18 including claims premised on the alleged Labor Code violations identified in Section 36(c) herein. The
19 Released PAGA Claims include all types of relief available for the Released PAGA Claims, including
20 without limitation any claims for damages, penalties, fines, attorneys’ fees, costs, expenses or interest.

21 32. For purposes of this Settlement, “Response Deadline” means the date forty-five (45) calendar
22 days after the Settlement Administrator initially mails the Notice to Settlement Class Members and the last
23 date on which Settlement Class Members may submit a Request for Exclusion or written objection to the
24 Settlement. In the case of a re-mailed Notice, the Response Deadline will be the later of 45 calendar days
25 after initial mailing or 14 calendar days from re-mailing. The Response Deadline may be extended only as
26 expressly described herein.

27 33. For purposes of this Settlement, “Request for Exclusion” shall have the meaning ascribed to it
28 in Paragraph 50(x) herein.

34. For purposes of this Settlement, “Service Payment” means the amount approved by the Court to be paid to Plaintiff in addition to her individual Settlement Class Payment as a Settlement Class Member and individual PAGA Payment as a PAGA Employee.

35. For purposes of this Settlement, “Settlement Administration Costs” means the actual and direct fees and expenses reasonably incurred by the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating estimated amounts per Class Member, tax reporting, due diligence, reporting and remittance obligations, distributing the Gross Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The Settlement Administration Costs shall be paid from the Gross Settlement Amount.

36. For purposes of this Settlement, “Settlement Class Members” are those Class Members who do not submit timely to the Settlement Administrator Requests for Exclusion from settlement of the Class Claims.

37. For purposes of this Settlement, “Settlement Class Payments” shall have the meaning ascribed to it in Paragraph 50(h) herein.

38. For purposes of this Settlement, “Settlement Payments” means all of the payments to Settlement Class Members (the “Settlement Class Payments”) and all of the payments to PAGA Employees (the “PAGA Settlement Payment”).

STIPULATED BACKGROUND

39. On May 13, 2022, Plaintiff filed the Action alleging the following causes of action: (1) Failure to Pay Minimum and Straight Time Wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197]; (2) Failure to Pay Overtime Compensation [Cal. Lab. Code §§ 1194 and 1198]; (3) Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512]; (4) Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code §§ 226.7]; (5) Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203]; (6) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226]; and (7) Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.]. In the Complaint, Plaintiff seeks to represent all persons that worked for Defendant in California as an hourly-paid, non-exempt employee at any time during the period beginning four years before the filing of the initial complaint and ending when Notice to the Class is sent.

40. On September 7, 2022, Plaintiff filed a First Amended Complaint adding a cause of action for

1 Civil Penalties under the Labor Code Private Attorneys General Act of 2004 [Cal. Lab. Code § 2699, et
2 seq.] (“PAGA”).

3 41. Solely for purposes of settling the Action as set forth in this Agreement, Defendant will stipulate
4 and agree that the Class Members described herein who do not Request Exclusion from the Settlement Class
5 may be conditionally certified as a settlement class and that the PAGA Employees are appropriate for
6 representative treatment for purposes of settlement. This stipulation to certification and representative
7 treatment is in no way an admission that class action certification and/or representative treatment is proper
8 and shall not be admissible in this or in any other action except for the sole purposes of enforcing this
9 Agreement.

10 42. Should, for whatever reason, the Settlement not become effective, the fact that the Parties were
11 willing to stipulate to certification as part of the Settlement shall have no bearing on, and shall not be
12 admissible in connection with, the issue of whether the Class Members and/or the Class Claims should be
13 certified in a non-Settlement context in this Action or in any other lawsuit. Defendant expressly reserves its
14 right to oppose class certification, representative treatment, and the substantive merits of this Action should
15 Final Approval or the Effective Date not occur for any reason.

16 43. Defendant denies any liability or wrongdoing of any kind whatsoever associated with the claims
17 alleged in the Complaint, and Defendant further denies that, for any purpose other than settling this lawsuit,
18 the action is appropriate for class or representative treatment. With respect to Plaintiff’s claims, Defendant
19 contends, among other things, that Plaintiff and the Class Members have been paid proper wages, have been
20 provided compliant meal periods, have been provided compliant rest periods, have been paid timely wages
21 upon separation of employment, and have been provided with accurate itemized wage statements.
22 Defendant contends, among other things, that it has complied at all times with the California Labor Code
23 and the applicable Wage Orders of the Industrial Welfare Commission. Furthermore, with respect to all
24 claims, Defendant contends that it has complied at all times with the California Business and Professions
25 Code.

26 44. Class Counsel has conducted a thorough investigation into the facts of this Action, including an
27 extensive review of relevant documents, and has diligently pursued an investigation of the claims of the
28 Class against Defendant. Based on its own independent investigation and evaluation, Class Counsel is of the

1 opinion that the Settlement with Defendant for the consideration and on the terms set forth in this Joint
2 Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the Class in light of
3 all known facts and circumstances, including the risk of significant delay, the risk the Class will not be
4 certified by the Court, defenses asserted by Defendant, and numerous potential appellate issues. Defendant
5 and Defendant's Counsel also agree that the Settlement is fair and in the best interest of the Class.

6 45. On June 1, 2023, the Parties participated in mediation before Mark Rudy, Esq., a highly
7 experienced class action mediator. After a full-day mediation and subsequent negotiations, the Parties
8 reached a settlement and entered into a Memorandum of Understanding. The Parties agree that the terms
9 and conditions of this Agreement are the result of lengthy, intensive, arms-length negotiations between the
10 Parties supervised by a highly experienced class action mediator. This Agreement represents a compromise
11 and settlement of highly disputed claims, and is intended to settle, compromise and discharge the Released
12 Class Claims and Released PAGA Claims against the Released Parties fully, finally, and forever.

13 46. The Parties agree that neither the Parties' Settlement, this Agreement, nor the acts to be
14 performed or judgments to be entered pursuant to the terms of the Settlement and Agreement, shall be
15 construed as an admission by Defendant or any of the Released Parties of any wrongdoing or violation of
16 any statute or law or liability on the claims or allegations in the Action.

17 47. It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge all
18 disputes and claims arising from or related to the Complaint.

19 48. The Parties agree to cooperate and take all steps necessary and appropriate to obtain preliminary
20 and final approval of this Settlement.

21 49. The Parties agree to stay all proceedings in the Action, except such proceedings necessary to
22 implement and complete the Settlement, pending the final approval hearing to be conducted by the Court.

23 **PRIMARY TERMS OF SETTLEMENT**

24 50. NOW THEREFORE, in consideration of the mutual covenants, promises and agreements set
25 forth herein, the Parties agree, subject to the Court's approval, as follows:

- 26 (a) It is agreed by and among the Class and Defendant that this case and any claims,
27 damages, or causes of action arising out of the disputes which are the subject of this
28 case, be settled and compromised as between the Class and Defendant, subject to the

terms and conditions set forth in this Settlement and the approval of the Court.

(b) Gross Settlement Amount: In consideration for settlement of the Action and the Release described in Paragraph 66 and its subparts herein, Defendant shall be obligated to pay a total payment of \$3,997,500.00 (“Gross Settlement Amount”), subject to the Escalator Clause in Paragraph 50(c) herein. The Gross Settlement Amount is the maximum amount that will be paid by Defendant, and includes Plaintiff’s attorneys’ fees and litigation costs as set forth in Paragraphs 50(n) and 56 and its subparts herein, Plaintiff’s Service Payment as set forth in Paragraph 50(o) herein, the Settlement Administration Costs as set forth in Paragraph 50(q) herein, the PAGA Allocation as set forth in Paragraph 18 herein, and the Settlement Class Payments, as set forth in Paragraph 50(h) herein. In no event shall Defendant be required to pay any amounts above this Gross Settlement Amount under this Settlement, with the limited exception that, as to the portion of the Settlement Class Payments that are allocated as wages, Defendant shall be separately responsible for paying only its share of any applicable payroll taxes, including the employer FICA, FUTA, and SDI contributions, which shall not be paid from the Gross Settlement Amount, as set forth in Paragraph 50(g) herein.

(c) Escalator Clause: Defendant estimates that there are approximately 123,000 workweeks during the Class Period through June 1, 2023. If it is later determined that the total number of workweeks during the Class Period is more than ten percent (10%) greater than 123,000 at the time the Class List and Data is delivered to the Settlement Administrator to prepare the Notice, Defendant shall increase the total Gross Settlement Amount by one percent (1%) for every one percent (1%) increase in workweeks over the ten percent (10%) threshold (the “Escalator Clause”). The Gross Settlement Amount will not be reduced for any reason.

