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Attorneys for Defendants,
ANDY'S PRECISION SEAL & STRIPE, INC.
and ANDREW MACHADO

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

JORGE HERNANDEZ, an individual, on
behalf of himself and all others similarly
situated;

Plaintiffs,

v.

ANDY'S PRECISION SEAL & STRIPE,
INC., California Corporation; ANDREW
MACHADO, an individual; and DOES 1 -
100, inclusive;

Defendants

Case No. 22STCV30219

CLASS ACTION

**JOINT STIPULATION OF CLASS
ACTION AND PAGA SETTLEMENT**

Complaint Filed: September 15, 2022
Trial Date: None set

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

1 It is stipulated and agreed by and between Plaintiff Jorge Hernandez (“Plaintiff”),
2 individually and on behalf of the Class Members, as defined below, and Defendants, Andy’s
3 Precision Seal & Stripe, Inc. and Andrew Machado (collectively “Defendants”)
4 (collectively, the “Parties”), subject to the approval of the Court pursuant to the California
5 Rules of Court, that the Settlement of this Action shall be effectuated upon and subject to
6 the following terms and conditions. Capitalized terms used herein shall have the meanings
7 set forth in Article I or as defined elsewhere in this Joint Stipulation of Class Action and
8 PAGA Settlement (“Settlement”).

9 This Settlement is made by and between the Parties following a full day mediation
10 session on November 21, 2024 with Kevin T. Barnes, Esq.

11 The Parties agree that the Action shall be, and is, ended, settled, resolved, and
12 concluded by agreement of Defendants to pay the settlement amount of One Hundred
13 Fourteen Thousand Dollars and Zero Cents (\$114,000), as provided in Section III(D)(7)(a)
14 below (“Gross Settlement Amount”) pursuant to the terms and conditions of this Settlement
15 and for the consideration set forth herein, including but not limited to, a full, final, and
16 forever release of all claims by Plaintiff, Class Members, and PAGA Employees as set forth
17 herein. Defendants deny and continue to deny all material allegations set forth in the Action
18 and have asserted numerous affirmative defenses. The Parties expressly acknowledge that
19 this Settlement is entered into solely for the purpose of compromising significantly disputed
20 claims. By entering into this Settlement, Defendants admit no liability, and explicitly deny
21 liability or wrongdoing of any kind arising from the claims alleged in the Action. This
22 Settlement shall not constitute an admission by Defendants as to any interpretation of laws
23 or as to the merits, validity, or accuracy of any of the claims made against it in the Action,
24 or that the claims alleged are suitable for class-wide or collective treatment

25
26 **I. DEFINITIONS**

27 Unless otherwise defined herein, the following terms used in this Settlement shall
28 have the meanings ascribed to them as set forth below:

1 A. “Action” means the action filed on September 15, 2022 in the Los Angeles
2 Superior Court, titled *Jorge Hernandez v. Andy’s Precision Seal & Stripe, Inc.*, Case No.
3 22STCV30219.

4 C. “Class” or “Class Members” means all persons currently or formerly
5 employed as non-exempt, hourly-paid employees in California by Defendants at any time
6 during the Class Period (defined below).

7 D. “Class Counsel” means the attorneys for the Class, as follows:

8 Daniel Srourian, Esq. (SBN 285678)
9 **SROURIAN LAW FIRM, P.C.**
10 3435 Wilshire Blvd., Suite 1710
11 Los Angeles, California 90010
12 Telephone: 213.474.3800
13 Fascimile: 213.471.4160

14 E. “Class Notice” means the Notice of Proposed Class Action Settlement in a
15 form substantially similar to the notice attached hereto as **Exhibit A**, subject to Court
16 approval, which shall be mailed to Class Members, in English and Spanish.

17 F. “Class Period: means September 15, 2018 through January 20, 2025.

18 G. “Court” means the Los Angeles Superior Court, where the Action is pending.

19 H. “Effective Date” means the later of the following: (1) the date the Final
20 Approval Order is signed if no objections are filed to the Settlement; (2) if objections are
21 filed and overruled, and no appeal is taken of the Final Approval Order, sixty (60) calendar
22 days after the Final Approval Order is signed; or (3) if an appeal is taken from the Court’s
23 overruling of objections to the Settlement, thirty (30) days after the appeal is withdrawn or
24 after an appellate decision affirming the final approval decision becomes final.

25 I. “Defendants” means Andy’s Precision Seal & Stripe, Inc. and Andrew
26 Machado.

27 J. “Defense Counsel” means counsel for Defendants, who are:

28 JEFFER MANGELS BUTLER & MITCHELL LLP
 TRAVIS M. GEMOETS (Bar No. 174365)
 tgemets@jmbm.com

1 RAEF COGAN (Bar No. 317060)
2 RCogan@jmbm.com
3 1900 Avenue of the Stars, 7th Floor
4 Los Angeles, California 90067-4308
5 Telephone: (310) 203-8080
6 Facsimile: (310) 203-0567

7 K. “Disposition” means the method by which the Court approves the terms of
8 the Settlement and retains jurisdiction over its enforcement, implementation, construction,
9 administration, and interpretation.

10 L. “Enhancement Award” means an amount of up to Five Thousand Dollars and
11 Zero Cents (\$5,000.00) to be paid from the Gross Settlement Amount for Plaintiff Jorge
12 Hernandez, subject to Court approval, in exchange for his general release and in recognition
13 of Plaintiff’s effort prosecuting the Action on behalf of all Class Members.

14 M. “Final Approval Order” means the final formal court order signed by the
15 Court and entering a judgment approving this Settlement on substantially the terms provided
16 herein or as the same may be modified by subsequent written agreement of the Parties as
17 approved by the Court following the Final Approval Hearing, as defined at Section III(D)(6),
18 in accordance with the terms herein.

19 N. “Gross Settlement Amount” means One Hundred Fourteen Thousand Dollars
20 and Zero Cents (\$114,000.00), which shall be paid by Defendants, from which all payments
21 for the Individual Settlement Payments to Participating Class Members, Individual PAGA
22 Shares to PAGA Employees, the Court-approved amounts for attorneys’ fees and
23 reimbursement of litigation costs and expenses to Class Counsel, Settlement Administration
24 Costs to the Settlement Administrator, Enhancement Award to Plaintiff, and the LWDA
25 Payment to the Labor and Workforce Development Agency (“LWDA”) for resolution of
26 Plaintiff’s cause of action for civil penalties under the Private Attorneys General Act,
27 codified at California Labor Code section 2698, *et seq.* (“PAGA”). In no event will
28 Defendants be required to pay more than the Gross Settlement Amount set forth in this
 Paragraph for resolution of the Action, except for Defendants’ share of payroll taxes as
 defined in Section I(N), which shall be paid separately. The Gross Settlement Amount is a

1 non-reversionary amount.

2 O. "Individual Settlement Payment" means the *pro rata* share of the Net
3 Settlement Amount that shall be paid to Participating Class Members less the employee's
4 portion of required federal and state withholdings. Individual Settlement Payments will be
5 each Participating Class Member's proportional share of the Net Settlement Amount (which
6 shall be determined by the calculations provided in this Settlement).

7 P. "Individual PAGA Payment" means each PAGA Employee's *pro rata* share
8 of 25% of the PAGA Penalties, which shall be calculated in accordance with the Individual
9 PAGA Payment calculations described below.

10 Q. "Judgment" refers to the judgment entered by the Court in conjunction with
11 the Final Approval Order.

12 R. "LWDA Payment" means the 75% share of the total amount allocated toward
13 PAGA Penalties that will be paid to the Labor and Workforce Development Agency
14 ("LWDA") pursuant to Section III(D)(7)(e) of this Settlement. The Parties have agreed that
15 Ten Thousand Dollars and Zero Cents (\$10,000) shall be allocated toward PAGA Penalties,
16 of which Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500) will be paid to the
17 LWDA (i.e., the LWDA Payment) and Two Thousand Five Hundred Dollars and Zero Cents
18 (\$2,500) will be distributed to PAGA Employees on a *pro rata* basis.

19 S. "Net Settlement Amount" means the portion of the Gross Settlement Amount
20 that is available for distribution to Participating Class Members after deductions for Court-
21 approved settlement administration costs, attorney's fees and costs, Enhancement Award,
22 and PAGA Penalties, pursuant to Section III(D)(7) below.

23 T. "Non-Participating Class Member(s)" means those Class Members who
24 submit to the Settlement Administrator a valid and timely Request for Exclusion pursuant to
25 Section III(D)(2) below.

