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15 SUPERIOR COURT OF THE STATE OF CALIFORNIA
16 FOR THE COUNTY OF LOS ANGELES – CENTRAL CIVIL WEST

17 SANDER GARZO, an individual, on behalf
18 of himself and all others similarly situated,

19 Plaintiff,

20 vs.

21 METRO SERVICES GROUP, a
California limited liability company; and
22 DOES 1 through 50, inclusive,

23 Defendants.
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27
28

Case No.: BC618119

CLASS ACTION

[Assigned for all purposes to the Honorable
Ann I. Jones, Dept. 308]

**STIPULATION OF CLASS ACTION
SETTLEMENT**

Action Filed: April 22, 2016
Trial Date: None Set

1 IT IS HEREBY STIPULATED, by and between Plaintiff Sander Garzo ("Plaintiff"),
2 individually and on behalf of all others similarly situated, on the one hand, and Defendants
3 Metro Services Group, Metro Services South, Inc., Metro Maintenance, Inc., Metro Express of
4 Northern California, Inc., Pro Forma Business Services, LLC, and Leeding Edge Consulting
5 Services, LLC d/b/a Leading Edge Consulting Services, LLC ("Defendants") (hereafter Plaintiff
6 and Defendants together will be referred to as the "Parties"), on the other hand, and subject to
7 the approval of the Court, that the Action is hereby compromised and settled pursuant to the
8 terms and conditions set forth in this Stipulation and that the Court shall make and enter
9 judgment, subject to the continuing jurisdiction of the Court as set forth below, and subject to
10 the definitions, recitals, and terms set forth herein which by this reference become an integral
11 part of this Stipulation.

12 DEFINITIONS

13 1. "Action" means the putative class and representative action entitled, *Sander*
14 *Garzo v. Metro Services Group, et al.*, Los Angeles Superior Court Case No. BC618119.

15 2. "Class Counsel" means Matern Law Group, PC.

16 3. "Class Counsel Award" means reasonable attorneys' fees for Class Counsel's
17 litigation and resolution of this Action, and Class Counsel's expenses and costs reasonably
18 incurred in connection with this Action.

19 4. "Class Information" means information regarding Class Members that
20 Defendants shall in good faith compile from their records and shall be authorized by the Court
21 to transmit in a secured manner to the Settlement Administrator and which the Settlement
22 Administrator shall agree in writing to maintain in a secure manner. Class Information shall be
23 transmitted in electronic form and shall include: each Class Member's full name; last known
24 address; Social Security or Tax Payer ID number; and Individual Workweeks Worked.

25 5. "Class Members" means all persons employed by Defendants in the State of
26 California at any time during the Class Period as a non-exempt employee.

27 6. "Class Notice" means the Notice of Class Action Settlement, substantially in the
28 form attached as **Exhibit 1**, which shall be subject to Court approval and which the Settlement

1 Administrator shall mail to each Class Member explaining the terms of this Stipulation and the
2 Settlement.

3 7. "Class Period" means the period from April 22, 2012 through March 20, 2017.

4 8. "Class Representative Service Award" means the amount that the Court
5 authorizes to be paid to Plaintiff, in addition to Plaintiff's Individual Settlement Payments, in
6 recognition of Plaintiff's effort and risk in assisting with the prosecution of the Action, and in
7 recognition of Plaintiff's release of all claims pursuant to California Civil Code Section 1542.

8 9. "Court" means the Superior Court of California for the County of Los Angeles.

9 10. "Defendants" mean defendants Metro Services Group, Metro Services South,
10 Inc., Metro Maintenance, Inc., Metro Express of Northern California, Inc., Pro Forma Business
11 Services, LLC, and Leeding Edge Consulting Services, LLC d/b/a Leading Edge Consulting
12 Services, LLC.

13 11. "Defense Counsel" means Dennis C. Huie and Sharon Ongerth Rossi of Rogers
14 Joseph O'Donnell, PC.

15 12. "Effective Date" means the latter of: (a) if there are no objections to the
16 Settlement, the date upon which the Final Order and Judgment is entered by the Court; (b) if
17 there are objections to the Settlement, and if an appeal, review or writ is not sought from the
18 Final Order and Judgment, the sixty-first (61st) day after the date upon which the Final Order
19 and Judgment is entered; or (c) if an appeal, review or writ is sought from the Final Order and
20 Judgment, the date upon which all appellate and/or other proceedings resulting from the appeal,
21 review or writ have been finally terminated in such a manner as to permit the Final Order and
22 Judgment to take effect in substantially the form described herein.

23 13. "Final Approval Hearing" means the hearing to be conducted by the Court after
24 the filing by Plaintiff of an appropriate motion and following appropriate notice to Class
25 Members, giving Class Members an opportunity to request exclusion from the Class and
26 Settlement and to object to the Settlement, at which time Plaintiff shall request that the Court
27 finally approve the fairness, reasonableness and adequacy of the terms and conditions of the
28 Settlement, enter the Final Order and Judgment, and take other appropriate action.

1 14. “Final Order and Judgment” means the order and judgment to be entered by the
2 Court upon granting final approval of the Settlement and this Stipulation as binding upon the
3 Parties and Participating Class Members.

4 15. “Individual Workweeks Worked” means the total number of workweeks worked
5 by each respective Participating Class Member as a non-exempt employee of Defendants in the
6 State of California during the Class Period.

7 16. “Individual Settlement Payment” means the amount payable from the Net
8 Settlement Amount to each Participating Class Member.

9 17. “Information Sheet” means the form that shall be prepared by the Settlement
10 Administrator and sent to each Class Member that sets forth the Individual Workweeks Worked
11 and the estimated Individual Settlement Payment for the Class Member, substantially in the
12 form attached as **Exhibit 2**.