(d) Non-reversionary Settlement: No portion of the Gross Settlement Amount will revert to Defendant. Settlement Class Members who do not timely submit valid requests for exclusion are entitled to 100% of the Net Settlement Amount.

1 Distributions, in the form of Settlement Class Payments to Settlement Class
2 Members, will be made directly to each Settlement Class Member. If there are any
3 timely submitted Requests for Exclusion, the Settlement Administrator shall
4 proportionately increase the individual Settlement Class Payment for each
5 Settlement Class Member so that the amount actually distributed to Settlement Class
6 Members equals 100% of the Net Settlement Amount. The Settlement Administrator
7 shall be responsible for accurately and timely reporting any remittance obligations
8 with respect to unclaimed funds as a result of a Settlement Class Member not cashing
9 a Settlement Class Payment by the check cashing deadline, as set forth in Paragraphs
10 58 and 59 herein.

11 (e) No Claims Required: Settlement Class Members will not be required to submit a
12 claim to receive their Settlement Class Payment, and PAGA Employees will not be
13 required to submit a claim to receive their PAGA Settlement Payment.

14 (f) Net Settlement Amount: The Net Settlement Amount is defined as the Gross
15 Settlement Amount (\$3,997,500.00) less the following sums, subject to approval by
16 the Court: (1) attorney's fees (not to exceed 33 1/3% of the Gross Settlement
17 Amount, or \$1,332,500.00); (2) reasonable litigation costs (not to exceed
18 \$30,000.00); (3) the Service Payment (not to exceed \$5,000.00 to Plaintiff); (4) the
19 PAGA Penalty Payment in the amount of \$299,812.50 (which is 75% of the PAGA
20 Allocation); and (5) Settlement Administration Costs (estimated not to exceed
21 \$15,000). Settlement Payments to the Class Members will be calculated by the
22 Settlement Administrator and paid out of the Net Settlement Amount as set forth in
23 Paragraphs 50(h) and 50(i) herein. In the event that the Court reduces the attorney's
24 fees, litigation costs, Service Payment or Settlement Administration Costs, or either
25 increases or decreases the PAGA Allocation, the Net Settlement Amount shall be
26 increased or decreased accordingly.

27 (g) Payroll Taxes and Required Withholdings: As to that portion of the Settlement Class
28 Members' Settlement Payments that constitute wages, Defendant shall be separately

responsible for only its share of any **employer** payroll taxes required by law, including the employer FICA, FUTA, and SDI contributions, which shall not be paid from the Gross Settlement Amount. Except for any employer payroll taxes, it is understood and agreed that Defendant's maximum total liability under this Settlement shall not exceed the Gross Settlement Amount. The Settlement Administrator shall provide to Defendant an estimate of the employer's share of payroll taxes within ten (10) calendar days of sending out the Notice to the Class. Upon calculation of each Settlement Class Member's share of the Net Settlement Amount, and at least three (3) calendar days after Final Approval (if not sooner), the Settlement Administrator shall advise Defendant of the amount of the employer's share of payroll taxes. Defendant will provide that amount to the Settlement Administrator within fifteen (15) business days of the Effective Date. The Settlement Administrator shall remit the employer payroll taxes due to the appropriate taxing authorities.

(h) Settlement Class Payments (Excludes PAGA Settlement Payment): The Settlement Class Payments will be paid out of the Net Settlement Amount. Each Settlement Class Member will be paid a pro-rata share of the Net Settlement Amount (less the PAGA Settlement Payment), as calculated by the Settlement Administrator using the Class List and Data provided by Defendant. The pro-rata share will be determined by comparing the individual Settlement Class Member's Covered Workweeks employed during the Class Period in California to the total Covered Workweeks of all the Settlement Class Members during the Class Period as follows:

$$[\text{Workweeks worked by a Settlement Class Member}] \div [\text{Sum of all Covered Workweeks worked by all Settlement Class Members}] \times [\text{Net Settlement Amount} - \text{all PAGA Settlement Payments}] = \text{individual Settlement Payment for a Settlement Class Member.}$$

Each Settlement Class Member's share of the Settlement Class Payment will be distributed by the Settlement Administrator by mail to each Settlement Class Member. Un-cashed, unclaimed or abandoned checks, shall be

transmitted to the California Controller's Office, as set forth in Paragraph 59 herein. If there are any timely submitted Requests for Exclusion, the Settlement Administrator shall proportionately increase each Settlement Class Member's share of the Settlement Class Payment so that the amount distributed to Settlement Class Members equals 100% of the Net Settlement Amount.

(i) PAGA Settlement Payment: The PAGA Settlement Payment will be paid out of the Net Settlement Amount. Each PAGA Employee will be paid a pro-rata share of the PAGA Settlement Payment, as calculated by the Settlement Administrator using the Class List and Data provided by Defendant. Class Members are not permitted to exclude themselves from this portion of the Settlement. The pro-rata share will be determined by comparing each PAGA Employee's PAGA Pay Periods during the PAGA Period in California to the total PAGA Pay Periods of all PAGA Employees during the PAGA Period as follows:
$$\frac{[\text{PAGA Pay Periods of a PAGA Employee}]}{[\text{Sum of all PAGA Pay Periods of all PAGA Employees}]} \times [\text{PAGA Settlement Payment}] = \text{individual PAGA Settlement Payment for a PAGA Employee.}$$
 Each PAGA Employee's share of the PAGA Settlement Payment will be distributed by the Settlement Administrator by mail to each PAGA Employee. Un-cashed, unclaimed or abandoned checks, shall be transmitted to the California Controller's Office, as set forth in Paragraph 59 herein.

(j) Allocation of Settlement Payments: The Parties have agreed that Settlement Class Payments will be allocated as follows: 20% in settlement of wage claims subject to all applicable federal, state and local withholdings, and 80% in settlement of civil penalties, interest, and other non-wage claims from which no taxes will be withheld. The PAGA Settlement Payment shares to PAGA Employees will be entirely allocated to civil penalties from which no taxes will be withheld. The Settlement Administrator will issue to each Settlement Class Member an Internal Revenue Service Form W-2 and comparable state forms with respect to the portion allocated to settlement of wage claims, and an Internal Revenue Service Form 1099 with

1 respect to the portion allocated to settlement of claims for civil penalties, interest and
2 other non-wage claims.

3 (k) Tax Liability: Class Counsel, Defendant, and Defendant's Counsel make no
4 representations as to the tax treatment or legal effect of the Settlement Payments
5 called for hereunder, and Plaintiff and the Class Members are not relying on any
6 statement or representation by Class Counsel, Defendant, or Defendant's Counsel in
7 this regard. Plaintiff and Class Members understand and agree that they will be solely
8 responsible for the payment of any taxes and penalties assessed on their respective
9 Settlement Payments described herein. Income tax withholding will also be made
10 pursuant to applicable federal, state, and/or local withholding codes or regulations.
11 Forms W-2 and/or Forms 1099 will be distributed at times and in the manner
12 required by the Internal Revenue Code of 1986 (the "Code") and consistent with this
13 Agreement. If the Code, the regulations promulgated thereunder, or other applicable
14 tax law, are changed after the date of this Agreement, the processes set forth in this
15 Section may be modified in a manner to bring Defendant into compliance with any
16 such changes.

17 (l) CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS AGREEMENT (FOR
18 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND
19 EACH PARTY TO THIS AGREEMENT OTHER THAN THE
20 ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES
21 AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO
22 WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG
23 THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR
24 WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR
25 DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON
26 AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
27 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS
28 AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED

1 EXCLUSIVELY UPON HIS, HER, THEIR, OR ITS OWN, INDEPENDENT
2 LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN
3 CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO
4 THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY
5 OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER
6 PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
7 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER
8 TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE
9 IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY
10 OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION
11 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S
12 OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH
13 LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
14 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX
15 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION
16 CONTEMPLATED BY THIS AGREEMENT.