26 U. "Objection" means a signed written objection mailed to the Settlement
27 Administrator by a Class Member by the Response Deadline or by verbal objection to the
28 Court at the Final Approval Hearing, as set forth in Section III(D)(3).

1 B. "PAGA Employees" means all persons currently or formerly employed as
2 non-exempt, hourly-paid employees in California by Defendants at any time during the
3 PAGA Period (defined below). PAGA Employees may not exclude themselves from the
4 PAGA release and will be bound by the PAGA Released Claims, as set forth in Section V(B)
5 below regardless of whether they submit a request to exclude themselves from the
6 Settlement.

7 V. "PAGA Penalties" means the Ten Thousand Dollars and Zero Cents
8 (\$10,000.00) portion of the Gross Settlement Amount allocated to settlement of all PAGA
9 claims in the Action, subject to Court approval.

10 W. "PAGA Period" means June 9, 2021 through January 20, 2025.

11 X. "Participating Class Member(s)" means all Settlement Class Members who
12 do not submit a valid and timely Request for Exclusion pursuant to Section III(D)(2) below.

13 Y. "Plaintiff" means Jorge Hernandez.

14 Z. "Preliminary Approval Date" means the date on which the Court enters an
15 Order granting preliminary approval of the Settlement.

16 AA. "Qualified Settlement Fund" or "QSF" means an account that will qualify
17 and be characterized as a Qualified Settlement Fund under the provisions of the U.S.
18 Treasury Regulations 1.486B-1 and 1.468B-5, to be set up as provided below, and into which
19 the Maximum Settlement Amount is to be deposited as agreed herein, to be administered in
20 a manner consistent with law and the terms of this Settlement.

21 BB. "Qualifying Pay Periods" means any pay period during which a PAGA
22 Employee was employed by Defendants in a non-exempt, hourly-paid position and
23 performed work during the PAGA Period.

24 CC. "Qualifying Workweeks" means any week during which a Class Member
25 worked at least one shift for Defendants in a non-exempt, hourly-paid position during the
26 Class Period.

27 DD. "Response Deadline" means the date by which Class Members must submit
28 to the Settlement Administrator a Request for Exclusion, Objection, and/or workweek/pay

1 period dispute, which shall be the date that is forty-five (45) calendar days from the initial
2 mailing of the Class Notice by the Settlement Administrator (or fifteen (15) calendar days
3 after the Settlement Administrator re-mails the Class Notice to the Class Member, whichever
4 is later). If the date of the Notice Deadline falls on a Sunday or federal holiday, the Response
5 Deadline will be extended to the next calendar day on which the U.S. Postal Service is open.

6 EE. "Request for Exclusion" means a valid and timely letter submitted by any
7 Class Member(s) to the Settlement Administrator requesting to be excluded from the Class
8 pursuant to Section III(D)(2) below.

9 FF. "Settlement" means this Joint Stipulation of Class Action and PAGA
10 Settlement, including the Class Notice attached as **Exhibit A**.

11 GG. "Settlement Administration Costs" means an amount of up to \$7,000.00
12 subject to Court approval, for all costs incurred by the Settlement Administrator in
13 administration of the Settlement, including, but not limited to, mailing of notice to the class,
14 calculation of Individual Settlement Payments, generation of Individual Settlement Payment
15 checks and related tax reporting forms, administration of unclaimed and/or uncashed checks
16 to State Controller's Office, and distribution of checks to Class Counsel for attorneys' fees
17 and costs, to Plaintiff for her Enhancement Award, and to the LWDA. The Settlement
18 Administration Costs shall be paid from the Gross Settlement Amount. If the actual amount
19 of the Settlement Administrative Costs is less than \$7,000.00 the difference between
20 \$7,000.00 and the actual Settlement Administrative Costs shall be part of the Net Settlement
21 Amount.

22 HH. "Settlement Administrator" means Simpluris Inc., which the Parties have
23 agreed will be responsible for the administration of the Individual Settlement Payments to
24 be made by Defendants from the Gross Settlement Amount and related matters under this
25 Settlement. The Parties each represent that they do not have any financial interest in the
26 Settlement Administrator or otherwise have a relationship with the Settlement Administrator
27 that could create a conflict of interest.

28 **II. CONTINGENT NATURE OF THE AGREEMENT**

1 Because the Parties have stipulated to the certification of the Class with respect to all
2 causes of action alleged in the Action for settlement purposes only, this Settlement requires
3 preliminary and final approval by the Court. Accordingly, the Parties enter into this
4 Settlement on a conditional basis. This Settlement is contingent upon the approval and
5 certification by the Court. If the Effective Date does not occur, the fact that the Parties were
6 willing to stipulate for the purposes of this Settlement shall have no bearing on, nor be
7 admissible in connection with, the issue of certification of the Class with respect to all causes
8 of action alleged in the Action, and this Settlement shall not be referred to or used for any
9 purpose whatsoever. Defendants do not consent to certification of the Class for any purpose
10 other than to effectuate settlement of the Action. This stipulation does not constitute, in this
11 or any other proceeding, an admission of any kind by Defendants or any of the Released
12 Parties that certification of a class for trial or any other purpose is appropriate or proper or
13 that Plaintiff could establish any of the requisite elements for class treatment of any of the
14 claims in this Action. If the Effective Date does not occur, or if disposition of this Action is
15 not effectuated, any certification of the Class as to Defendants will be vacated and Plaintiff,
16 Defendants, and the Class will be returned to their respective positions in the Action as if
17 the Settlement had not been executed. In the event that the Effective Date does not occur:
18 (a) any Court orders preliminarily or finally approving certification of any class
19 contemplated by this Settlement shall be null, void, and vacated, and shall not be used or
20 cited thereafter by any person or entity; and (b) the fact of the settlement reflected in this
21 Settlement, the fact that Defendants do not oppose the certification of a Class under this
22 Settlement, or that the Court preliminarily approved the certification of the Class, shall not
23 be used or cited thereafter by any person or entity, including in any manner whatsoever,
24 including without limitation any contested proceeding relating to the certification of any
25 class. If the Effective Date does not occur, this Settlement shall be deemed null and void,
26 shall be of no force or effect whatsoever, and shall not be referred to or used for any purpose
27 whatsoever. Defendants expressly reserve the right to challenge the propriety of class
28 certification in the Action for any purpose if the Effective Date does not occur. Defendants

1 also expressly reserve the right to challenge the propriety of class certification in any other
2 action on all available grounds as if no class had been certified for settlement purposes in
3 this Action, and no reference to the prior certification of a class, or any documents related
4 thereto, shall be made for any purpose.

5 The Parties and their respective counsel shall take all steps that may be requested by
6 the Court relating to the approval and implementation of this Settlement and shall otherwise
7 use their respective best efforts to obtain Court approval and implement this Settlement. If
8 the Court does not grant the Motion for Preliminary Approval and/or the Motion for Final
9 Approval, the Parties agree to meet and confer in good faith to address the Court's concerns.
10 If the Parties are unable to agree upon a resolution, the Parties agree to seek guidance from
11 the Court to resolve the dispute.

12 **III. PROCEDURE FOR APPROVAL AND IMPLEMENTATION OF** 13 **SETTLEMENT**

14 The procedure for obtaining Court approval of and implementing this Settlement
15 shall be as follows:

16 **A. Motion for Conditional Class Certification and Preliminary Approval**

17 Promptly after execution of this Settlement, Plaintiff shall move the Court for
18 preliminary approval of the Settlement and obtain entry of an order accomplishing the
19 following:

- 20 a. Provisionally certifying the Action under California law as a class
21 action for purposes of this Settlement only;
- 22 b. Preliminarily approving the Settlement subject only to objections of
23 Participating Class Members to the Class Settlement, and final
24 approval by the Court;
- 25 c. Approving as to form and content the proposed Class Notice attached
26 hereto as **Exhibit A**;
- 27 d. Directing the mailing of the Class Notice by first-class mail to the
28 Class Members;

- e. Preliminarily appointing Plaintiff as Class Representative and Plaintiff's Counsel as Class Counsel (only for purposes of effectuating and implementing this Settlement Agreement);
- f. Preliminarily approving the application for attorney fees and costs to Class Counsel;
- g. Preliminarily approving the Enhancement Award to the Class Representative;
- h. Preliminarily approving the Settlement Administration Costs to the Settlement Administrator;
- i. Preliminarily approving the PAGA Payment; and
- j. Scheduling a hearing for Final Approval on the question whether the proposed Settlement should be finally approved as fair, reasonable, and adequate to Class Members.