13 18. “LWDA” means the California Labor and Workforce Development Agency.

14 19. “Maximum Settlement Amount” means the maximum amount Defendants shall
15 have to pay in connection with this Settlement, by way of a common fund, which shall include,
16 but not limited to, all Individual Settlement Payments to Participating Class Members, Class
17 Counsel Award, Settlement Administration Costs, Class Representative Service Awards, and
18 PAGA payments to Participating Class Members and the LWDA. Subject to Court approval
19 and the terms of this Stipulation, the Maximum Settlement Amount Defendants shall be
20 required to pay is Three Hundred Seventy Five Thousand Dollars (\$375,000.00).

21 20. “Net Settlement Amount” means the Maximum Settlement Amount, less the
22 Class Counsel Award, the PAGA payment to the LWDA, the Settlement Administration Costs,
23 Employee and Employer share of payroll taxes, and the Class Representative Service Awards.

24 21. “Notice Packet” means the packet of documents which shall be mailed to all
25 Class Members by the Settlement Administrator, including the Class Notice, Request for
26 Exclusion, and Information Sheet.

27 22. “PAGA” means the Labor Code Private Attorneys General Act of 2004,
28 California Labor Code sections 2698, et seq.

1 23. “Participating Class Members” means Plaintiff and all other Class Members who
2 do not submit a valid and timely Request for Exclusion.

3 24. “Parties” means Plaintiff and Defendants.

4 25. “Plaintiff” means Plaintiff Sander Garzo, on behalf of himself and all others
5 similarly situated.

6 26. “Preliminary Approval Order” means the order to be issued by the Court
7 approving and authorizing the mailing of the Notice Packet by the Settlement Administrator,
8 setting the date of the Final Approval Hearing and granting preliminary approval of the
9 Settlement set forth in this Stipulation, among other things.

10 27. “Request for Exclusion” means the form which shall be sent by the Settlement
11 Administrator to each Class Member and by which Class Members shall elect, if at all, to be
12 excluded from the Action and Settlement, substantially in the form attached as **Exhibit 3**.

13 28. “Released Claims” *with respect to the Participating Class Members (other than*
14 *Plaintiff)* means any and all claims, demands, rights, liabilities, and/or causes of action that were
15 pleaded or could have been pleaded against Defendants or any of the Released Parties based
16 upon the factual allegations set forth in the Complaint filed in this Action and arising at any time
17 during the Class Period;

18 29. “Released Claims” *with respect to Plaintiff* only means any and all claims,
19 demands, rights, liabilities, and/or causes, of any form whatsoever, arising under federal, state or
20 local wage-and-hour laws, rules, or regulations, whether known or unknown, unforeseen,
21 unanticipated, unsuspected or latent, that have been or could have been asserted by Plaintiff, or
22 the heirs, successors and/or assigns of Plaintiff, whether directly, indirectly, representatively,
23 derivatively or in any other capacity, against Defendants or any of the other Released Parties,
24 arising at any time prior to the entry of the Final Order and Judgment.

25 Plaintiff expressly waives all rights and benefits under the terms of section 1542 of the
26 California Civil Code. Section 1542 reads as follows:
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28

1 “A general release does not extend to claims which the creditor does not know or suspect
2 to exist in his or her favor at the time of executing the release, which if known by him or
3 her must have materially affected his or her settlement with the debtor.”

4 Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and
5 complete release and discharge of all of their Released Claims, Plaintiff expressly acknowledges
6 that this Settlement is intended to include in its effect, without limitation, all Released Claims
7 which Plaintiff do not know or suspect to exist in their favor at the time of execution hereof, and
8 that the Settlement contemplates the extinguishment of all such Released Claims.

9 30. “Released Parties” means all Defendants named in the amended complaint, their
10 parent, subsidiary, affiliated and related companies and entities, including all of its/their
11 officers, directors, employees, partners, and agents.

12 31. “Response Deadline” means the date forty-five (45) days after the Settlement
13 Administrator mails the Notice Packets to Class Members and the last date on which Class
14 Members may submit a Request for Exclusion or objection to the Settlement.

15 32. “Settlement” means the final and complete disposition of the Action pursuant to
16 this Stipulation.

17 33. “Settlement Administration Costs” means the reasonable costs and fees of
18 administration of this Settlement to be paid to the Settlement Administrator from the Maximum
19 Settlement Amount, including, but not limited to: (i) translating, printing and mailing and re-
20 mailing (if necessary) of Notice Packets to Class Members; (ii) preparing and submitting to
21 Participating Class Members and government entities all appropriate tax filings and forms; (iii)
22 computing the amount of and distributing Individual Settlement Payments, Class Representative
23 Service Awards and Class Counsel Award; (iv) processing and validating Requests for
24 Exclusion; (v) establishing a Qualified Settlement Fund, as defined by the Internal Revenue
25 Code; and (vi) calculating and remitting to the appropriate government agencies all employer
26 and employee payroll tax obligations arising from the Settlement and preparing and submitting
27 filings required by law in connection with the payments required by the Settlement.

28 34. “Settlement Administrator” means Simpluris, Inc.

35. "Total Workweeks Worked" means the total number of workweeks worked by all Participating Class Members collectively as non-exempt employees of Defendants in the State of California during the Class Period.