17 (m) Settlement Class Payments Do Not Give Rise to Additional Benefits: All Settlement
18 Class Payments to individual Settlement Class Members and PAGA Settlement
19 Payments to individual PAGA Employees shall be deemed to be paid to such
20 Settlement Class Members and PAGA Employees solely in the year in which such
21 payments actually are received by the Settlement Class Members and PAGA
22 Employees. It is expressly understood and agreed that the receipt of such Settlement
23 Payments will not entitle any Settlement Class Member or PAGA Employee to
24 additional compensation or benefits under any company bonus, contest or other
25 compensation or benefit plan or agreement in place during the period covered by the
26 Settlement, nor will it entitle any Settlement Class Member or PAGA Employee to
27 any increased retirement, 401(k) benefits or matching benefits or deferred
28 compensation benefits. Defendant will not modify the Settlement Class Members'

1 or PAGA Employees' previously credited hours of service or other eligibility criteria
2 under any employee pension benefit plan or employee welfare plan sponsored by
3 Defendant and/or any of the Released Parties, unless otherwise required by law.
4 Rather, it is the Parties' intention that this Agreement will not affect any rights,
5 contributions, or amounts to which any Class Members or PAGA Employees may
6 be entitled under any benefit plans, and that the Settlement Class Members and
7 PAGA Employees are not entitled to any new or additional compensation or benefits
8 as a result of having received the Settlement Payments (notwithstanding any contrary
9 language or agreement in any benefit or compensation plan document that might
10 have been in effect during the period covered by this Settlement).

11 (n) Attorney's Fees and Costs: In consideration for settlement of the Action and the
12 Release described in Paragraph 66 and its subparts herein, Defendant will not
13 oppose Class Counsel's application to the Court for attorney's fees not to exceed 33
14 1/3% of the Gross Settlement Amount (\$1,332,500.00) and reimbursement of
15 litigation costs and expenses not to exceed \$30,000.00. Any attorneys' fees and
16 litigation costs and expenses awarded by the Court shall be paid from the Gross
17 Settlement Amount, and except for this award, Defendant shall have no further
18 obligation to pay any attorneys' fees, costs or expenses to Plaintiff, any Settlement
19 Class Member, or Class Counsel.

20 (o) Service Payment: In exchange for the general Release described in Paragraph 62
21 herein, Defendant will not oppose Class Counsel's application to the Court for
22 Service Payment of up to \$5,000.00 to Plaintiff for her service as a Class
23 Representative. The amount of any Service Payment will be set by the Court in its
24 discretion, and any Service Payment awarded by the Court shall be paid out of the
25 Gross Settlement Amount. It is understood that the Service Payment is in addition to
26 the Plaintiff's share of the Net Settlement Amount to which Plaintiff is entitled along
27 with the other Class Members and PAGA Employees. Plaintiff shall not request
28 exclusion from or object to the Settlement. The Settlement Administrator shall issue

1 the Service Payment to Plaintiff at the same time it issues the Settlement Payments
2 to the Settlement Class Members and PAGA Employees. The Settlement
3 Administrator (and not Defendant) will issue an IRS Form 1099 to Plaintiff
4 reflecting the Service Payment. Plaintiff will be solely and legally responsible for
5 correctly characterizing this compensation on personal income tax returns for tax
6 purposes and for paying any taxes on the Service Payment. Plaintiff will indemnify
7 and hold Defendant harmless from any claim or liability for taxes, penalties, or
8 interest arising as a result of this Service Payment. In exchange for this Service
9 Payment, Plaintiff hereby agrees to the Release set forth in Paragraph 62 herein,
10 agrees not to publicize the settlement beyond what is required or expressly approved
11 by the Court, agrees to respond to any inquiry regarding the settlement only by
12 referring the inquiry to Class Counsel and saying nothing further, unless otherwise
13 required by law. Should the Court approve a Service Payment in an amount less than
14 \$5,000.00, Plaintiff shall not have the right to revoke this Agreement and the
15 difference between the lesser amount approved by the Court and \$5,000.00 shall be
16 added to the Net Settlement Amount. In the event of any appeal of the amount of
17 the Service Payment (if any) approved by the Court, if, after the exhaustion of any
18 such appellate review, additional amounts not awarded to Plaintiff shall be added to
19 the Net Settlement Amount to be distributed to the Settlement Class Members.

20 (p) PAGA Penalty Payment: The PAGA Penalty Payment shall be paid from the Gross
21 Settlement Amount in satisfaction of Plaintiff's claims for civil penalties under
22 PAGA. The Settlement Administrator will issue the PAGA Penalty Payment to the
23 LWDA at the same time it issues Settlement Payments to the Settlement Class.

24 (q) Settlement Administrator and Settlement Administration Costs: The Settlement
25 Administrator will be ILYM Group, Inc., or such Settlement Administrator as may
26 be mutually agreeable to the Parties and approved by the Court. Settlement
27 Administration Costs will be paid from the Gross Settlement Amount. Settlement
28 Administration Costs are estimated not to exceed \$15,000 for expenses including,

1 but not limited to printing, distributing, and tracking forms for this Settlement,
2 calculating estimated amounts per Class Member, tax reporting, distributing the Net
3 Settlement Amount to Settlement Class Members and PAGA Employees,
4 distributing Court-approved attorneys' fees and litigation costs to Class Counsel,
5 distributing the PAGA Allocation to the LWDA, and providing necessary reports
6 and declarations, and other duties and responsibilities set forth herein to process this
7 Settlement, as requested by the Parties. The costs of the Settlement Administrator
8 for work done shall be paid regardless of the outcome of this Settlement. To the
9 extent that Settlement Administration Costs are ultimately less than the amount of
10 the quote provided by the selected Settlement Administrator, the remainder shall
11 become part of the Net Settlement Amount.

12 (r) Funding of Settlement Account: Within fifteen (15) business days of the Effective
13 Date of the Settlement, Defendant shall make a one-time deposit into the QSF
14 created by the Settlement Administrator the Gross Settlement Amount and
15 Defendant's share of employer payroll taxes as calculated and directed by the
16 Settlement Administrator. Upon Defendant's transfer of the Gross Settlement
17 Amount and its share of employer payroll taxes to the QSF, Defendant, the Released
18 Parties and Defendant's Counsel shall have no further monetary liability or financial
19 responsibility to Class Counsel, Plaintiff, Settlement Class Members, the Settlement
20 Administrator, or any vendors or third parties employed by Plaintiff, Class Counsel,
21 and/or the Settlement Administrator in connection with the Action. Defendant shall
22 not be obligated to make any payments contemplated by this Agreement unless and
23 until the Court enters the Final Approval Order and Final Judgment, and after the
24 Effective Date of the Agreement.

25 (s) Distribution of Gross Settlement Amount: No later than seven (7) business days after
26 deposit of the payment into the QSF, the Settlement Administrator will mail each
27 Settlement Class Member their share of the Settlement Payments, the payment for
28 the attorneys' fees and litigation costs and expenses to Class Counsel, any Service

1 Payment to Plaintiff, the PAGA Penalty Payment to the LWDA, and will pay itself
2 the Settlement Administration Costs.

3 (t) Notice of Settlement: The Settlement Administrator will mail each Class Member
4 will be mailed a notice setting forth the material terms of the proposed Settlement,
5 along with instructions about how to object or request exclusion from the proposed
6 class action Settlement (“Notice”). For each Class Member, the Settlement
7 Administrator will include on the Notice pre-printed information, based on
8 Defendant’s records, stating the Class Member’s Covered Workweeks during the
9 Class Period, any PAGA Pay Periods during the PAGA Period, and the estimated
10 total Settlement Payment under the Settlement, including the Settlement Class
11 Payment and the PAGA Settlement Payment that will be distributed irrespective of
12 any Requests for Exclusion. The pre-printed information based on Defendant’s
13 records shall be presumed to be correct. A Class Member may dispute the pre-printed
14 information on the Notice as to his/her/their Covered Workweeks during the Class
15 Period and/or PAGA Pay Periods during the PAGA Period, as set forth in Paragraph
16 50(w) herein. Class Members must submit any dispute regarding the information on
17 the Notice as to his/her/their Covered Workweeks and/or PAGA Pay Periods within
18 the Response Deadline.

19 (u) Settlement Notice Language: The Notice will issue in English and Spanish.

20 (v) Class Members Cannot Exclude Themselves from the Released PAGA Claims:
21 Class Members submitting a Request for Exclusion will nevertheless receive their
22 pro-rata share of the PAGA Settlement Payment. If the Court approves the
23 compromise of the PAGA Claim, all Class Members are bound by the Court’s
24 resolution of that Claim. Plaintiff shall serve a notice of settlement on the LWDA at
25 or before the time Plaintiff files the motion for preliminary approval.