The date that the Court grants preliminary approval of this Agreement will be the "Preliminary Approval Date." Pursuant to California Labor Code § 2699(l)(1), Plaintiff shall submit to the LWDA a copy of this Agreement and all supporting approval documents required by the LWDA at the same time that Plaintiff submits them to the Court for approval.

B. The Settlement Administrator

The Parties have chosen Simpluris Inc. to administer this Settlement and to act as the Settlement Administrator, including but not limited to distributing and responding to inquiries about the Class Notice, determining the validity of exclusions/opt-outs, calculating the Net Settlement Amount and the Individual Settlement Payments, issuing the Individual Settlement Payment checks and distributing them to Participating Class Members, calculating and issuing Individual PAGA Payments, administering and making payment of unclaimed and/or uncashed checks to State Controller's Office, issuing the payment to Class Counsel for attorneys' fees and costs, the Enhancement Award check to Plaintiff, the LWDA Payment, and the employer payroll taxes to the appropriate taxing authorities. The

1 Settlement Administrator shall expressly agree to all of the terms and conditions of this
2 Settlement.

3 All costs of administering the Settlement, including but not limited to all costs and
4 fees associated with preparing, issuing and mailing any and all notices to Class Members
5 and/or Participating Class Members, all costs and fees associated with computing,
6 processing, reviewing, and mailing the Individual Settlement Payments, all costs and fees
7 administering and making payment of unclaimed and/or uncashed checks to State
8 Controller's Office, all costs and fees associated with preparing any tax returns and any other
9 filings required by any governmental taxing authority or agency, all costs and fees associated
10 with preparing any other checks, notices, reports, or filings to be prepared in the course of
11 administering disbursements from the Net Settlement Amount, and any other costs and fees
12 incurred and/or charged by the Settlement Administrator in connection with the execution
13 of its duties under this Settlement ("Settlement Administration Costs"), shall be paid to the
14 Settlement Administrator from the Gross Settlement Amount.
15

16 **C. Notice to Class Members**

17 No later than fifteen (15) business days after the Preliminary Approval Date,
18 Defendants will provide the Settlement Administrator with a "Class List" based on its
19 business records, identifying the names of the Class Members, their last known home
20 addresses currently in Defendants' possession, custody, or control, Social Security numbers
21 or, as applicable, other taxpayer identification number in Defendants' possession, custody,
22 or control, and their Qualifying Workweeks worked during the Class Period and Qualifying
23 Pay Periods worked during the PAGA Period, respectively. This information shall be treated
24 as confidential and shall not be disclosed to Plaintiff, Class Counsel or any other person
25 without prior approval from Defendants' Counsel.

26 Following Defendants' delivery of the Class List to the Settlement Administrator
27 after Preliminary Approval, the Settlement Administrator shall calculate: (a) the Net
28 Settlement Amount, (b) the Individual Settlement Payment for each Participating Class

1 Member based on the formula specified above, (c) the amount of the Individual Settlement
2 Payments to be allocated to wages, statutory damages/interest, penalties, and
3 reimbursements, (d) the employer share of the payroll taxes applicable to the Net Settlement
4 Amount allocated to wages, and (e) the employee tax withholding amount based on the
5 allocation of each Individual Settlement Payment to wages.

6 Within fifteen (15) business days of receiving the Class List from Defendants, the
7 Settlement Administrator will send Class Members, by first-class mail, at their last known
8 address, the Court approved Class Notice, including notice of this settlement and of the
9 opportunity to opt out of the Settlement Class or object to the Settlement, in English and
10 Spanish. The Class Notice will include a calculation of the Class Member's estimated share
11 of the Net Settlement Amount as well as any estimated Individual PAGA Payment, to the
12 extent applicable. Class Members will have forty-five (45) days from the date of mailing in
13 which to postmark Requests for Exclusion or Objections. Prior to the initial mailing, the
14 Settlement Administrator will check all Class Member addresses against the National
15 Change of Address database and shall update any addresses before mailing. The Settlement
16 Administrator will skip trace and re-mail all returned, undelivered mail within five (5)
17 business days of receiving notice that a Class Notice was undeliverable. If a Class Member's
18 Class Notice is re-mailed, the Class Member shall have fifteen (15) calendar days from the
19 re-mailing, or forty-five (45) calendar days from the date of the initial mailing, whichever is
20 later, in which to postmark a Request for Exclusion or Objection. Class Members shall not
21 be required to submit claim forms in order to receive their Individual Settlement Payments.
22

23 If a Class Notice is returned with a forwarding address, the Settlement Administrator
24 shall re-mail the Class Notice to the forwarding address. With respect to those Class
25 Members whose Class Notice is returned to the Settlement Administrator as undeliverable,
26 the Settlement Administrator shall promptly attempt to obtain a valid mailing address by
27 performing a skip trace or mass search on LexisNexis databases based on set criteria and, if
28 another address is identified, shall mail the Class Notice to the newly identified address. It

1 is the intent of the Parties that reasonable means be used to locate Class Members and that
2 the Settlement Administrator be given discretion to take steps in order to facilitate notice of
3 this Settlement and delivery of the Individual Settlement Payments to the Settlement Class.
4 If no address can be determined by the Settlement Administrator after these efforts, no
5 further efforts to determine an address shall be required.

6 If the Class Notice is re-mailed, the Settlement Administrator will note for its own
7 records and notify Class Counsel and Defense Counsel of the date of each such re-mailing
8 as part of a weekly status report provided to the Parties.

9 In the event a Class Member's Class Notice remains undeliverable sixty (60)
10 calendar days after the Class Notice was initially mailed, the Settlement Administrator will
11 not mail the Class Member's Individual Settlement Payment. The Settlement Administrator
12 will hold the Class Member's Individual Settlement Payment during the check cashing
13 period on behalf of the Class Member. If at the conclusion of the check cashing period the
14 Class Member's Class Notice and Individual Settlement Payment and/or Individual PAGA
15 Payment remain undeliverable and/or unclaimed and uncashed, the Settlement
16 Administrator will distribute the funds from unclaimed/uncashed checks in accordance with
17 the procedures set forth in Section III(D)(7)(f) below.

18 No later than twenty (20) business days prior to the Final Approval Hearing, the
19 Settlement Administrator shall provide Defense Counsel and Class Counsel with a
20 declaration attesting to completion of the notice process, including any attempts to obtain
21 valid mailing addresses for and re-sending of any returned Class Notices, as well as the
22 number of valid Requests for Exclusion and Objections that the Settlement Administrator
23 received.

24 Compliance with the procedures described in this section shall constitute due and
25 sufficient notice to Class Members of this proposed Settlement and the Final Approval
26 Hearing and shall satisfy the requirements of due process. Nothing else shall be required of
27 the Parties, Class Counsel, Defense Counsel, or the Settlement Administrator to provide
28

1 notice of the proposed Settlement and the Final Approval Hearing. However, if any Class
2 Member objects to the Settlement and the Final Approval Hearing is continued as a result,
3 the Settlement Administrator shall provide notice to the objecting party of the continuance.

4 **D. Responses to Notice**

5 **1. Qualifying Workweek/Pay Period Disputes**

6 If any Class Member disagrees with Defendants' records as to his or her Qualifying
7 Workweeks during the Class Period or Qualifying Pay Periods during the PAGA Period, as
8 reflected in the Class Notice, the Class Member shall set forth in writing the Qualifying
9 Workweeks or Qualifying Pay Periods he or she claims to have worked during the Class
10 Period and/or PAGA Period, sign the writing, and mail such writing to the Settlement
11 Administrator, along with any supporting documentation, postmarked no later than the
12 Response Deadline. All written disputes must contain the Class Member's address,
13 telephone number, and a reference to the Action. The Notice will also provide a method for
14 the Class Member to challenge the employment data on which his or her Individual
15 Settlement Payment is based. The Settlement Administrator shall contact the Parties
16 regarding the dispute and the Parties will work in good faith to resolve it. If the Parties are
17 unable to resolve the dispute, the Settlement Administrator shall resolve the Qualifying
18 Workweeks or Qualifying Pay Periods dispute for each Class Member during the Class
19 Period and/or PAGA Period, respectively, based on the information provided to it. The
20 Settlement Administrator's determination will be bind the Parties and the Class Members,
21 unless the Court reviews and modifies the Settlement Administrator's determination.
22 Accordingly, the Court retains authority to review and modify any decision by the
23 Administrator, and the Court's decision will be final and binding.