RECITALS

36. Procedural History. On April 22, 2016 Plaintiff Sander Garzo filed a complaint in the Superior Court of the State of California, County of Los Angeles, entitled "*Sander Garzo, an individual, on behalf of himself and all others similarly situated v. Metro Services Group; and Does 1 through 100*," Case No. BC618119. The complaint asserted ten causes of action against Defendants, for: (1) Failure to Provide Required Meal Periods; (2) Failure to Provide Required Rest Periods; (3) Failure to Provide Overtime Wages; (4) Failure to Pay Minimum Wage; (5) Failure to Pay All Wages Due to Discharged and Quitting Employees; (6) Failure to Maintain Required Records; (7) Failure to Furnish Accurate Itemized Statements; (8) Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of Duties; (9) Unfair and Unlawful Business Practices; and (10) Penalties under the Labor Code Private Attorneys General Act.

37. On January 18, 2017, the Parties participated in a private mediation with Jeff Krivis, Esq., an experienced and respected mediator. At the mediation, the Parties discussed at length the burdens and risks of continuing with the litigation as well as the merits of the claims and defenses. At the conclusion of the mediation, with the assistance of Mr. Krivis, the Parties entered into a Memorandum of Understanding as to the settlement of all of the asserted claims at issue in this matter.

38. On February 21, 2017, Plaintiff amended his pleading to add Defendants Metro Services South, Inc., Metro Maintenance, Inc., Metro Express of Northern California, Inc., Pro Forma Business Services, LLC, and Leeding Edge Consulting Services, LLC d/b/a Leading Edge Consulting Services, LLC as Doe Defendants numbers 1-5.

39. Benefits of Settlement to Plaintiff and the Class Members. Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to litigate Plaintiff's disputes in the Action through trial and through any possible appeals. Plaintiff also

1 has taken into account the uncertainty and risks of the outcome of further litigation, and the
2 difficulties and delays inherent in such litigation. Plaintiff and Class Counsel are also aware of
3 the burdens of proof necessary to establish liability for the claims asserted in the Action, both
4 generally and in response to Defendants' defenses thereto, and the difficulties in establishing
5 damages, penalties, restitution and other relief sought in the Action. Plaintiff and Class Counsel
6 also have taken into account Defendants' agreement to enter into a settlement that confers
7 substantial benefits upon the Class Members. Based on the foregoing, Plaintiff and Class
8 Counsel have determined that the Settlement set forth in this Stipulation is fair, adequate, and
9 reasonable, and is in the best interests of all Class Members.

10 40. Defendants' Reasons for Settlement. Defendants have concluded that any further
11 defense of the Action would be protracted and expensive for all Parties. Substantial amounts of
12 Defendants' time, energy, and resources have been, and unless this Settlement is completed,
13 shall continue to be, devoted to the defense of the claims asserted by Plaintiff. Defendants also
14 have taken into account the risks of further litigation in reaching their decision to enter into this
15 Settlement. Even though Defendants continue to contend that they are not liable for any of the
16 claims alleged by Plaintiff in the Action, Defendants have agreed, nonetheless, to settle in the
17 manner and upon the terms set forth in this Stipulation and to put to rest the claims alleged in
18 this Action. This Stipulation is a compromise of disputed claims. Nothing contained in this
19 Stipulation, no documents referred to herein, and no action taken to carry out this Stipulation,
20 shall be construed or used as an admission by or against Defendants as to the merits or lack
21 thereof of the claims asserted in the Action.

22 TERMS OF SETTLEMENT

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

25 41. Binding Settlement. This Settlement shall bind Plaintiff and all other
26 Participating Class Members, Defendants, Class Counsel and Defense Counsel, subject to the
27 terms and conditions hereof and the Court's approval.
28

1 42. Tax Liability. The Parties make no representations as to the tax treatment or
2 legal effect of the payments specified herein, and Class Members are not relying on any
3 statement or representation by the Parties, Class Counsel or Defense Counsel in this regard.
4 Participating Class Members and Class Counsel understand and agree that they shall be
5 responsible for the payment of all taxes and penalties assessed on the payments specified herein,
6 and shall hold the Parties, Class Counsel and Defense Counsel free and harmless from and
7 against any claims resulting from treatment of such payments as non-taxable, including the
8 treatment of such payments as not subject to withholding or deduction for payroll and
9 employment taxes.

10 43. Circular 230 Disclaimer. The Parties acknowledge and agree that (1) no
11 provision of this Stipulation, and no written communication or disclosure between or among the
12 Parties, Class Counsel or Defense Counsel and other advisers, is or was intended to be, nor shall
13 any such communication or disclosure constitute or be construed or be relied upon as, tax advice
14 within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
15 amended); (2) the acknowledging party (a) has relied exclusively upon his, her, or its own,
16 independent legal and tax counsel for advice (including tax advice) in connection with this
17 Stipulation, (b) has not entered into this Stipulation based upon the recommendation of any
18 other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any
19 communication or disclosure by any attorney or advisor to any other party to avoid any tax
20 penalty that may be imposed on the acknowledging party; and (3) no attorney or advisor to any
21 other party has imposed any limitation that protects the confidentiality of any such attorney's or
22 adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure
23 by the acknowledging party of the tax treatment or tax structure of any transaction, including
24 any transaction contemplated by this Stipulation.

25 44. Preliminary Approval of Settlement. Within sixty (60) days of the full execution
26 of this Stipulation, Plaintiff shall move the Court to enter the Preliminary Approval Order,
27 thereby conditionally certifying the Class for settlement purposes only and setting a Final
28 Approval Hearing date. The Parties agree to work diligently and cooperatively to have this

1 Settlement presented to the Court for preliminary approval. The Preliminary Approval Order
2 shall provide for, among other things, the Notice Packet to be sent to Class Members as
3 specified herein. The Parties agree that the conditional certification of the Class for settlement
4 purposes only is in no way an admission by Defendants in the Action or in any other proceeding
5 that class certification is proper. Defendants do not waive, and instead expressly reserve, their
6 right to challenge the propriety of class certification for any purpose should this Settlement not
7 be given final approval by the Court or should the Effective Date not occur for any reason.
8 Should, for whatever reason, the Settlement not become Final, the Parties' stipulation to
9 conditional class certification shall become null and void ab initio and shall have no bearing on,
10 and shall not be admissible in connection with, the issue of whether or not certification would be
11 appropriate in a non-settlement context. In connection with the proposed certification of the
12 Class, the Parties shall cooperate and present to the Court for its consideration competent
13 evidence, as may be requested by the Court, under the applicable due process requirements and
14 standards for class certification.