26 (w) Disputes Regarding Class Data. Class Members may dispute their Covered
27 Workweeks and/or PAGA Pay Periods if they feel they were employed more
28 workweeks in the Class Period and/or PAGA Pay Periods in California than

Defendant's records show by timely submitting evidence to the Settlement Administrator. Each Class Member is responsible for maintaining a copy of any documents sent to the Settlement Administrator and a record of proof of mailing. Defendant's records will be presumed determinative absent reliable evidence to rebut Defendant's records, but the Settlement Administrator will evaluate the evidence submitted by the Class Member and provide the evidence submitted to Class Counsel and Defendant's Counsel who agree to meet and confer in good faith about the evidence to determine the Class Member's actual number of Covered Workweeks and/or PAGA Pay Periods and estimated share of the Net Settlement Amount. If Class Counsel and Defendant's Counsel are unable to agree, they agree to submit the dispute to the Settlement Administrator to render a final decision. Class Members will have until the Response Deadline to dispute Covered Workweeks and/or PAGA Pay Periods. Information or documents submitted after the expiration of the Response Deadline will not be considered by the Settlement Administrator, unless otherwise agreed to by the Parties. In the event that the Settlement Administrator increases the number of Covered Workweeks and/or PAGA Pay Periods for any Class Member, then the Settlement Administrator will recalculate each Settlement Class Member's share of the Net Settlement Amount; accordingly, in no event will Defendant be required to increase the Gross Settlement Amount.

- (x) Right of Class Member to Request Exclusion from the Settlement: Any Class Member, other than Plaintiff, may request to be excluded from settlement of the Class Claims by submitting a "Request for Exclusion" to the Settlement Administrator, postmarked on or before the Response Deadline at the address set forth in the Notice. Requests for Exclusion must: (1) contain the name, address, telephone number, last four digits of the Class Member's Social Security Number, and the signature of the Class Member requesting exclusion; (2) clearly state that the Class Member does not wish to be included in the Settlement; (3) be returned by mail to the Settlement Administrator at the specified address; and, (4) be postmarked

on or before the Response Deadline. The date of the postmark on the return mailing envelope shall be the exclusive means to determine whether a Request for Exclusion has been timely submitted. A Request for Exclusion will be timely only if made in accordance with the terms set forth herein and postmarked by the Response Deadline. The Settlement Administrator shall provide any Requests for Exclusion to Class Counsel and Defendant's Counsel within three (3) days of receipt, and the Settlement Administrator shall attach the same to its declaration of due diligence it files with the Court prior to the final approval hearing. Any Class Member who timely requests exclusion in compliance with these requirements: (i) will not have any rights under this Agreement with respect to the Class Claims, including the right to object, appeal, or comment on the Settlement; (ii) will not be entitled to receive any payments under this Agreement with respect to Class Claims; and (iii) will not be bound by this Agreement, or the Judgment, with respect to the Class Claims. Any Class Member who does not request exclusion from the Settlement, regardless of whether they cash their settlement check, will be bound by all terms of the Settlement, including those pertaining to Released Class Claims, Released Parties, as well as any Judgment that may be entered by the Court if it grants final approval of the Settlement. PAGA Employees will receive their share of the PAGA Settlement Payment and will be deemed to have released the PAGA Released Claims regardless of whether they opt-out from the settlement of Class Claims. PAGA Employees may not opt out or otherwise request exclusion from the settlement of PAGA Claims.

- (y) Right of Settlement Class Member to Object to The Settlement: PAGA Employees may not object to the Settlement with respect to the PAGA Claims. However, any Settlement Class Member, other than Plaintiff, may object to the Settlement with respect to the Class Claims. To object, the Settlement Class Member may (1) appear in person at the Final Approval Hearing to explain any objection, (2) have an attorney object for the Class Member, **or** (3) must submit a simple written brief or

statement of objection to the Settlement Administrator, postmarked on or before the Response Deadline at the address set forth in the Notice. If any Settlement Class Member chooses to submit a written objection, the written objection should contain sufficient information to confirm the identity of the Objecting Settlement Class Member and the basis of the objection, including (1) the full name of the Objecting Settlement Class Member; (2) the signature of the Objecting Settlement Class Member; (3) the grounds for the objection, as well as any documentation or evidence in support thereof; and (4) if the Objecting Settlement Class Member is represented by counsel, the name and address of his/her/their counsel. Any objection must be postmarked within the Response Deadline to permit adequate time for processing and review by the Parties of the written statement or objection. The Settlement Administrator shall provide objections, if any, to Class Counsel and Defendant's Counsel within three (3) days of receipt, and the Settlement Administrator shall attach the same to its declaration of due diligence it files with the Court prior to the final approval hearing. Any Settlement Class Member who files an objection remains eligible to receive his/her/their share of the Settlement Class Payment. If a Class Member timely submits both an objection and a Request for Exclusion, the objection will be considered invalid. Settlement Class Members also have the right to appear at the final approval hearing to state any objection. Regardless of the form, an objection alone will not satisfy the requirement that a Settlement Class Member must either make a timely complaint in intervention before final judgment or by file a motion to set aside and vacate the class judgment under Code of Civil Procedure § 663 to have standing to appeal entry of judgment approving this Settlement, as is required under the California Supreme Court decision of *Hernandez v. Restoration Hardware*, 4 Cal. 5th 260 (2018). Neither Plaintiff nor Defendant shall be responsible for any fees, costs, or expenses incurred by any Class Member and/or his/her/their counsel related to any objections to the Settlement.

(z) Failure to Object. Any Class Member who does not object prior to or at the final

1 approval hearing will be deemed to have waived any objections and will be
2 foreclosed from making any objections (whether at the final approval hearing, by
3 appeal, or otherwise) to the Settlement. If the Objecting Settlement Class Member
4 does not formally intervene in the action or move to set aside any judgment and/or
5 the Court rejects the Objecting Settlement Class Member's objection, the Objecting
6 Settlement Class Member will still be bound by the terms of this Agreement and
7 waives any and all rights to appeal from the Judgment, including all rights to any
8 post-judgment proceeding and appellate proceeding, such as a motion to vacate
9 judgment, motion for new trial, a motion under California Code of Civil Procedure
10 section 473, and extraordinary writs.

11 (aa) Responses to Objections. Class Counsel and Defendant's Counsel may, at least five
12 (5) calendar days (or some other number of days as the Court shall specify) before
13 the final approval hearing, file responses to any written objections submitted to the
14 Court.

15 (bb) Opt-In to Release Under Fair Labor Standards Act: Class Members will be advised
16 that they will opt into a settlement of claims for unpaid compensation under the Fair
17 Labor Standards Act ("FLSA") by cashing, depositing or otherwise negotiating the
18 check for their Settlement Class Payment. This will be set forth in the Notice.

19 **THE SETTLEMENT ADMINISTRATOR'S PRIMARY DUTIES**

20 51. Subject to the Court's approval, and subject to reconsideration by the Parties after a competitive
21 bidding process, the Parties have agreed to the appointment of ILYM Group, Inc. to perform the customary
22 duties of Settlement Administrator, including mailing the Notice in English and Spanish to the Class
23 Members, using standard devices to obtain forwarding addresses, independently reviewing and verifying
24 documentation associated with any Requests for Exclusion and objections, resolving any disputes regarding
25 the calculation or application of the formula for determining each Class Member's Settlement Payment,
26 establishing QSF, drafting and mailing the settlement checks to Settlement Class Members, issuing Forms
27 W-2 and 1099, reporting to taxing authorities, due diligence, reporting and remittance obligations, and
28 performing such other tasks as set forth herein or as the Parties mutually agree or that the Court orders. The

1 Settlement Administrator shall also be responsible for: (a) calculating each Class Member's Settlement
2 Payment and withholding from the same; (b) remitting to applicable government agencies sufficient
3 amounts, if any, as may be owed by Settlement Class Members for applicable employee taxes; (c)
4 calculating the employer's share of payroll taxes due; (d) remitting such payroll taxes to the appropriate
5 taxing authorities; (e) issuing to Plaintiff, Settlement Class Members and Class Counsel any Forms W-2,
6 Forms 1099 and/or other tax forms as may be required by law for all amounts paid pursuant to this
7 Agreement; (f) setting up all necessary tax accounts; (g) preparing and sending all tax notices, and (h)
8 forwarding all payroll taxes, notices, and penalties to the appropriate government authorities.