24 **2. Requests for Exclusion from the Class**

25 The Plaintiff may not request exclusion from the Class. In order for any Class
26 Member to validly exclude himself or herself from the Class and this Settlement (i.e., to
27 validly opt out), a written Request for Exclusion must be signed by the Class Member or his
28 or her authorized representative, and must be sent to the Settlement Administrator,

1 postmarked no later than the Response Deadline (or fifteen (15) calendar days after the
2 Settlement Administrator re-mails the Notice to the Class Member, whichever is later). All
3 written Requests for Exclusion must contain the Class Member's address, telephone number,
4 the last four digits of their social security number, and a reference to the Action, and clearly
5 state that the Class Member does not wish to be included in the Class Settlement. The Notice
6 Packet shall contain instructions on how to validly exclude himself or herself from the Class
7 and this Settlement (i.e., opt out), including the language to be used in a request for
8 exclusion. The date of the initial mailing of the Notice Packet, and the date the signed request
9 for exclusion was postmarked, shall be conclusively determined according to the records of
10 the Settlement Administrator. The Settlement Administrator shall immediately provide
11 copies of all Requests for Exclusion to Class Counsel and Defense Counsel and shall report
12 the number of Requests for Exclusion that it receives, to the Court, in its declaration to be
13 provided in advance of the Final Approval Hearing. Any Class Member who timely and
14 validly requests exclusion from the Class and this Settlement will receive his/her share of
15 PAGA Settlement Amount and will still be bound by any release pertaining to claims for
16 civil penalties under PAGA. Any Class Member who timely and validly requests exclusion
17 from the Class and this Settlement will not be entitled to the remaining portion of the
18 Individual Settlement Payment which would have been paid to him/her, will not be bound
19 by the terms and conditions of this Agreement, and will not have any right to object, appeal,
20 or comment thereon. Class Members may not request exclusion from the settlement of the
21 release of a PAGA claim in the Action. Thus, if the Court approves the Settlement, even if
22 a Class Member requests exclusion from the Settlement, the Class Member will still receive
23 an individual settlement share for the PAGA claims pursuant to the terms in Section
24 III(D)(7)(e) below, and will be deemed to have released the PAGA claims. A Class Member
25 cannot submit both a Request for Exclusion and an Objection. If a Class Member submits
26 both an Objection and Request for Exclusion, the Request for Exclusion will control and the
27 Objection will be void.

28 Any Class Member who fails to timely submit a Request for Exclusion shall

1 automatically be deemed a Participating Class Member whose rights and claims with respect
2 to the issues raised in the Action are determined by the Court's Final Approval Order, and
3 by the other rulings in the Action.

4 **3. Objections to Settlement**

5 The Plaintiff may not object to the Settlement. For any Class Member to object to
6 this Agreement, or any term of it, the person making the objection must not also submit a
7 request for exclusion (i.e., must not opt out), and should send to the Settlement
8 Administrator, postmarked no later than the Response Deadline (or fifteen (15) calendar
9 days after the Settlement Administrator re-mails the Notice to the Class Member, whichever
10 is later), a written statement of the grounds of objection, signed by the objecting Class
11 Member or his or her attorney, along with all supporting papers. All written objections must
12 contain the Class Member's address, telephone number, the last four digits of their social
13 security number, and a reference to the Action. The date of the initial mailing of the Notice
14 Packet, and the date the signed objection was postmarked, shall be conclusively determined
15 according to the records of the Settlement Administrator. The Settlement Administrator shall
16 send any objections it receives to Defense Counsel and Class Counsel within three (3)
17 business days of receipt. Class Members may also appear at the final approval hearing to
18 object. The Court retains final authority with respect to the consideration and admissibility
19 of any Class Member objections. If a Class Member objects to the Settlement, the Settlement
20 Class Member will remain a member of the Settlement Class and if the Court approves this
21 Agreement, the Class Member will be bound by the terms of the Settlement in the same way
22 and to the same extent as a Class Member who does not object.

23 **4. Encouragement of Class Members**

24 The Parties to this Settlement and the counsel representing such Parties shall not,
25 directly or indirectly, through any person, encourage or solicit any Class Member to exclude
26 himself or herself from this Settlement (opt out), or to object to it. However, Class Counsel
27 may respond to inquiries from Class Members.

28 **5. Plaintiff's Right to Adjust Gross Settlement Amount**

1 When the Parties agreed to settle this matter, Defendants estimated the total number
2 of workweeks during the Class Period as 11,400. If the actual number of workweeks worked
3 by Class Members during the Class Period is more than Ten Percent (10%) greater than
4 11,400 workweeks (i.e. 12,540 workweeks), the Settlement Amount shall be increased on a
5 proportional percentage basis equal to the percentage increase in the number of workweeks
6 worked by the Class Members. For example, if the number of workweeks increases by
7 fifteen percent (15%) through the end of the Class Period to 13,110 workweeks, the Gross
8 Settlement Amount will correspondingly increase by five percent (5%).

9 **6. Final Approval Hearing**

10 On the date set forth in the Order for Preliminary Approval and Class Notice, a Final
11 Approval Hearing shall be held before the Court in order to (1) review the fairness, adequacy,
12 and reasonableness of the Settlement and determine whether the Court should give it final
13 approval, and (2) consider any objections made and all responses by the parties to such
14 objections. At the Final Approval Hearing, the Parties shall ask the Court to give final
15 approval to this Settlement and shall submit to the Court a Proposed Final Approval Order.

16 a. Waiver of Right to Appeal

17 Provided that the Final Approval Order is consistent with the terms and conditions
18 of this Settlement, all Class Members who do not submit timely written objections to the
19 Settlement or orally object at the Final Approval Hearing shall have waived any and all rights
20 to appeal from the Final Approval Order and Judgment, including all rights to any post-Final
21 Approval Order proceeding and appellate proceeding, such as a motion to vacate or set-aside
22 the Final Approval Order and Judgment, a motion for new trial, and any extraordinary writ,
23 and the Final Approval Order and Judgment therefore shall become final and non-appealable
24 at the time it is entered. This waiver does not include any waiver of the right to oppose any
25 appeal, appellate proceedings, or post-Final Order proceedings. A modification by the Court
26 of the requested amount of the Enhancement or Class Counsel's fees or costs shall not
27 constitute a basis for appeal of the Final Approval Order within the meaning of this
28 paragraph.

1 b. Vacation, Reversal, or Material Modification of Final Order and
2 Judgment on Appeal or Review

3 If, after a notice of appeal or a petition for a writ of *certiorari* or any other motion,
4 petition, or application, the reviewing court vacates, reverses, or modifies the Final Approval
5 Order such that there is a material modification to the Settlement and the Court's decision is
6 not completely reversed, and the Final Approval Order is not fully affirmed on review by a
7 higher court, then Plaintiff and Defendants shall each have the right, but not the obligation,
8 to void the Settlement, which either Party must do by giving written notice to the other Party,
9 the final reviewing court, and the Court no later than thirty (30) court days after the final
10 reviewing court's decision vacating, reversing, or materially modifying the Final Order
11 becomes final and non-appealable. A vacation, reversal, or modification of the Court's
12 award of the Enhancement or Class Counsel's fees or costs shall not constitute a vacation,
13 reversal, or material modification of the Final Order and Judgment within the meaning of
14 this paragraph.

15 **7. Settlement Payment Procedures**

16 a. Gross Settlement Amount

17 In exchange for the releases set forth in this Agreement, Defendants agree to pay the
18 Gross Settlement Amount in the amount of One Hundred Fourteen Thousand Dollars
19 (\$114,000.00), subject to a pro rata increase under the condition set forth in Section
20 III(D)(5). The Gross Settlement Amount includes all claims of the Settlement Class and all
21 Settlement Administration costs, Class Counsel's attorney's fees and costs, LWDA
22 Payment, and the Enhancement Award.

23 No later than thirty (30) calendar days after the Effective Date, Defendants will
24 transfer the Gross Settlement Amount into the QSF established by the Settlement
25 Administrator either directly or by sending the funds to the Settlement Administer to be
26 deposited and distributed. All of Defendants' obligations under this Settlement are deemed
27 to be satisfied upon Defendants' timely deposit of the entire Gross Settlement Amount and
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1 acknowledgement of receipt of said funds and Defendants shall have no further obligations
2 to the Class including, without limitation, any further obligations to make any other
3 payments of any kind to, or on behalf of, the Class (except for the employer's share of payroll
4 taxes).