15 45. Release by Plaintiff and Other Participating Class Members: Upon the Effective
16 Date, Plaintiff and all other Participating Class Members shall be deemed to have released their
17 respective Released Claims.

18 46. No Re-Employment of Plaintiff. Plaintiff agrees not to seek or reapply for
19 employment with Defendant and/or Releasees any time in the future. In the event Plaintiff
20 seeks or applies for employment with Defendants and/or any Releasee, they shall have no
21 obligation to consider Plaintiff's application and shall have no obligation to accept Plaintiffs for
22 employment, but instead, this Settlement will provide good cause to deny any Plaintiff's request
23 for employment or if hired, good cause for termination.

24 47. Settlement Administration.

25 a. Within fifteen (15) days of entry of the Preliminary Approval Order,
26 Defendants shall provide the Settlement Administrator with the Class Information for purposes
27 of mailing the Notice Packets to Class Members.
28

1 i. Notice by First Class U.S. Mail. Upon receipt of the Class
2 Information, the Settlement Administrator shall perform a search based on the National Change
3 of Address Database maintained by the United States Postal Service to update and correct any
4 known or identifiable address changes. Within fifteen (15) days after receiving the Class
5 Information from Defendants as provided herein, the Settlement Administrator shall mail copies
6 of the Notice Packet to all Class Members via regular First Class U.S. Mail. The Settlement
7 Administrator shall exercise its best judgment to determine the current mailing address for each
8 Class Member. The address identified by the Settlement Administrator as the current mailing
9 address shall be presumed to be the most current mailing address for each Class Member. The
10 Parties agree that this procedure for notice provides the best practical notice to Class Members
11 and fully complies with due process.

12 ii. Undeliverable Notice Packets. Any Notice Packet returned to the
13 Settlement Administrator as non-delivered on or before the Response Deadline shall be re-
14 mailed to the forwarding address affixed thereto. If no forwarding address is provided, the
15 Settlement Administrator shall promptly attempt to determine a correct address by the use of
16 skip-tracing, or other type of automated search, using the name, address and/or Social Security
17 number of the Class Member involved, and shall then perform a re-mailing to the Class Member
18 whose Notice Packet was returned as non-delivered, assuming another mailing address is
19 identified by the Settlement Administrator. Class Members who are sent a re-mailed Notice
20 Packet shall have their Response Deadline extended by fifteen (15) days from the date the
21 Settlement Administrator re-mails the Notice Packet. There shall be no obligation to re-mail a
22 notice packet more than one time. If these procedures are followed, notice to Class Members
23 shall be deemed to have been fully satisfied, and if the intended recipient of the Notice Packet
24 does not receive the Notice Packet, the intended recipient shall nevertheless remain a Class
25 Member and shall be bound by all terms of the Settlement and the Order and Final Judgment.

26 iii. Determination of Individual Settlement Payments. The
27 Settlement Administrator shall determine the eligibility for, and the amounts of, each Individual
28 Settlement Payment under the terms of this Stipulation. The Settlement Administrator's

1 determination of the eligibility for and amount of each Individual Settlement Payment shall be
2 binding upon the Class Member and the Parties, yet subject to review by Class Counsel,
3 Defense Counsel and the Court. In the absence of fraud or gross negligence, Defendants'
4 records shall be given the presumption of accuracy.

5 iv. Disputes Regarding Administration of Settlement. Any dispute
6 not resolved by the Settlement Administrator concerning the administration of the Settlement
7 shall be resolved by the Court. Prior to any such involvement of the Court, counsel for the
8 Parties shall confer in good faith and make use of the services of mediator Jeff Krivis, Esq., if
9 necessary, to resolve the dispute without the necessity of involving the Court.

10 b. Exclusions. The Class Notice shall explain that Class Members who wish
11 to exclude themselves from the Class and Settlement must submit a Request for Exclusion to the
12 Settlement Administrator by the Response Deadline. The Request for Exclusion: (1) must
13 contain the name, address, telephone number of the person requesting exclusion; (2) must be
14 signed by the Class Member; and (3) must be postmarked by the Response Deadline and
15 returned to the Settlement Administrator at the specified address. Subject to review by Class
16 Counsel, Defense Counsel and the Court, the date of the postmark on the return mailing
17 envelope on the Request for Exclusion shall be the exclusive means used by the Settlement
18 Administrator to determine whether a Class Member has timely requested exclusion from the
19 Class and Settlement. Any Class Member who timely and properly requests to be excluded
20 from the Class and Settlement shall not be entitled to any benefits under the Settlement and shall
21 not be bound by the terms of the Settlement nor shall the Class Member have any right to object
22 to the Settlement or appeal from the entry of the Final Order and Judgment. Class Members
23 who do not submit a valid and timely Request for Exclusion on or before the Response Deadline
24 shall be bound by all terms of the Settlement and the Final Order and Judgment entered in this
25 Action if the Settlement is finally approved by the Court. No later than ten (10) days after the
26 Response Deadline, the Settlement Administrator shall provide counsel for the Parties with a
27 complete list of all Class Members who submitted a timely and valid Request for Exclusion.
28 Defendants, at their sole discretion, shall then have the right, but not the obligation, to revoke

1 the Settlement if ten (10) percent or more of the Class Members timely exclude themselves.
2 Defendants shall exercise their revocation rights, if at all, within fourteen (14) days of the
3 Response Deadline by providing written notice to Class Counsel.