9 52. The Settlement Administrator will independently review the Covered Workweeks attributed to
10 each Class Member and PAGA Pay Periods attributed to each PAGA Employee, and will calculate the
11 estimated amounts due to each Class Member and each PAGA Employee, as well as the actual amounts due
12 to each Settlement Class Member in accordance with this Settlement. The Settlement Administrator shall
13 report, in summary or narrative form, the substance of its findings.

14 53. Within ten (10) days of the close of the Response Deadline, the Settlement Administrator will
15 provide to Class Counsel and Defendant's counsel a final report identifying all objections and Requests for
16 Exclusion. The Settlement Administrator shall provide counsel for the Parties, at least twenty-five (25)
17 days prior to the final approval hearing, a declaration of due diligence and proof of mailing with regard to
18 the mailing of the Notice.

19 54. Any and all disputes relating to the Settlement Administrator's performance of its duties shall
20 be referred to the Court, if necessary, which will have continuing jurisdiction pursuant to California Code
21 of Civil Procedure § 664.6 over the terms and conditions of this Settlement until all payments and obligations
22 contemplated by this Settlement have been fully carried out. Prior to presenting any issue to the Court,
23 counsel for the Parties will confer in good faith to resolve the dispute without the necessity of Court
24 intervention.

25 55. Without prejudice to any other remedies, the Settlement Administrator shall agree to be
26 responsible for any breach of its obligations (whether committed by the Settlement Administrator or its
27 agents) and to indemnify and hold the Parties and their counsel harmless from and against all liabilities,
28 claims, causes of action, costs and expenses (including legal fees and expenses) arising out of any breach

committed by the Settlement Administrator or its agents.

ATTORNEY'S FEES AND COSTS

56. In consideration for settlement of the Action and the Release described in Paragraph 66 and its subparts herein, Defendant will not object to Class Counsel's application to the Court for attorney's fees not to exceed 33 1/3% of the Gross Settlement Amount (\$1,332,500.00 of \$3,997,500.00) and litigation costs not to exceed \$30,000.00. The amounts set forth above will cover all work performed and all fees and costs incurred to date, and all work to be performed and all fees and costs to be incurred in connection with the approval by the Court of this Settlement and administration of the Settlement.

(a) Class Counsel will submit an application for attorneys' fees and litigation costs to the Court for approval prior to the date of the hearing for final approval of the Settlement. The ultimate amount of any award for attorneys' fees and litigation costs is to be determined by the Court, and Defendant is not agreeing to pay any specific amount(s) other than the amount(s) awarded by the Court. The Settlement Administrator (and not the Defendant) shall issue an IRS Form 1099 to Class Counsel reflecting the awarded attorneys' fees and costs.

(b) Should Class Counsel request a lesser amount and/or the Court approve a lesser amount(s) of attorney's fees and/or litigation costs, the difference between the lesser amount(s) and the maximum amount of \$1,332,500.00 for attorneys' fees and \$30,000.00 for litigation costs shall be added to the Net Settlement Amount. As with the Settlement Payments to the Settlement Class, the attorney's fees and costs approved by the Court shall be paid to Class Counsel, within seven (7) business days after Defendant deposits the Gross Settlement Amount into the QSF.

(c) The Parties agree that, over and above the total amount of the attorneys' fees and litigation costs awarded to Class Counsel by the Court, Plaintiff and Defendant shall each bear her/its own fees and costs incurred by her/it or arising out of this Action; the negotiation, execution, or implementation of this Settlement; and/or the process of obtaining, administering or challenging any Preliminary Approval Order, Final

1 Approval, and/or Judgment. The Parties will not seek reimbursement of any such
2 fees and/or costs from any party to this Agreement or any of the Released Parties.

3 (d) Any order, finding, ruling, holding or proceeding relating to any such applications
4 for attorneys' fees and litigation costs, or any separate appeal from any separate
5 order, finding, ruling, holding, or proceeding relating to them or reversal or
6 modification of them, shall not operate to terminate or cancel this Settlement. The
7 award of an attorneys' fees and costs award in the amounts sought is not a material
8 term of this Agreement and the award of any of these items at less than requested by
9 Class Counsel does not give rise to a basis to abrogate this Agreement.

10 (e) In the event that the Court awards less than 25% of the Gross Settlement Amount
11 for attorney's fees, Class Counsel shall retain the right to appeal that portion of any
12 Final Approval Order and Judgment. While Class Counsel retains the right to appeal
13 any such reductions, such appeal will delay Defendant's obligation to make all
14 payments set forth in this Agreement. If, after the exhaustion of any such appellate
15 review, additional amounts not awarded to as attorneys' fees and litigation costs and
16 expenses shall be added to the Net Settlement Amount to be distributed to Settlement
17 Class Members.

18 (f) All claims for attorneys' fees and costs that Class Counsel, Plaintiff, the Settlement
19 Class Members and the PAGA Employees may possess against Defendant have
20 been compromised and resolved in this Settlement and shall not be affected by any
21 appeal that Class Counsel may file.

22 (g) Class Counsel shall be solely responsible for the division and distribution of any and
23 all Court-approved attorneys' fees and litigation costs between or among Class
24 Counsel and any other attorney representing or claiming to represent Plaintiff, any
25 other Class Member and/or any other PAGA Employee. Class Counsel agrees to
26 release Defendant and the Released Parties from any responsibility for or liability
27 arising out of or related to the division and distribution of any Court-approved
28 attorneys' fees and litigation costs.

THE NOTICE PROCESS

57. A Notice in approximately the form attached hereto as Exhibit “A,” and as approved by the Court, shall be sent by the Settlement Administrator to the Class Members by first class mail. The Notice shall be translated into Spanish so that Spanish and English language versions of the Notice are included in the mailing. Any returned envelopes from this mailing with forwarding addresses will be utilized by the Settlement Administrator to forward the Notices to the Class.

(a) Within twenty-one (21) calendar days from the Preliminary Approval Date, Defendant shall provide to the Settlement Administrator in a readable Microsoft Office Excel spreadsheet the Class List and Data based on Defendant’s payroll and other business records. The Class List and Data provided to the Settlement Administrator will not be provided to Class Counsel and it will remain confidential, it shall be used solely to administer the Settlement, and it will not be used or disclosed to anyone, except as required by applicable tax authorities, pursuant to Defendant’s express written consent, or by order of the Court. The Settlement Administrator will run a check of the Class Members’ addresses against those on file with the U.S. Postal Service’s National Change of Address List; this check will be performed only once per Class Member by the Settlement Administrator.

(b) Within ten (10) calendar days after the Class List and Data is provided to the Settlement Administrator, the Settlement Administrator will mail the Notices to the Class Members by First Class United States mail.

(c) It will be conclusively presumed that if an envelope has not been returned within thirty (30) days of the mailing that the Class Member received the Notice.

(d) Notices returned to the Settlement Administrator as non-deliverable on or before the initial Response Deadline shall be resent to the forwarding address, if any, on the returned envelope. A returned Notice will be forwarded by the Settlement Administrator any time that a forwarding address is provided with the returned mail. If there is no forwarding address, the Settlement Administrator will do a computer search for a new address using the Class Member’s social security number or other

1 information. In any instance where a Notice is re-mailed, that Class Member will
2 have until the extended Response Deadline as described in Paragraph 32 herein. A
3 letter prepared by the Settlement Administrator will be included in the re-mailed
4 Notice in that instance, stating the extended Response Deadline. Upon completion
5 of these steps by the Settlement Administrator, Defendant and the Settlement
6 Administrator shall be deemed to have satisfied their obligations to provide the
7 Notice to the affected Class Member. The affected Class Member shall remain a
8 member of the Settlement Class and shall be bound by all the terms of the Settlement
9 and the Court's Order and Final Judgment.

- 10 (e) Class Counsel shall provide to the Court, a declaration by the Settlement
11 Administrator of due diligence, number of exclusions, objections, disputes, and
12 confirming mailing of the Notices attached with the motion for final approval.