5 The Settlement Administrator will use these funds to issue the Individual Settlement
6 Payments to Participating Class Members, Individual PAGA Payments to PAGA
7 Employees, Class Counsel's attorneys' fees and costs, the LWDA Payment, the
8 Enhancement Award, Settlement Administration Costs and employee tax withholdings
9 applicable to the Net Settlement Amount allocated to wages. No more than Fourteen (14)
10 calendar days after Defendants fully fund the Settlement, the Settlement Administrator will
11 distribute Participating Class Members' Individual Settlement Payments, Individual PAGA
12 Payments, Court-approved attorney's fees and costs, Settlement Administration Costs, the
13 Enhancement Award, and the LWDA Payment.

14 b. Payment of Attorneys' Fees and Costs

15 Class Counsel shall submit an application for an award of attorneys' fees of up to
16 one-third of the Gross Settlement Amount (which may increase pursuant to Section
17 III(D)(5), i.e., pro rata increase provision), which, based on the current Gross Settlement
18 Amount, is Thirty-Eight Thousand Dollars and Zero Cents (\$38,000.00). Class Counsel
19 shall submit an application for an award of costs not to exceed Thirteen Thousand Five
20 Hundred Dollars and Zero Cents (\$13,500.00). Such application for attorneys' fees and costs
21 shall be heard by the Court at the Final Approval Hearing. Defendants shall not object to or
22 oppose any such application in these amounts.

23 Any fees and costs awarded by the Court shall be paid from the Gross Settlement
24 Amount and shall not constitute payment to any Class Member(s). The attorneys' fees and
25 costs for Class Counsel approved by the Court shall encompass all work performed, costs,
26 and expenses related to the investigation, prosecution, and settlement of the Action incurred
27 through the Effective Date. To the extent that the Court approves less than the amount of
28 attorney's fees and/or costs requested by Class Counsel, the difference between the requested

1 and awarded amounts will be retained in the Net Settlement Amount for distribution to
2 Participating Class Members.

3 Any award of attorneys' fees and costs shall include and satisfy all past and future
4 attorneys' fees and costs incurred to prosecute, settle, and participate in administering the
5 Settlement, including obtaining the Final Approval Order. Defendants shall have no
6 obligation to Class Counsel for any attorneys' fees and costs incurred in prosecuting this
7 Action other than as stated herein.

8 c. Payment of Settlement Administration Costs

9 The Settlement Administration Costs shall be paid out of the Gross Settlement
10 Amount and shall not constitute payment to any Participating Class Member(s). The amount
11 shall not exceed \$7,000.00

12 d. Payment of Enhancement Award to Named Plaintiff

13 Subject to Court approval, Plaintiff will request an Enhancement Award of up to Five
14 Thousand Dollars and Zero Cents (\$5,000.00), in consideration for Plaintiff's efforts on
15 behalf of the Class including, but not limited to, assisting in the investigation and consulting
16 with Class Counsel, providing critical information and documents to Class Counsel, and
17 participating in settlement negotiations, the mediation, and in the drafting of the Settlement
18 Agreement. Defendants will not object or oppose. The Enhancement Award shall be paid
19 out of the Gross Settlement Amount and shall not constitute payment to any Participating
20 Class Member(s). To the extent that the Court approves less than the amount of
21 Enhancement Award that Class Counsel requests, the difference between the requested and
22 awarded amounts will be retained in the Net Settlement Amount for distribution to
23 Participating Class Members.

24 Because it is the intent of the Parties that the Enhancement Award represents
25 payment to Plaintiff for his service to Class Members, and not wages, the Settlement
26 Administrator will not withhold any taxes from the Enhancement Award. The Enhancement
27 Award will be reported on a Form 1099, which the Settlement Administrator will provide to
28 Plaintiff and to the pertinent taxing authorities as required by law.

1 Although it is the contemplation of the Parties that the Enhancement Award does not
2 represent wages, the Internal Revenue Service, the California Franchise Tax Board, or some
3 other taxing authority may take the position that some or all of the Enhancement Award
4 constitutes wages for income tax and withholding purposes. Plaintiff agrees to assume the
5 responsibility of remitting to the Internal Revenue Service, the California Franchise Tax
6 Board, and any other relevant taxing authority the amounts required by law, if any, to be
7 withheld by Defendants from the Enhancement Award paid under this Settlement. In
8 addition, Plaintiff shall hold Defendants, Released Parties and Class Counsel harmless and
9 indemnify Defendants, Released Parties and Class Counsel for all taxes, interest, penalties,
10 other payments and costs, incurred by Defendants by reason of any valid claims by taxing
11 authorities relating to the non-withholding of taxes from the Enhancement Award.

12 e. Payment to the Labor and Workforce Development Agency and the
13 Class for Settlement of PAGA Claims

14 In consideration of claims made under the California Private Attorneys General Act
15 (“PAGA”), Cal. Labor Code §§ 2698 et seq. and the release obtained therefor by virtue of
16 this Settlement, Class Counsel will request that the Court approve allocation of Ten
17 Thousand Dollars and Zero Cents (\$10,000.00) of the Gross Settlement Amount to these
18 claims (“PAGA Penalties”). Seventy-five percent (75%) of the PAGA Penalties will be paid
19 to the California Labor and Workforce Development Agency (“LWDA Payment”) and
20 twenty-five percent (25%) will be paid, on a pro rata basis, to all PAGA Employees based
21 on the individual Qualifying Pay Periods worked during the PAGA Period by each PAGA
22 Employee, regardless of whether or not they opt out of this Settlement (“Individual PAGA
23 Payment”). Defendants will not oppose this request for PAGA Penalties. The amount of the
24 PAGA Penalties will be paid out of the Gross Settlement Amount. The Court’s adjustment,
25 if any, of the amount allocated to Plaintiff’s PAGA claim will not invalidate this Settlement
26 and the difference between the requested and awarded amounts will be retained in the Net
27 Settlement Amount for distribution to Participating Class Members.

28 f. Calculating Individual Settlement Payments and Individual PAGA

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1 Members who are entitled to receive both an Individual Settlement Payment and Individual
2 PAGA Payment will be paid by way of a single check. Defendants shall not bear any liability
3 for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks.
4 Individual Settlement Payments paid from the Net Settlement Amount allocated to wages
5 will be reduced by applicable employer and employee tax withholdings, and the Settlement
6 Administrator will issue a Form W-2 for the wage portion of the Individual Settlement
7 Payments. The Settlement Administrator will issue a Form 1099 to the extent required by
8 law for the non-wage statutory damages and interest portions of the Individual Settlement
9 Payments. Participating Class Members shall have 180 days from the date their Individual
10 Settlement Payment checks are issued to cash their settlement checks. Any amounts from
11 checks that remain unclaimed and/or uncashed after 180 days of issuance will be disbursed
12 to the State Controller's Office.

13 If a check is returned to the Settlement Administrator as undeliverable, the
14 Settlement Administrator shall promptly attempt to obtain a valid mailing address by
15 performing a skip trace or a mass search on LexisNexis databases based on set criteria and,
16 if another address is identified, shall mail the check to the newly identified address. If the
17 Settlement Administrator is unable to obtain a valid mailing address through this process,
18 the Settlement Administrator will also transfer the amount represented by the check to State
19 Controller's Office.

20 h. Allocation and Tax Treatment of Individual PAGA Payments and
21 Individual Settlement Payments

22 Each Individual Settlement Payment will represent wages and penalties allocated
23 using the following formula: 20% allocated to wages and 80% allocated to non-wage
24 statutory damages, reimbursements, penalties, and interest. Each Individual PAGA Payment
25 will be allocated as follows: 100% as civil penalties (to be reported on IRS Form 1099, if
26 required). The amounts paid as wages shall be subject to all tax withholdings customarily
27 made from an employee's wages and all other authorized and required withholdings and
28 shall be reported by W-2 forms. The employer-side taxes (including employer's portion of

1 FICA, FUTA, SUTA, and all other applicable payroll taxes) will be paid by Defendants
2 separate from and in addition to the Gross Settlement Amount. The amounts paid as non-
3 wage statutory damages, interest, and/or civil penalties shall be subject to all authorized and
4 required withholdings other than the tax withholdings customarily made from employees'
5 wages and shall be reported by IRS 1099 forms. Defendants shall not make as part of this
6 Settlement, nor be required to make, any deductions, nor pay any monthly contributions for
7 any insurance, retirement, 401(k) or profit-sharing plans, or any benefit plans related to
8 monies paid as a result of this Settlement.

9 i. No Credit Toward Benefit Plans

10 The Individual Settlement Payments made to Participating Class Members under this
11 Agreement, as well as any other payments made pursuant to this Agreement, shall have no
12 effect on, nor will they be utilized to calculate, any additional benefits under any benefit
13 plans to which any Class Members may be eligible, including, but not limited to: profit-
14 sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave
15 plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this
16 Settlement will not affect any rights, contributions, or amounts to which any Class Members
17 may be entitled under any benefit plans.