4 c. Defendants' Option to Terminate Settlement. Defendants shall have the
5 right, but not the obligation, to cancel and void this Settlement if the number of Class Members
6 who submit a Request for Exclusion is greater than ten percent (10%) of the Class Members.
7 Defendants must exercise this right, if at all, within ten (10) calendar days after receipt of the
8 Settlement Administrator's report regarding Requests for Exclusion. In this event, the
9 Settlement shall be considered void *ab initio* and shall be of no force or effect whatsoever, and
10 shall not be referred to or utilized for any purpose whatsoever. If Defendants exercise this opt-
11 out right, Defendants shall be solely responsible for all the Settlement Administrator's costs
12 incurred in the administration of the Settlement.

13 d. Objections. The Class Notice shall state that Class Members who wish to
14 object to the Settlement shall submit to the Settlement Administrator a written brief or statement
15 of objection ("Notice of Objection") by the Response Deadline. The Notice of Objection must
16 (1) state the full name of the Class Member; (2) be signed by the Class Member; (3) state the
17 grounds for the objection; and (4) must be postmarked by the Response Deadline and returned
18 to the Settlement Administrator at the specified address. Subject to review by Class Counsel,
19 Defense Counsel and the Court, the date of the postmark on the return mailing envelope on the
20 Notice of Objection shall be the exclusive means used by the Settlement Administrator to
21 determine whether a Class Member has timely objected to the Settlement. Class Members who
22 fail to timely make objections in the manner specified herein shall be deemed to have waived
23 any objections and shall be foreclosed from making any objections (whether by appeal or
24 otherwise) to the Settlement. At no time shall any of the Parties, Class Counsel or Defense
25 Counsel seek to solicit or otherwise encourage or discourage Class Members to file and serve a
26 Notice of Objection or appeal from the Final Order and Judgment.

27 e. Monitoring and Reviewing Settlement Administration. The Parties have
28 the right to monitor and review the administration of the Settlement to verify that the monies

1 allocated under the Settlement are distributed in a correct amount, as provided for in this
2 Stipulation.

3 f. Best Efforts. The Parties agree to use their best efforts to carry out the
4 terms of this Settlement.

5 48. Funding and Allocation of Maximum Settlement Amount. Class Members shall
6 not be required to submit a claim in order to receive a share of the Net Settlement Amount, and
7 no portion of the Maximum Settlement Amount shall revert to Defendants or result in an unpaid
8 residue. No later than sixty (60) days after the Final Approval Order, Defendants shall provide
9 to the Settlement Administrator in any feasible manner, including, but not limited to, by way of
10 a wire transfer, \$125,000.00. No later than nine (9) months thereafter, Defendants shall provide
11 to the Settlement Administrator in any feasible manner, including, but not limited to, by way of
12 a wire transfer, a second installment of \$125,000.00. No later than nine (7) months thereafter,
13 Defendants shall provide to the Settlement Administrator in any feasible manner, including, but
14 not limited to, by way of a wire transfer, a third installment of \$125,000.00. No distribution
15 shall be made until Defendants have fully funded the Maximum Settlement Amount. In no
16 event shall there be any distribution from the Maximum Settlement Amount until after the
17 Effective Date and all conditions precedent specified in this Stipulation have been completely
18 satisfied. If this Settlement is not finally approved by the Court in full, or is terminated,
19 rescinded, canceled or fails to become effective for any reason, or if the Effective Date does not
20 occur, then no Maximum Settlement Amount shall be paid.

21 a. Individual Settlement Payments. Individual Settlement Payments shall be
22 paid by the Settlement Administrator from the Net Settlement Amount and shall be paid
23 pursuant to the formula set forth herein. Individual Settlement Payments shall be mailed by the
24 Settlement Administrator by regular First Class U.S. Mail to each Participating Class Member's
25 last known mailing address within fifteen (15) days after Defendants provide the Settlement
26 Administrator with the Maximum Settlement Amount, or after the appeal period runs (if no
27 appeal is filed), or all appeals are resolved or denied, whichever is later. Individual Settlement
28 Payments shall be allocated as follows: twenty percent (20%) as wages subject to all applicable

1 tax withholdings and the remaining eighty percent (80%) as penalties, expenses and interest.

2 The Settlement Administrator shall issue an IRS Form W-2 to each Participating Class Member
3 for the portion of the Individual Settlement Payment allocated as wages and subject to all
4 applicable tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to
5 each Participating Class Member for the portion of the Individual Settlement Payment allocated
6 as non-wage penalties and interest and not subject to payroll tax withholdings.

7 i. Each Participating Class Member's Individual Settlement
8 Payment shall be calculated solely by the Settlement Administrator according to the following
9 formula: Defendants shall provide the Settlement Administrator with the Individual Workweeks
10 Worked for each Participating Class Member; the Settlement Administrator shall then (1) divide
11 the Individual Workweeks Worked by the Total Workweeks Worked, and (2) multiply the result
12 in (1) by the Net Settlement Amount. The Individual Settlement Payment will be reduced by
13 any required legal deductions for each Participating Class Member.

14 ii. Individual Settlement Payments shall be made by check and shall
15 be made payable to each Participating Class Member as set forth in this Stipulation.