13 **DISPOSITION OF SETTLEMENT PAYMENTS AND UNCASHED CHECKS**

14 58. Upon receipt of Gross Settlement Amount from Defendant, the Settlement Administrator will
15 issue and send out the Settlement Payment checks to the Class Members as provided herein. Settlement
16 Class Payments and PAGA Payments may be combined into one check. Settlement Payment checks shall
17 remain valid and negotiable for 180 calendar days from the date of their issuance. Settlement Payment
18 checks will automatically be cancelled by the Settlement Administrator if they are not cashed, deposited or
19 otherwise negotiated by the Class Member within that time. Settlement Payment checks which have expired
20 will not be reissued. In the event that any settlement check is returned to the Settlement Administrator within
21 180 days of mailing, the Settlement Administrator will, within five (5) business days of receipt of the
22 returned settlement check, perform a skip trace to locate the individual. If a new address is located by these
23 means, the Administrator will have ten (10) business days to re-issue the check. The Settlement
24 Administrator shall provide notice to Class Counsel and Defendant's Counsel of any settlement checks
25 remaining un-cashed for more than 180 calendar days. Neither Defendant, Defendant's Counsel, Class
26 Counsel, Plaintiff, nor the Settlement Administrator will have any liability for lost or stolen settlement
27 checks, forged signatures on settlement checks, or unauthorized negotiation of settlement checks. Without
28 limiting the foregoing, in the event a Settlement Class Member notifies the Settlement Administrator that

1 he/she/they believe that a settlement check has been lost or stolen, the Settlement Administrator shall
2 immediately stop payment on such check. If the check in question has not been negotiated prior to the stop
3 payment order, the Settlement Administrator will issue a replacement check.

4 59. Funds from un-cashed or abandoned Settlement Payment checks, based on a 180-day void date,
5 shall be transmitted to the California State Controller's Office pursuant to California's Unclaimed Property
6 Law in the name of each Class Member who failed to cash their Settlement Payment, which would permit
7 any such Class Members to claim their checks at a later date.

8 60. Upon completion of its calculation of Settlement Payments, the Settlement Administrator shall
9 provide Class Counsel and Defendant's Counsel with a report listing the amounts of all payments to be made
10 to Class Members (to be identified anonymously by employee number or other identifier). A declaration
11 attesting to completion of all payment obligations will be provided to Class Counsel and Defendant's
12 Counsel and filed with the Court by Class Counsel.

13 61. No person shall have any claim against Defendant, Defendant's Counsel, Plaintiff, Class
14 Counsel, or the Settlement Administrator based on mailings, distributions, payments, or reports made in
15 accordance with or pursuant to this Agreement. This provision does not, however, prevent a Party from
16 seeking enforcement of this Agreement.

17 **RELEASE BY CLASS REPRESENTATIVE**

18 62. In addition to Class Representative's release of the Released Class Claims and Released PAGA
19 Claims, as discussed in Paragraph 66 and its subparts herein, Class Representative does hereby, for herself
20 and for her respective spouses, domestic partners, marital community, children, estates, trusts, attorneys,
21 heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators,
22 guardians, assigns, and representatives, forever completely release and discharge the Released Parties from
23 any and all charges, complaints, claims, liabilities, obligations, promises, agreements, contracts,
24 controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses
25 (including for back wages, statutory penalties, civil penalties, liquidated damages, exemplary damages,
26 interest, attorneys' fees, and costs) of any nature whatsoever, from the beginning of time through the
27 execution of this Agreement, whether known or unknown, suspected or unsuspected, concealed or hidden,
28 including but not limited to all claims arising out of, based upon, or relating to Class Representative's

1 employment with Defendant or the remuneration for or termination of such employment (collectively, the
2 “Class Representative’s Released Claims”).

3 63. Class Representative expressly waives and relinquishes all rights and benefits afforded by
4 Section 1542 of the Civil Code of the State of California and do so understanding and acknowledging the
5 significance of the waiver of Section 1542. Section 1542 of the Civil Code of the State of California states:

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

11 64. Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and
12 complete release and discharge of all parties, Class Representative, and Class Counsel expressly
13 acknowledge that this Settlement Agreement is intended to include in its effect, without limitation, all claims
14 that Class Representative knew of, as well as all claims that she does not know or suspect to exist in her
15 favor against the Released Parties, or any of them, for the time period from the beginning of time to the
16 execution of this Settlement Agreement, and that this Settlement Agreement contemplates the
17 extinguishment of any such Class Representative’s Released Claims.

18 65. Notwithstanding anything in this Agreement to the contrary, nothing contained herein shall
19 constitute a waiver or release by Class Representative of any claim for workers’ compensation benefits or
20 any other claim which cannot be legally waived. Class Representative hereby agrees not to bring or
21 participate in any class or collective action against Defendant or any Released Party that asserts, in whole or
22 in part, any claims that arose before she signed this Agreement, whether or not such claims (if brought by
23 her individually) are released by this Agreement. Nothing in this Agreement prohibits Class Representative
24 from reporting possible violations of federal or state law or regulation to the government, including but not
25 limited to the EEOC, Department of Justice, Securities and Exchange Commission, Congress, and any
26 agency inspector general, or filing a charge with or participating in an investigation or proceeding conducted
27 by the EEOC or a comparable state or local agency (collectively, any such activity shall be referred to as a
28 “Government Report”). However, by signing this Agreement, Class Representative understands and agrees

that she is waiving the right to receive any award of monetary or other benefits or any other legal or equitable relief whatsoever, including but not limited to payment for attorneys' fees, costs or disbursements, resulting from any such proceeding by Class Representative, anyone else on her behalf, or otherwise, unless this Agreement is invalidated. Class Representative agrees to waive such personal relief even if it is sought on her behalf by an agency, a governmental authority, or a person claiming to represent her and/or any member of a class.

RELEASE BY THE CLASS

66. The Parties agree that it is their intent that the terms set forth in this Agreement will release any further attempt, by lawsuit, administrative claim or action, arbitration, demand, or other action of any kind by each and all of the Settlement Class Members (including participation to any extent in any class or collective action), to obtain a recovery arising out of each and all of the claims, causes of action, demands, damages, penalties, and/or liabilities arising at any time during the Class Period that were pled or which could have been pled based on the factual allegations contained in the Complaint, as set forth in more detail in subparts (a) through (d) of this Paragraph 66 herein. Upon the Effective Date of this Settlement, and except as to such rights or claims as may be created by this Settlement, the Class Representative, the Class and each Class Member who has not submitted a valid and timely Request for Exclusion as to Class Claims other than the PAGA Claims, will release claims as follows:

- (a) Release of Released Class Claims. Upon the Effective Date of this Settlement, Plaintiff and each Settlement Class Member, for themselves and for their respective spouses, domestic partners, marital community, children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, assigns, and representatives, will forever completely release and discharge the Released Parties from the Released Class Claims. Each Settlement Class Member will be deemed to have made this Release as if by manually signing it. The Notice will advise all Settlement Class Members of the binding nature of this Release and such Notice shall have the same force and effect as if the Agreement were executed by each Settlement Class Member. This Agreement may be pleaded by any Released Party as a full and complete defense to

1 and may be used as the basis for an injunction against, any action, suit, or other
2 proceeding that has been or may be instituted, prosecuted, or attempted, asserting
3 any Released Class Claim.

4 (b) Release of Released PAGA Claims. Upon the Effective Date of this Settlement,
5 Plaintiff, the LWDA, and each PAGA Employee, for themselves and for their
6 respective spouses, domestic partners, marital community, children, estates, trusts,
7 attorneys, heirs, successors, beneficiaries, devisees, legatees, executors,
8 administrators, trustees, conservators, guardians, assigns, and representatives, will
9 forever completely release and discharge the Released Parties from the Released
10 PAGA Claims. Each PAGA Employee and the LWDA will be deemed to have made
11 this Release as if by manually signing it, whether they timely submit a Request for
12 Exclusion from the Settlement Class or not. The Notice will advise all PAGA
13 Employees of the binding nature of this Release and such Notice shall have the same
14 force and effect as if the Agreement were executed by each PAGA Employee. This
15 Agreement may be pleaded by any Released Party as a full and complete defense to
16 and may be used as the basis for an injunction against, any action, suit, or other
17 proceeding that has been or may be instituted, prosecuted, or attempted, asserting
18 any Released PAGA Claim.

19 (c) Binding Effect on Settlement Class Members. Except for those Class Members who
20 timely submit a Request for Exclusion as set forth in Paragraph 50(x) herein, all
21 Class Members will: (i) be deemed to be Settlement Class Members for all purposes
22 under this Agreement; (ii) will be bound by the terms and conditions of this
23 Agreement, the Judgment, and the Release set forth herein, regardless of whether
24 they cash, deposit or negotiate their settlement checks within the 180-day period;
25 and (iii) except as otherwise provided herein, will be deemed to have waived all
26 objections and oppositions to the fairness, reasonableness, and adequacy of the
27 Settlement.