18 j. No Effect on Regular Rate or Overtime Compensation

19 Participating Class Members will receive payment under the Settlement as
20 determined by the Settlement Administrator in accordance with this Agreement. The Parties
21 agree that this payment is not viewed as additional compensation for purposes of calculating
22 a "regular rate" of pay under California or federal law for the period during which it is
23 received, and no additional overtime compensation is required as a result of such payment.

24 k. Tax Liability

25 The Parties and counsel for the Parties make no representation as to the tax treatment
26 or legal effect of the payments called for hereunder. Plaintiff and Participating Class
27 Members are not relying on any statement, representation, or calculation by the Parties,
28 counsel for the Parties, or the Settlement Administrator in this regard. Plaintiff, Participating

1 Class Members, and Plaintiff's Counsel understand and agree that they will be solely
2 responsible for the payment of their own portion of any taxes and penalties assessed on the
3 payments that they receive under the Settlement, and for correctly characterizing any
4 compensation received under the Settlement on his/her personal income tax returns and
5 paying any and all taxes due for any and all amounts paid to them under the Settlement.

6 1. No Additional Contribution by Defendants

7 Other than as set forth above, Defendants shall not be called upon or required to
8 contribute additional monies above the Settlement under any circumstances whatsoever
9 except as specifically set forth herein. In the event that this Settlement is canceled,
10 rescinded, terminated, voided, or nullified, however that may occur, or the Settlement of the
11 Action is barred by operation of law, or invalidated, or ordered not to be carried out by a
12 court of competent jurisdiction, Defendants shall cease to have any obligation to pay any
13 portion of the Settlement to anyone under the terms of this Settlement, except for its share
14 of the costs already incurred by the Settlement Administrator, and this action shall resume
15 as though no Settlement had occurred with the Action proceeding in the Los Angeles County
16 Superior Court.

17 **IV. LIMITATIONS ON USE OF THIS SETTLEMENT**

18 **A. No Admission**

19 Defendants deny that they have engaged in any unlawful activity, that they have
20 failed to comply with the law in any respect, that they have any liability to anyone under the
21 claims asserted in the Action, and that, but for this Settlement, a class should not and could
22 not be certified in this Action. This Settlement is entered into solely for the purpose of
23 compromising highly disputed claims. Nothing in this Settlement is intended or will be
24 construed as an admission of liability or wrongdoing by Defendants.

25 **B. Non-Evidentiary Use**

26 Whether or not the Effective Date occurs, neither this Settlement nor any of its terms
27 will be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be
28 evidence for any purpose adverse to Defendants or any other of the Released Parties,

1 including but not limited to, evidence of a presumption, concession, indication, or admission
2 by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or
3 damage, or (b) disclosed, referred to, or offered in evidence against any of the Released
4 Parties in any further proceeding in the Action, except for the purposes of effectuating the
5 Settlement pursuant to the terms herein or for Defendants to establish that a Class Member
6 has resolved any of his/her claims released through this Settlement.

7 **C. Defendants' Right to Terminate Settlement**

8 Defendants shall have the right at their sole discretion to terminate the Settlement if
9 Class Members holding 10% or more of the Class, timely elect to opt out of the Settlement.
10 Defendants must exercise their option to void the Settlement within fourteen (14) calendar
11 days of learning of the final opt-out percentage. The Settlement Administrator shall notify
12 Defense Counsel and Class Counsel via email immediately, and no later than three calendar
13 days after expiration of the Response Deadline, if the 10% threshold for opt-outs is exceeded.
14 If Defendants elect to exercise their right under this paragraph, Defendants shall be liable
15 solely for administrative costs of the third-party settlement administrator selected by the
16 parties. The Parties agree that they will not in any manner take any actions to encourage
17 Class Members to opt-out.

18 **D. Nullification**

19 The Parties have agreed to the certification of the Class encompassing all claims
20 alleged in the Action for the sole purpose of effectuating this Settlement. If (a) the Court
21 should for any reason fail to certify this Class for settlement, or (b) the Court should for any
22 reason fail to approve this Settlement, or (c) the Court should for any reason fail to enter the
23 Final Approval Order, or (d) the Final Approval Order is reversed, or declared or rendered
24 void, or (e) the Court should for any reason fail to dispose of the action in its entirety, then
25 (1) this Settlement shall be considered null and void; (2) neither this Settlement nor any of
26 the related negotiations or proceedings shall be of any force or effect; (3) all Parties to this
27 Settlement shall stand in the same position, without prejudice, as if the Settlement had been
28 neither entered into nor filed with the Court; and (4) the fact that the Parties were willing to

1 stipulate to class certification of all causes of action pled in the Action as part of the
2 Settlement will have no bearing on, and will not be admissible in connection with, the issue
3 of whether the Class should be certified by the Court in a non-settlement context in this
4 Action or any other action, and in any of those events, Defendants expressly reserve the right
5 to oppose certification of the Class.

6 Invalidation of any material portion of this Settlement shall invalidate this Settlement
7 in its entirety unless the Parties shall subsequently agree in writing that the remaining
8 provisions shall remain in full force and effect. In the event that the Settlement does not
9 become final for any reason, the Parties will be jointly responsible for payment for the
10 Settlement Administrative Costs.

11 **V. RELEASES**

12 **A. Releases by Participating Class Members**

13 Upon the Effective Date, and full payment of the Gross Settlement Amount by
14 Defendants, Plaintiff and all Participating Class Members will forever release Defendants,
15 together with their past, present, and/or future parents, subsidiaries, affiliated or related
16 entities, fictitious business names, franchisors, owners, boards, officers, directors, trustees,
17 shareholders, members, managers, partners, managing agents, employees, agents, payroll
18 processors, independent contractors, insurers, attorneys, representatives, heirs, executors,
19 administrators, successors, predecessors, and assigns and each of their owners, officers,
20 directors, managing agents, trustees, payroll processors, independent contractors, members,
21 managers, employees, attorneys, insurers, shareholders, successors, predecessors, and agents
22 (collectively, the “Released Parties”) from any and all claims, debts, liabilities, demands,
23 actions, or causes of action of every nature and description that accrued during the Class
24 Period, under state law and the Wage Orders of the California Industrial Welfare
25 Commission, that were alleged or which could have been alleged based on the factual
26 allegations in the Complaint in the Action, including, but not limited to, claims for unpaid
27 wages (including, inter alia, off-the-clock work, rate of pay, and rounding allegations),
28 failure to pay minimum wages, straight time wages, overtime wages, and double time wages,

1 failure to provide compliant meal and rest breaks or periods or provide premium
2 compensation in lieu thereof, failure to comply with itemized employee wage statement
3 provisions, failure to pay wages due at separation and associated waiting time penalties,
4 failure to timely pay wages during employment, failure to maintain compliant time and
5 payroll records, failure to reimburse for business expenses, and for unfair or unlawful
6 business practices pursuant to California Business and Professions Code § 17200, et seq.
7 based on the aforementioned, declaratory relief, statutory and civil penalties, and attorney
8 fees and costs. The Released Claims specifically include, but are not limited to, all claims
9 arising under California Labor Code Sections 201-204, 206, 218.6, 226, 226.7, 510, 512,
10 1182.12, 1194, 1194.2, 1197, 1198, 2800, 2802, and/or those arising under the Industrial
11 Welfare Commission Wage Orders; and/or those arising under the Industrial Welfare
12 Commission Wage Orders; California Business and Professions Code section 17200 et seq.;
13 California Code of Regulations, title 8, Section 11160; the California Civil Code sections
14 3287, 3289, and 3294; and California Code of Civil Procedure section 1021.5 (“Released
15 Claims”).

16 The above release language shall also be included in the Class Notice.

17 Plaintiff and Participating Class Members will release these Released Claims from
18 September 15, 2018 through January 20, 2025.

19 Class Members who do not affirmatively opt out of the Class Settlement by
20 submitting a timely and valid Request for Exclusion will be bound by all of the Settlement
21 Agreement’s terms, including those pertaining to the Released Claims and any claims under
22 the Fair Labor Standards Act (“FLSA”) (29 U.S.C. §§ 201, et seq.) arising during the Class
23 Period and based on the factual allegations alleged or which could have been alleged in the
24 Action, including the claims noted above.