16 iii. If an Individual Settlement Payment check remains uncashed by a
17 Participating Class Member after ninety (90) days from mailing, the check shall be deemed
18 void. The Settlement Administrator shall distribute any uncashed funds on a pro rata basis,
19 according to the formula set forth in Section 48(a)(i) of this Agreement, to the Participating
20 Class Members who did cash the first Individual Settlement Payment check sent to them. The
21 payment of the reapportioned funds to Participating Class Members who cashed their Individual
22 Settlement Payments shall be referred to as the "Reapportioned Settlement Payments." The
23 Settlement Administrator shall mail the Reapportioned Settlement Payments within ten (10)
24 days after the expiration of the ninety (90) day period for cashing the Individual Settlement
25 Payments. The Reapportioned Settlement Payments shall be treated exclusively as payment for
26 penalties and interest and will not be subject to payroll tax withholdings. The Settlement
27 Administrator shall issue an IRS Form 1099 to each Participating Class Member who is issued a
28 Reapportioned Settlement Payment. All checks for Reapportioned Settlement Payments paid to

1 Participating Class Members shall advise that the checks will remain valid and negotiable for
2 ninety (90) days from the date of the checks' issuance.

3 iv. If a Reapportioned Settlement Payment check remains uncashed
4 after ninety (90) days from issuance, the Settlement Administrator shall pay over the amount
5 represented by the check, without the need to include interest, to the California Department of
6 Industrial Relations Unpaid Wage Fund with the identity of the Participating Class Member to
7 whom the funds belong. In such event, the Participating Class Member shall nevertheless
8 remain bound by the Settlement.

9 b. Individual Settlement Payments Do Not Trigger Employment
10 Relationship or Additional Benefits. All monies received by Participating Class Members under
11 the Settlement which are attributable to wages shall constitute income to such Participating
12 Class Members solely in the year in which such monies actually are received by the
13 Participating Class Members. It is expressly understood and agreed that the receipt of
14 Individual Settlement Payments shall not entitle any Participating Class Member to additional
15 compensation or benefits under any collective bargaining agreement or under any bonus, contest
16 or other compensation or benefit plan or agreement in place during the period covered by the
17 Settlement, nor shall it entitle any Participating Class Member to any increased pension and/or
18 retirement, or other deferred compensation benefits. It is the intent of the Parties that Individual
19 Settlement Payments provided for in this Stipulation are the sole payments to be made by
20 Defendants to Participating Class Members in connection with this Settlement, with the
21 exception of Plaintiff, and that the Participating Class Members are not entitled to any new or
22 additional compensation or benefits as a result of having received the Individual Settlement
23 Payments (notwithstanding any contrary language or agreement in any collective bargaining
24 agreement or in any benefit or compensation plan document that might have been in effect
25 during the period covered by this Settlement). Furthermore, the receipt of Individual Settlement
26 Payments by Participating Class Members shall not, and does not, by itself establish any
27 general, special, or joint employment relationship between and among the Participating Class
28 Member(s) and Defendants.

1 c. Class Representative Service Award. Subject to Court approval, Plaintiff
2 Sander Garzo shall be paid a Class Representative Service Award not to exceed Eight Thousand
3 Dollars (\$8,000.00), or any lesser amount as awarded by the Court, for his time and effort in
4 bringing and presenting the Action and for releasing his Released Claims. Defendants shall file
5 a statement of non-opposition to Plaintiff's request for a Class Representative Service Award
6 not to exceed Eight Thousand Dollars (\$8,000.00) and agrees not to oppose or object to this
7 request. The Class Representative Service Award shall be paid to Plaintiff from the Maximum
8 Settlement Amount no later than fifteen (15) days after Defendants provide the Settlement
9 Administrator with the Maximum Settlement Amount. The Settlement Administrator shall issue
10 an IRS Form 1099 to Plaintiff for his Class Representative Service Award. Plaintiff shall be
11 solely and legally responsible to pay any and all applicable taxes on the Class Representative
12 Service Award and shall hold harmless Defendants, Class Counsel and Defense Counsel from
13 any claim or liability for taxes, penalties, or interest arising as a result of payment of the Class
14 Representative Service Award. The Class Representative Service Award shall be made in
15 addition to Plaintiff's Individual Settlement Payment. Any amount requested by Plaintiff for the
16 Class Representative Service Award and not awarded by the Court shall become part of the Net
17 Settlement Amount and shall be distributed to Participating Class Members as part of their
18 Individual Settlement Payments. Approval of the Settlement shall not be contingent upon
19 approval of the Class Representative Service Award.

20 d. Class Counsel Award. Subject to Court approval, Class Counsel shall be
21 entitled to receive reasonable attorneys' fees in an amount not to exceed thirty three and one-
22 third percent (33 and 1/3%) of the Maximum Settlement Amount, which amounts to One
23 Hundred Twenty-Five Thousand Dollars (\$125,000.00). In addition, subject to Court approval,
24 Class Counsel shall be entitled to an award of reasonable costs associated with Class Counsel's
25 prosecution of the Action, which shall not exceed actual costs. Class Counsel shall provide the
26 Settlement Administrator with a properly completed and signed IRS Form W-9 in order for the
27 Settlement Administrator to process the Class Counsel Award approved by the Court.
28 Defendants shall file a statement of non-opposition to Plaintiff's request for an award of

1 attorneys' fees not to exceed One Hundred Twenty-Five Thousand Dollars (\$125,000.00) and
2 request for an award of actual costs, and agrees not to oppose or object to such requests. In the
3 event the Court awards Class Counsel less than One Hundred Twenty-Five Thousand Dollars
4 (\$125,000.00) in attorneys' fees and/or less than costs, the difference shall become part of the
5 Net Settlement Amount and shall be distributed to Participating Class Members as part of their
6 Individual Settlement Payments. Class Counsel shall be paid any Court-approved attorneys'
7 fees and costs no later than fifteen (15) days after Defendants provide the Settlement
8 Administrator with the Maximum Settlement Amount. Class Counsel shall be solely and legally
9 responsible to pay all applicable taxes on the Class Counsel Award. The Settlement
10 Administrator shall issue an IRS Form 1099 to Class Counsel for the Class Counsel Award.
11 This Settlement is not conditioned upon the Court awarding Class Counsel any particular
12 amount of attorneys' fees or costs.