28 (d) Binding Effect on PAGA Employees and the LWDA. The PAGA Released Claims

are released by Class Representative in her representative capacity as authorized proxy and agent for the State of California and the LWDA and as a private attorney general “aggrieved employee” acting on behalf of herself and all PAGA Employees. The Release of PAGA Released Claims will therefore be binding upon all PAGA Employees, regardless of whether they cash, deposit, or negotiate their settlement checks within the 180-day period.

EMPLOYMENT BY DEFENDANT

67. Employment of Plaintiff by Defendant is not consideration for, or a condition of, this Settlement.

DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

68. The Parties shall submit this Agreement to the Court in support of Plaintiff’s unopposed motion for preliminary approval for determination by the Court as to its fairness, adequacy, and reasonableness. Upon execution of this Agreement, Plaintiff shall apply to the Court for the entry of an order:

- (a) Scheduling a final approval and fairness hearing on the question of whether the proposed Settlement, including payment of attorney’s fees and costs, and the Class Representative’s Service Payment, should be finally approved as fair, reasonable, and adequate as to the members of the Class;
- (b) Certifying a Class for purposes of the Settlement only;
- (c) Approving as to form and content the proposed Notice;
- (d) Directing the mailing of the Notice;
- (e) Preliminarily approving the Settlement subject only to the objections of Class Members and final review by the Court;
- (f) Conditionally appointing Plaintiff and Class Counsel as representatives of the proposed Class Members; and,
- (g) Appointing ILYM Group, Inc. as the Settlement Administrator, and order the Settlement Administrator to issue Notices as outlined above.

69. Defendant shall not oppose Plaintiff’s motions for preliminary approval and final approval of the Settlement so long as the motions and supporting papers are consistent with the terms of the Settlement Agreement. Class Counsel shall provide Defendant with five (5) days to review, and provide comments to

the motions for preliminary and final approval and proposed orders before they are filed with the Court.

70. In accordance with section 2699(l)(2) of the California Labor Code, Plaintiff shall provide a copy of this Settlement Agreement to the LWDA on or before the date Plaintiff files her motion for preliminary approval of this Settlement with the Court.

71. In the event the Court declines, on its first hearing, to approve this Agreement because the PAGA Allocation is not adequate, then the Parties shall cooperate in good faith to reallocate the total settlement proceeds, within the Gross Settlement Amount, to try to achieve Final Approval of the Agreement upon any subsequent Court hearings.

DUTIES OF THE PARTIES FOLLOWING FINAL COURT APPROVAL

72. In conjunction with the hearing of a motion for final approval by the Court of the Settlement provided for in this Joint Stipulation of Settlement, Class Counsel will provide to Defendant's Counsel for review and approval and then submit to the Court a proposed final order and judgment containing provisions sufficient to accomplish the following:

- (a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;
- (b) Approving Class Counsel's application to the Court for an award of attorney's fees and costs;
- (c) Approving the Service Payment to the Class Representative;
- (d) Adjudging the Settlement Administrator has fulfilled its initial notice and reporting duties under the Settlement.
- (e) Adjudging Plaintiff and Class Counsel may adequately represent the Final Settlement Class for the purpose of entering into and implementing the Agreement;
- (f) Entering a final judgment in the action, thereby permanently barring all Settlement Class Members from prosecuting any Released Class Claims against any of the Released Parties and permanently barring all PAGA Employees and the LWDA from prosecuting any Released PAGA Claims against any of the Released Parties;
- (g) Adjudging that notwithstanding the submission of any timely Requests for Exclusion, Class Members are still bound by the Settlement and Release of the

Released PAGA Claims or remedies under the Judgment pursuant to *Arias v. Superior Court*, 46 Cal. 4th 969 (2009), as requests to be excluded from the Settlement do not apply to the Released PAGA Claims, and further affirms that the State's claims for civil penalties pursuant to PAGA are also extinguished;

(h) Directing the mailing of the final judgment directly to the Settlement Class Members along with their payments.

Any revised final judgments will also be provided to Defendant's Counsel for review and approval before they are submitted to the Court.

73. In accordance with section 2699(l)(3) of the California Labor Code, Plaintiff shall provide to the LWDA a copy of the Final Approval Order and Judgment entered by the Court in this action within ten (10) days after entry of the Final Approval Order and Judgment.

NULLIFICATION AND TERMINATION

74. This Settlement will be null and void if any of the following occur: (a) the Court should for any reason fail to certify a class for settlement purposes; (b) the Court should for any reason fail to preliminarily or finally approve of this Settlement in the form agreed to by the Parties, other than adjustments made to the attorney's fees and costs or granting of Service Payments; (c) the Court should for any reason fail to enter the final judgment; (d) the final judgment is reversed, modified, or declared or rendered void; or (e) the Effective Date does not occur for any reason.

75. At Defendant's sole discretion, it shall have the right to withdraw from or rescind the Settlement Agreement at any time prior to Final Approval if: (a) 5% or more of all Class Members submit valid and timely Requests for Exclusion, provided that Defendant exercises this right of rescission, in writing, to Plaintiff's counsel within fifteen (15) calendar days after Response Deadline and the Settlement Administrator notifies the Parties of the total number of Requests for Exclusion; (b) the Settlement is construed by the Court in such a fashion that Defendant would be required to pay more than the Gross Settlement Amount; (c) the Court does not approve the Settlement; (d) the Court does not certify the Settlement Class, does not certify a class releasing the claims set forth herein, or otherwise makes an order inconsistent with any of the terms of the Settlement Agreement; (e) Plaintiff or Class Counsel breach any term in the Settlement Agreement, or (f) the LWDA or any other state or governmental agency seeks to

1 intervene or commences an enforcement action. If this option is exercised by Defendant, Defendant shall
2 be solely responsible for the costs incurred by the Settlement Administrator for the settlement administration.

3 76. The Parties enter into this Agreement on a conditional basis. If the Court does not enter the Final
4 Approval Order and Judgment or the Effective Date does not occur, this Agreement shall be deemed null
5 and void *ab initio*, and shall be of no force or effect whatsoever, the Parties shall be returned to their
6 respective positions as if no settlement had been contemplated, and no party may use the fact that the Parties
7 agreed to settle, or the terms provided herein as an admission, as evidence, or for any other purpose,
8 including, without limitation, to prove any liability or the amount of any sum allegedly owed by any party.

9 77. In the event this Settlement is nullified or terminated as provided above: (i) this Settlement shall
10 be considered null and void, (ii) neither this Settlement nor any of the related negotiations or proceedings
11 shall have any force or effect and no party shall be bound by any of its terms, and (iii) all Parties to this
12 Settlement shall stand in the same position, without prejudice, as if the Settlement had been neither entered
13 into nor filed with the Court. Plaintiff and Class Counsel agree that Defendant retains and reserves all rights
14 to challenge all causes of action alleged in the Action upon all procedural and factual grounds, as well as
15 asserting any and all other potential defenses and/or privileges.

16 78. If the Settlement is voided or fails for any reason, Plaintiff and Defendant will have no further
17 obligations under the Settlement, including any obligation by Defendant to pay the Gross Settlement
18 Amount, or any amounts that otherwise would have been owed under this Settlement.

19 79. If the Settlement is voided or fails for any reason, any costs incurred by the Settlement
20 Administrator shall be borne equally by Defendant and Plaintiff, unless otherwise specified in this
21 Agreement.

22 **PARTIES' AUTHORITY AND WAIVER**

23 80. The signatories hereto hereby represent that they are fully authorized to enter into this Settlement
24 and bind the Parties hereto to the terms and conditions thereof.

25 81. The waiver by one Party of any breach of this Agreement by another Party shall not be deemed
26 a waiver of any other prior or subsequent breach of this Agreement.

27 **WAIVER OF APPEALS**

28 82. The Parties agree to waive appeals and to stipulate to class certification for purposes of

1 implementing this Settlement only, with the exception that Class Counsel retains the right to appeal the
2 amount awarded as attorney's fees in the event that the Court awards less than twenty-five percent of the
3 Gross Settlement Amount as attorney's fees. Subject to the Preliminary Approval Order and Final Approval,
4 Plaintiff and all Class Members, except those Class Members who timely and properly intervene or file a
5 motion to vacate the Judgment, expressly waive the right to appeal.