25 **B. Releases by PAGA Employees and the State of California**

26 Any PAGA Employee who is also a Non-Participating Class Member will still
27 receive their Individual PAGA Payment regardless of whether they opt-out of the
28 Settlement. Upon the Effective Date, and full payment of the Gross Settlement Amount by

1 Defendants, Plaintiff, the State of California and PAGA Employees will release the PAGA
2 Released Parties from the PAGA Released Claims. Defendants, including their past, present,
3 and/or future parents, subsidiaries, affiliated or related entities, fictitious business names,
4 franchisors, owners, boards, officers, directors, trustees, shareholders, members, managers,
5 partners, managing agents, employees, agents, payroll processors, independent contractors,
6 insurers, attorneys, representatives, heirs, executors, administrators, successors,
7 predecessors, and assigns and each of their owners, officers, directors, managing agents,
8 trustees, payroll processors, independent contractors, members, managers, employees,
9 attorneys, insurers, shareholders, successors, predecessors, and agents (collectively, the
10 “PAGA Released Parties”) from any and all claims, debts, liabilities, demands, actions, or
11 causes of action of every nature and description that accrued during the PAGA Period, under
12 state law and the California Labor Code, that were alleged or which could have been alleged
13 based on the exhausted claims and factual allegations in Plaintiff’s notices sent to the LWDA
14 and alleged in the operative Complaint, regardless of whether the PAGA Employees opt-out
15 of the Settlement Agreement, including claims for civil penalties based on unpaid wages,
16 including but not limited to failure to pay minimum wages, straight time compensation,
17 overtime compensation, double time compensation and interest; failure to timely pay regular
18 and final wages; failure to reimburse business expenses; missed meal period and rest period
19 wages and premiums; meal period waivers and on-duty meal period waivers; payment for
20 all hours worked; wage statements and paystubs, including wage statements and paystubs
21 furnished or available in physical, electronic, or other forms; failure to keep accurate records;
22 penalties, including recordkeeping penalties, wage statement penalties, minimum-wage
23 penalties, and waiting-time penalties; statutory penalties and civil penalties; and attorneys’
24 fees and costs. Without limiting the foregoing, the PAGA Released Claims include claims
25 for civil penalties arising under California Labor Code Sections 201, 202, 203, 204, 206,
26 210, 226, 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198,
27 2698 et seq., 2800, and 2802, and/or those arising under the Industrial Welfare Commission
28 Wage Orders; PAGA; and/or those arising under the Industrial Welfare Commission Wage

1 Orders; California Code of Regulations, title 8, Section 11160; and California Code of Civil
2 Procedure section 1021.5 (“PAGA Released Claims”).

3 The above release language shall also be included in the Class Notice. Plaintiff, the
4 State of California, and PAGA Employees will release these PAGA Released Claims from
5 June 9, 2021 through January 20, 2025.

6 **C. Plaintiff’s General Release**

7 In addition to the Released Claims, Plaintiff does hereby, for himself, and for his
8 heirs, successors, predecessors, attorneys, agents, representatives and assigns, forever
9 release the Released Parties from any and all charges, complaints, claims, liabilities,
10 obligations, promises, agreements, controversies, damages, actions, causes of action,
11 injuries, suits, rights, demands, costs, losses, debts, judgments, accounts, attorneys’ fees,
12 interest, expenses (including back wages, penalties, liquidated damages, and attorneys’ fees
13 and costs actually incurred), and other legal responsibilities arising in law, equity or
14 otherwise, of any kind, nature, and character whatsoever, from the beginning of time through
15 the date of her signature on this Settlement, whether known or unknown, suspected or
16 unsuspected, unforeseen, or unanticipated including but not limited to all claims arising out
17 of, based upon, or relating to her employment with Defendants, the termination or
18 resignation of her employment with Defendants, or the remuneration for such employment,
19 including, but not limited to all claims that were brought, or which could have been brought,
20 in the Action under California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510,
21 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2698 et seq., 2800 and 2802, the
22 applicable Wage Orders of the California Industrial Welfare Commission, including IWC
23 Wage Orders 5-2001. Without limiting the generality of the foregoing, Plaintiff expressly
24 releases all claims which were or could have been raised in the Action and all claims or
25 rights arising out of alleged violations of any contracts, express or implied (including but not
26 limited to any contract of employment); any contract or covenant of good faith or fair dealing
27 (express or implied); any tort, including negligence, fraud, misrepresentation under
28 California Labor Code § 970, negligent infliction of emotional distress, intentional infliction

1 of emotional distress, and defamation; any other common law claim; any “retaliation”
2 claims; any claims relating to any breach of public policy; any claim for costs, fees, interest,
3 or other expenses including attorneys’ fees; any legal restrictions on Defendants’ right to
4 discharge employees or refuse to hire applicants; and any federal, state, or other
5 governmental statute, regulation, or ordinance, including, without limitation: (1) Title VII of
6 the Civil Rights Act of 1964, as amended (race, color, religion, sex, and national origin
7 discrimination or harassment, including retaliation for reporting discrimination or
8 harassment); (2) The Civil Rights Act of 1991, as amended; (3) Sections 1981 through 1988
9 of Title 42 of the United States Code, as amended; (4) The Age Discrimination in
10 Employment Act of 1967, as amended; (5) The Employee Retirement Income Security Act
11 of 1974, as amended; (6) The Immigration Reform and Control Act, as amended; (7) The
12 Americans with Disability Act, as amended; (8) Sections 503 and 504 of the Rehabilitation
13 Act of 1973 (disability discrimination); (9) The Workers Adjustment and Retraining
14 Notification Act, as amended; (10) The Occupational Safety and Health Act, as amended;
15 (11) California Equal Pay Law, as amended; (12) Equal Pay Act, 29 U.S.C. § 209(4)(1)
16 (equal pay); (13) Americans with Disabilities Act, 42 U.S.C. § 12100 et seq. (disability
17 discrimination); (14) Family and Medical Leave Act, 29 U.S.C. § 2601 et seq.
18 (family/medical leave); (15) California Fair Employment and Housing Act [Gov. Code, §§
19 12900, et seq.] (discrimination or harassment in employment and/or housing, including
20 discrimination or harassment based on race, religious creed, color, national origin, ancestry,
21 physical or mental disability, marital status, sex (including pregnancy), sexual orientation,
22 genetic, or age, including retaliation for reporting discrimination or harassment); (16)
23 California Family Rights Act, [Gov. Code, §§ 12945.1, et seq]. (family/medical leave); (17)
24 California Labor Code or any Industrial Welfare Commission Wage Order; (18) FLSA; (19)
25 Executive Order 11246 (race, color, religion, sex, and national origin discrimination or
26 harassment); (20) Executive Order 11141 (age discrimination); (21) California health and
27 safety laws and regulations; and (22) any other federal, state, or local law, regulation or
28 ordinance, including those regulating compensation, and those prohibiting discrimination,

1 harassment, or retaliation of any kind.

2 **D. Plaintiff's Release of Unknown Claims**

3 Plaintiff, in his individual capacity, also expressly waives, as to the Released Claims
4 any and all provisions, rights and benefits conferred by any law or principle of common law
5 or equity, that is similar, comparable, or equivalent, in whole or in part, to California Civil
6 Code § 1542. For the purpose of implementing a full and complete release, Plaintiff
7 expressly acknowledges that the release given in this Settlement is intended to include in its
8 effect, without limitation, claims that each did not know or suspect to exist in her favor at
9 the time of the effective date of this Settlement, regardless of whether the knowledge of such
10 claims, or the facts upon which they might be based, would materially have affected the
11 settlement of this matter, and that the consideration given under the Settlement was also for
12 the release of those claims and contemplates the extinguishment of any such unknown
13 claims. Plaintiff expressly waives the provisions of section 1542 of the Civil Code of
14 California, which provides:

15 **A general release does not extend to claims that the creditor or releasing party**
16 **does not know or suspect to exist in his or her favor at the time of executing**
17 **the release and that, if known by him or her, would have materially affected**
18 **his or her settlement with the debtor or released party.**

19 Thus, subject to and in accordance with this Agreement, even if Plaintiff may
20 hereafter discover facts in addition to or different from those he now knows or believes to
21 be true, Plaintiff, upon the Effective Date, shall be deemed to have fully, finally, and forever
22 settled and released any and all claims against the Released Parties that were alleged or could
23 have been alleged in the Action, as well as any other claims, whether known or unknown,
24 suspected or unsuspected, contingent or non-contingent, that now exist, upon any theory of
25 law or equity, including without limitation, conduct which is negligent, intentional, with or
26 without malice, or a breach of any duty, law, or rule, without regard to the subsequent
27 discovery or existence of such different or additional facts.