13 e. Settlement Administration Costs. The Settlement Administrator shall be
14 paid from the Maximum Settlement Amount for the Settlement Administration Costs, which are
15 estimated not to exceed Twenty-One Thousand Five Hundred Dollars (\$21,500.00). Prior to
16 Plaintiff filing a motion for final approval of this Settlement, the Settlement Administrator shall
17 provide the Parties with a statement detailing the Settlement Administration Costs to date. The
18 Parties agree to cooperate in the Settlement administration process and to make all reasonable
19 efforts to control and minimize Settlement Administration Costs.

20 i. The Parties each represent they do not have any financial interest
21 in the Settlement Administrator or otherwise have a relationship with the Settlement
22 Administrator that could create a conflict of interest.

23 ii. The Settlement Administrator shall keep the Parties timely
24 apprised of the performance of all Settlement Administrator responsibilities required by the
25 Settlement. The Settlement Administrator shall be authorized to establish a Qualified
26 Settlement Fund ("QSF") pursuant to IRS rules and regulations in which the Maximum
27 Settlement Amount shall be placed and from which payments required by the Settlement shall
28 be made.

1 iii. The Settlement Administrator shall be entitled to withdraw from
2 the QSF its Settlement Administration Costs no earlier than fifteen (15) days after Defendants
3 provides the Settlement Administrator with the Maximum Settlement Amount.

4 f. Payment to the LWDA. Ten Thousand Dollars (\$10,000.00) from the
5 Maximum Settlement Amount shall be allocated to penalties under PAGA, of which Seven
6 Thousand Five Hundred Dollars (\$7,500.00) shall be paid by the Settlement Administrator
7 directly to the LWDA. The remaining Two Thousand Five Hundred Dollars (\$2,500.00) shall
8 be part of the Net Settlement Amount and shall be distributed to Participating Class Members as
9 part of their Individual Settlement Payments.

10 49. Final Settlement Approval Hearing and Entry of Final Order and Judgment.
11 Upon expiration of the Response Deadline, a Final Approval Hearing shall be conducted to
12 determine whether to grant final approval of the Settlement, including determining the amounts
13 properly payable for: (i) the Class Counsel Award; (ii) the Class Representative Service Award;
14 and (iii) the payment to the LWDA. Prior to the Final Approval Hearing, the Settlement
15 Administrator shall provide a written report or declaration to the Parties describing the process
16 and results of the administration of the Settlement to date, which report or declaration shall be
17 filed by Plaintiff with the Court prior to the Final Approval Hearing. If the Court grants final
18 approval of the Settlement, the Settlement Administrator shall post notice of final judgment on
19 its website within seven (7) calendar days of entry of the Final Order and Judgment.

20 50. Nullification of Settlement. In the event: (i) the Court does not grant final
21 approval the Settlement; (ii) the Court does not enter the Final Order and Judgment; or (iii) the
22 Settlement does not become final for any other reason, this Stipulation shall be rendered null
23 and void, any order or judgment entered by the Court in furtherance of this Settlement shall be
24 treated as void from the beginning and this Stipulation and any documents related to it shall not
25 be used by any Class Member or Class Counsel to support any claim or request for class
26 certification in the Action, and shall not be admissible in evidence or otherwise used in any
27 other civil, criminal or administrative action against Defendants or any of the other Released
28 Parties. If Defendants elects to revoke the Settlement, as specified in paragraph 47(b), the

1 Parties and any monies required to be paid under this Settlement shall be returned to their
2 respective statuses as of the date and time immediately prior to the execution of this Stipulation,
3 and the Parties shall proceed in all respects as if this Stipulation had not been executed, except
4 that any Settlement Administration Costs already incurred by the Settlement Administrator shall
5 be paid to the Settlement Administrator by Defendants. In the event an appeal is filed from the
6 Court's Final Order and Judgment, or any other appellate review is sought, administration of the
7 Settlement shall be stayed pending final resolution of the appeal or other appellate review. Any
8 fees incurred by the Settlement Administrator prior to it being notified of the filing of an appeal
9 from the Court's Final Order and Judgment, or any other appellate review, shall be paid by
10 Defendants to the Settlement Administrator.

11 51. No Admission by Defendants. Defendants deny all claims alleged in this Action
12 and deny all wrongdoing whatsoever. This Stipulation is not a concession or admission, and
13 shall not be used against Defendants as an admission or indication with respect to any claim of
14 any fault, concession, or omission by Defendants. As part of this Settlement, Defendants shall
15 not be required to enter into any consent decree nor shall Defendants be required to agree to any
16 provision for injunctive or prospective relief.

17 52. Exhibits and Headings. The terms of this Stipulation include the terms set forth
18 in any attached Exhibits, which are incorporated by this reference as though fully set forth
19 herein. The Exhibits to this Stipulation are an integral part of the Settlement. The descriptive
20 headings of any paragraphs or sections of this Stipulation are inserted for convenience of
21 reference only.

22 53. Interim Stay of Action. The Parties agree to stay and to request that the Court
23 stay all proceedings in the Action, except such proceedings necessary to implement and
24 complete the Settlement and enter the Final Order and Judgment.

25 54. Amendment or Modification. This Stipulation may be amended or modified only
26 by a written instrument signed by counsel for all Parties or their successors-in-interest.