6 **NO ADMISSION OF LIABILITY**

7 83. Nothing contained herein, nor the consummation of this Settlement, is to be construed or deemed
8 an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant. Defendant denies
9 each and all of the claims and contentions alleged by the Plaintiff in the Action. The Defendant has entered
10 into this Settlement solely with the intention to avoid further disputes and litigation with the attendant
11 inconvenience and expenses.

12 84. Whether or not the Court grants Final Approval, nothing contained herein, nor the
13 consummation of this Agreement, is to be construed or deemed an admission of liability, culpability,
14 negligence, or wrongdoing whatsoever on the part of Defendant or any of the other Released Parties. This
15 Settlement Agreement is a settlement document, and it, along with all related documents such as the notices,
16 and motions for preliminary and final approval, shall, pursuant to California Evidence Code section 1152
17 and/or Federal Rule of Evidence 408, be inadmissible in evidence in any proceeding, except an action or
18 proceeding to approve the Settlement, and/or interpret or enforce this Settlement Agreement. The stipulation
19 for class certification as part of this Settlement Agreement is for settlement purposes only and if, for any
20 reason the Settlement is not approved, the stipulation will be of no force or effect.

21 **MUTUAL FULL COOPERATION**

22 85. The Parties agree to fully cooperate with each other to promote participation in the Settlement
23 and accomplish the terms of this Settlement including, but not limited to, execution of such documents and
24 taking such other action as reasonably may be necessary to implement the terms of this Settlement. The
25 Parties and their counsel agree: (a) not to take any action to solicit or encourage any Class Members to opt
26 out of and/or object to the Settlement, and (b) not to discourage any Class Members from cashing, depositing
27 or otherwise negotiating their Settlement Payment checks. The Parties will fully support this Agreement's
28 approval and enforcement and will defend the Agreement from any legal challenge.

1 86. The Parties to this Settlement shall use their best efforts, including all efforts contemplated by
2 this Settlement and any other efforts that may become necessary by order of the Court, or otherwise, to
3 effectuate this Settlement and the terms set forth herein. As soon as practicable after execution of this
4 Settlement, Class Counsel shall, with the assistance and cooperation of Defendant and Defendant's Counsel,
5 take all necessary steps to secure the Court's preliminary and final approval of this Settlement.

6 87. The Parties and their counsel agree to use their best efforts to coordinate and stay the case
7 captioned *Daniel Goodrich v. Acrisure of California, LLC*, Case No. 23CV00470, pending in the Superior
8 Court of the State of California ("the *Goodrich Lawsuit*"). For settlement purposes only, Plaintiff shall file
9 at Defendant's request and pursuant to a joint stipulation signed by the Parties prior to or at the time of the
10 filing of the motion for preliminary approval, a Second Amended Complaint to include all legal theories
11 asserted in the *Goodrich Lawsuit*. The Second Amended Complaint shall be deemed the operative
12 Complaint for purposes of defining the scope of the Released Class Claims and PAGA Released Claims,
13 and for all other purposes.

14 **NO PRIOR ASSIGNMENTS**

15 88. The Parties and their respective counsel represent, covenant, and warrant that they have not
16 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any
17 person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released
18 and discharged.

19 **ENFORCEMENT ACTIONS**

20 89. In the event that one or more of the Parties to this Settlement institutes any legal action or other
21 proceeding against any other party or parties to enforce the provisions of this Settlement or to declare rights
22 and/or obligations under this Settlement, the successful party or parties shall be entitled to recover from the
23 unsuccessful party or parties reasonable attorney's fees and costs, including expert witness fees incurred in
24 connection with any enforcement actions.

25 **NOTICES**

26 90. Unless otherwise specifically provided herein, all notices, demands or other communications
27 given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day
28 after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

Class Counsel:

MOON & YANG, APC
Kane Moon (SBN 249834)
Allen Feghali (SBN 301080)
Hyunjin Kim (SBN 345518)
1055 W. Seventh St., Suite 1880
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125

Counsel for Defendant:

SHOOK, HARDY & BACON LLP
Marc. P. Miles (SBN 197741)
Laura M. Booth (SBN 179857)
5 Park Plaza, Suite 1600
Irvine, California 92614
Telephone: (949) 475-1500
Facsimile: (949) 475-0016

CONSTRUCTION

91. The Parties hereto agree that the terms and conditions of this Settlement are the result of lengthy, intensive arms-length negotiations between the Parties, and this Settlement shall not be construed in favor of or against any party by reason of the extent to which any party or his, her or its counsel participated in the drafting of this Settlement. Plaintiff and Defendant expressly waive the common-law and statutory rule of construction that ambiguities should be construed against the drafter of an agreement and further agree, covenant, and represent that the language in all parts of this Agreement shall be in all cases construed as a whole, according to its fair meaning.

CAPTIONS AND INTERPRETATIONS

92. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement or any provision hereof. Each term of this Settlement is contractual and not merely a recital.

MODIFICATION

93. This Settlement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

INTEGRATION CLAUSE

94. This Settlement contains the entire agreement between the Parties relating to the Settlement and transaction contemplated hereby, 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 hereunder may be waived except in writing.

1 **NO KNOWLEDGE OF RELATED CASES**

2 95. Other than the *Goodrich* lawsuit, neither the Parties nor their counsel are aware of any potentially
3 related cases, or cases with partially or completely overlapping class definitions.

4 **BINDING ON ASSIGNS**

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

7 **CLASS COUNSEL SIGNATORIES**

8 97. It is agreed that because the members of the Class are so numerous, it is impossible or impractical
9 to have each member of the Class execute this Settlement. The Notice will advise all Class Members of the
10 binding nature of the Released Class Claims and Released PAGA Claims, and the release shall have the
11 same force and effect as if this Settlement were executed by each member of the Class.

12 **COUNTERPARTS**

13 98. This Settlement may be executed in counterparts and by electronic or facsimile signatures, and
14 when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed
15 an original, and, when taken together with other signed counterparts, shall constitute one Settlement, which
16 shall be binding upon and effective as to all Parties. Electronic signatures shall have the same force and
17 effect as an original.

18 **CONFIDENTIALITY & PUBLIC COMMENT**

19 99. Neither Plaintiff nor her counsel shall issue any press release or announcement of any kind
20 related in any way to the Settlement. Plaintiff and her counsel further agree that, prior to filing the motion
21 for preliminary approval of the Settlement, they will keep the terms of this Settlement confidential. From
22 and after the filing of the motion for preliminary approval of the Settlement, Plaintiff and her counsel may:
23 (1) as required by law; (2) as required under the terms of the Settlement, or (3) as required under counsel's
24 duties and responsibilities as Class Counsel, comment regarding the specific terms of the Settlement. In all
25 other cases, Plaintiff and her counsel agree to limit their statements regarding the terms of the Settlement,
26 whether oral, written or electronic (including the world wide web), to say the Action has been resolved and
27 that Plaintiff and her counsel are satisfied with the Settlement terms. Nothing in this Paragraph 60 is intended
28 to interfere with Plaintiff's counsel's duties and obligations to faithfully discharge their duties as Class

Counsel, including but not limited to, communicating with the Settlement Class Members regarding the Settlement.

FINAL JUDGMENT

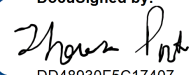
100. The Parties agree that, upon final approval of the Settlement, final judgment of this Action will be made and entered in its entirety. The final judgment may be included in the Order granting Final Approval of the Settlement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Representative Settlement Agreement and Release of Claims between Plaintiff and Defendant as set forth below:

IT IS SO STIPULATED.

Plaintiff & Class Representative:

Dated: 8/21/2023

DocuSigned by:

 By: DD48930F5C17407
 THERESA CATHERINE PORTER BROWN

Plaintiff's Counsel:

Dated: MOON & YANG, APC

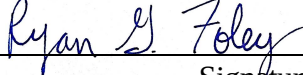
By: _____
 Kane Moon
 Allen Feghali
 Hyunjin Kim

Defendant:

Dated: 9/8/2023

ACRISURE OF CALIFORNIA, LLC

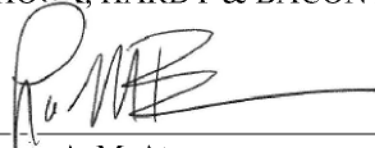
By: Ryan G. Foley, Executive Vice President
 Name/Title


 Signature

Defendant's Counsel:

1 Dated: 9/8/2023

SHOOK, HARDY & BACON LLP

2
3 By: 

4 Carrie A. McAtee

Marc P. Miles

Laura M. Booth