27 55. Entire Agreement. This Stipulation and any attached Exhibits constitute the
28 entire agreement between the Parties, and no oral or written representations, warranties, or

1 inducements have been made to Plaintiff or Defendants concerning this Stipulation or its
2 Exhibits other than the representations, warranties, and covenants contained and memorialized
3 in this Stipulation and its Exhibits.

4 56. Authorization to Enter Into Settlement Agreement. Class Counsel and Defense
5 Counsel warrant and represent they are expressly authorized by the Parties whom they represent
6 to negotiate this Stipulation and to take all appropriate actions required or permitted to be taken
7 by such Parties pursuant to this Stipulation to effectuate its terms, and to execute any other
8 documents required to effectuate the terms of this Stipulation. The Parties, Class Counsel and
9 Defense Counsel shall cooperate with each other and use their best efforts to effect the
10 implementation of the Settlement. In the event the Parties are unable to reach agreement on the
11 form or content of any document needed to implement the Settlement, or on any supplemental
12 provisions that may become necessary to effectuate the terms of this Settlement, the Parties may
13 seek the assistance of the Court and/or mediator Jeff Krivis, Esq. to resolve such disagreement.
14 The person signing this Stipulation on behalf of Defendants represents and warrants that he/she
15 is authorized to sign this Stipulation on behalf of Defendants. Plaintiff represents and warrants
16 that he is authorized to sign this Stipulation and that he has not assigned any claim, or part of a
17 claim, covered by this Settlement to a third-party. The Parties have cooperated in the drafting
18 and preparation of this Stipulation Agreement. Hence, in any construction made of this
19 Stipulation, the same shall not be construed against any of the Parties.

20 57. Binding on Successors and Assigns. This Stipulation shall be binding upon, and
21 inure to the benefit of, the successors and assigns of the Parties.

22 58. California Law Governs. All terms of this Stipulation and the Exhibits hereto
23 shall be governed by and interpreted according to the laws of the State of California, without
24 giving effect to any law that would cause the laws of any jurisdiction other than the State of
25 California to be applied.

26 59. Counterparts. This Stipulation may be executed in one or more counterparts. All
27 executed counterparts and each of them shall be deemed to be one and the same instrument.
28

1 60. This Settlement is Fair, Adequate and Reasonable. Plaintiff represents that this
2 Settlement is a fair, adequate, and reasonable settlement of the Action and that Parties have
3 arrived at this Settlement after extensive arms-length negotiations, taking into account all
4 relevant factors, present and potential.

5 61. Jurisdiction of the Court. Following entry of the Final Order and Judgment, the
6 Court shall retain jurisdiction with respect to the interpretation, implementation, and
7 enforcement of the terms of this Stipulation and all orders and judgments entered in connection
8 therewith, and the Parties, Class Counsel and Defense Counsel submit to the jurisdiction of the
9 Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this
10 Stipulation and all orders and judgments entered in connection therewith.

11 62. Invalidity of Any Provision. Before declaring any term or provision of this
12 Stipulation invalid, the Parties request that the Court first attempt to construe the terms or
13 provisions valid to the fullest extent possible consistent with applicable precedents so as to
14 define all provisions of this Stipulation as valid and enforceable.

15 63. Binding Nature of Notice of Class Action Settlement. It is agreed that because
16 the Class Members are so numerous, it is impossible or impractical to have each Class Member
17 execute the Stipulation. The Class Notice shall advise all Class Members of the binding nature
18 of the Settlement, and the release of Released Claims and shall have the same force and effect as
19 if this Stipulation were executed by each Participating Class Member.

20 64. Confidentiality. Plaintiff and Class Counsel agree to keep the facts and terms of
21 this Settlement confidential until the Preliminary Approval motion is filed with the Court.
22 Plaintiff and Class Counsel also agree not to make or offer to make any public disclosure of the
23 Settlement, other than what is necessary and consistent with the need for judicial approval of the
24 Settlement and notice to Class Members. Class Counsel shall take all steps necessary to ensure
25 that Plaintiff is aware of, and will ensure that he adheres to, the restriction against any public
26 disclosure of the terms of the Settlement. Plaintiff and Class Counsel shall not have any
27 communications with the media regarding the Settlement, and shall not post any terms of the
28 Settlement on the internet, including on any website. Class Counsel shall take all steps

1 necessary to ensure that Plaintiff is aware of, and will ensure that he adheres to, the terms of this
2 paragraph.

3
4 Dated: 4-07-17, 2017

Sander Garzo
Plaintiff Sander Garzo

5
6 Dated: April 6, 2017

Defendants Metro Services Group, Metro Services
South, Inc., Metro Maintenance, Inc., Metro
Express of Northern California, Inc., Pro Forma
Business Services, LLC, and Leeding Edge
Consulting Services, LLC d/b/a Leading Edge
Consulting Services, LLC

11 By: Michael Oddo
12 Michael Oddo, Owner

13
14 Dated: 4/7, 2017

Matern Law Group, PC

15
16 By: MATTHEW J. MATERN
17 MATTHEW J. MATERN
Attorneys for Plaintiff and the Class

18
19 Dated: April 6, 2017

Rogers Joseph O'Donnell, PC

20
21 By: DENNIS C. HUIE
22 DENNIS C. HUIE

23 SHARON ONGERTH ROSSI
24 Attorneys for Defendants Metro Services
25 Group, Metro Services South, Inc., Metro
26 Maintenance, Inc., Metro Express of Northern
27 California, Inc., Pro Forma Business Services,
28 LLC, and Leeding Edge Consulting Services,
LLC d/b/a Leading Edge Consulting Services,
LLC