28 **E. No Additional Attorneys' Fees or Costs**

Except for the attorneys' fees and costs set forth in this Settlement, the Parties agree
to bear their own attorneys' fees and costs related to this Action and this Settlement.

1 **VI. MISCELLANEOUS PROVISIONS**

2 **A. Amendments or Modification**

3 The terms and provisions of this Settlement may be amended or modified only by an
4 express written agreement that is signed by all the Parties (or their successors-in-interest)
5 and their counsel and approval by the Court, provided however that changes solely to the
6 timing and deadlines herein may be made for administrative convenience by written
7 agreement of counsel for all Parties without the Court's approval.

8 **B. Assignment**

9 The representations, warranties, covenants, and agreements contained in this
10 Settlement are for the sole benefit of the Parties under this Settlement, and shall not be
11 construed to confer any right or to avail any remedy to any other person.

12 **C. Governing Law**

13 This Settlement shall be governed, construed, and interpreted, and the rights of the
14 Parties shall be determined, in accordance with the laws of the State of California,
15 irrespective of the State of California's choice of law principles.

16 **D. Entire Agreement**

17 This Settlement, including **Exhibit A** referred to herein, which form an integral part
18 hereof, contains the entire understanding of the Parties hereto with respect of the subject
19 matter contained herein. In case of any conflict between text contained in Articles I through
20 VI of this Settlement and text contained in **Exhibit A** to this Settlement, the former (i.e.,
21 Articles I through VI) shall be controlling, unless **Exhibit A** is changed by or in response to
22 a Court order. There are no restrictions, promises, representations, warranties, covenants,
23 or undertakings governing the subject matter of this Settlement other than those expressly
24 set forth or referred to herein. This Settlement supersedes all prior agreements, except for
25 the Individual Confidential Settlement Agreement between Plaintiff and Defendants, and all
26 understandings among the Parties hereto with respect to the settlement of the Action,
27 including correspondence between Class Counsel and Defense Counsel and drafts of prior
28 agreements or proposals.

1 **E. Waiver of Compliance**

2 Any failure of any Party, Defense Counsel, or Class Counsel hereto to comply with
3 any obligation, covenant, agreement, or condition herein may be expressly waived in
4 writing, to the extent permitted under applicable law, by the Party or Parties and their
5 respective counsel hereto entitled to the benefit of such obligation, covenant, agreement, or
6 condition. A waiver or failure to insist upon strict compliance with any representation,
7 warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel
8 with respect to, any subsequent or other failure.

9 **F. Counterparts and Fax/PDF Signatures**

10 This Settlement, and any amendments hereto, may be executed in any number of
11 counterparts and any Party and/or their respective counsel hereto may execute any such
12 counterpart, each of which when executed and delivered shall be deemed to be an original
13 and all of which counterparts taken together shall constitute one instrument. A fax,
14 electronic, or PDF signature on this Settlement shall be as valid as an original signature,
15 provided sufficient verification is provided to authenticate the signature.

16 **G. Meet and Confer Regarding Disputes**

17 Should any dispute arise among the Parties or their respective counsel regarding the
18 implementation or interpretation of this Settlement, a representative of Class Counsel and a
19 representative of Defense Counsel shall meet and confer in an attempt to resolve such
20 disputes prior to submitting such disputes to the Court.

21 **H. Agreement Binding on Successors**

22 This Agreement will be binding upon, and inure to the benefit of, the successors in
23 interest of each of the Parties.

24 **I. Cooperation in Drafting**

25 The Parties have cooperated in the negotiation and preparation of this Settlement.
26 This Settlement will not be construed against any Party on the basis that the Party, or the
27 Party's counsel, was the drafter or participated in the drafting of this Settlement.
28

J. Fair Settlement

1 Plaintiff, Defendants, Class Counsel, and Defense Counsel believe that this
2 Settlement reflects a fair, reasonable, and adequate settlement of the Action and have arrived
3 at this Settlement through arm's-length negotiations, taking into account all relevant factors,
4 current and potential, and is consistent with public policy, and fully complies with applicable
5 provisions of law.

6 **K. Headings**

7 The descriptive heading of any section or paragraph of this Settlement is inserted for
8 convenience of reference only and does not constitute a part of this Settlement and shall not
9 be considered in interpreting this Settlement.

10 **L. Notice**

11 All notices, demands, or other communications given under this Settlement must in
12 writing and addressed as follows:

13 *To Plaintiff and the Class:*

14 Daniel Srourian, Esq. (SBN 285678)

15 **SROURIAN LAW FIRM, P.C.**

16 3435 Wilshire Blvd., Suite 1710

17 Los Angeles, California 90010

18 Telephone: 213.474.3800

19 Facsimile: 213.471.4160

20 and

21 *To Defendants:*

22 **JEFFER MANGELS BUTLER & MITCHELL LLP**

23 TRAVIS M. GEMOETS (Bar No. 174365)

24 *tgemoets@jmbm.com*

25 RAEF COGAN (Bar No. 317060)

26 *RCogan@jmbm.com*

27 1900 Avenue of the Stars, 7th Floor

28 Los Angeles, California 90067-4308

Telephone: (310) 203-8080

M. Enforcement of Settlement and Continuing Court Jurisdiction

To the extent consistent with class action procedure, this Settlement shall be
enforceable by the Court pursuant to California Code of Civil Procedure section 664.6 and
California Rule of Court 3.769(h). The disposition entered by the Court will not adjudicate

1 the merits of the Action or the liability of the Parties resulting from the allegations of the
2 Action. Its sole purpose is to adopt the terms of the Settlement and to retain jurisdiction over
3 its enforcement. To that end, the Court shall retain continuing jurisdiction over this Action
4 and over all Parties and Class Members, to the fullest extent to enforce and effectuate the
5 terms and intent of this Settlement.

6 **N. Mutual Full Cooperation**

7 The Parties agree fully to cooperate with each other to accomplish the terms of this
8 Settlement, including but not limited to execution of such documents, and to take such other
9 action as may reasonably be necessary to implement the terms of this Agreement. The
10 Parties to this Settlement shall use their best efforts, including all efforts contemplated by
11 this Settlement, to effectuate this Settlement and the terms set forth herein. In the event the
12 Parties are unable to reach agreement on the form or content of any document needed to
13 implement the Settlement, or on any supplemental provisions that may become necessary to
14 effectuate the terms of the Settlement, the Parties agree to seek the assistance of the Court.

15 **O. Authorization to Act**

16 Class Counsel warrants and represents that they are authorized by Plaintiff, and
17 Defense Counsel warrants that they are authorized by Defendants, to take all appropriate
18 action required to effectuate the terms of this Settlement, except for signing the documents,
19 including but not limited to this Settlement, that are required to be signed by the Parties.

20 **P. No Reliance on Representations**

21 The Parties have made such investigation of the facts and the law pertaining to the
22 matters described herein and to this Settlement as they deem necessary, and have not relied,
23 and do not rely, on any statement, promise, or representation of fact or law, made by any of
24 the other parties, or any of their agents, employees, attorneys, or representatives, with regard
25 to any of their rights or asserted rights, or with regard to the advisability of making and
26 executing this Settlement, or with respect to any other matters. No representations,
27 warranties, or inducements have been made to any party concerning this Settlement. This
28 Settlement is entered into freely and voluntarily without duress or undue pressure or

1 influence of any kind or nature whatsoever

2 **Q. Invalidity of Any Provision**

3 Before declaring any provision of this Agreement invalid, the Court will first attempt
4 to construe the provision as valid to the fullest extent possible consistent with applicable
5 precedents so as to define all provisions of this Agreement valid and enforceable. If any
6 provision of this Agreement or the application thereof is held invalid, the invalidity shall not
7 affect other provisions or applications of this Agreement which can be given effect without
8 the invalid provisions or application and, to this end, the provisions of this Agreement are
9 declared to be severable. Notwithstanding the foregoing, no portion of any release contained
10 herein may be deemed severed or deleted from this Agreement, except upon waiver in
11 writing by the applicable party.

12 **R. No Publicity**

13 The Parties and their counsel agree that they will not issue any press releases, initiate
14 any contact with the press, respond to any press inquiry or have any communications with
15 the press about the facts, amount or terms of the Settlement. Plaintiff and Class Counsel
16 further agree to keep the terms of the Settlement confidential prior to filing the Motion for
17 Preliminary Approval.

18 **EXECUTION BY PARTIES**

19 The Parties hereby execute this Settlement.

20 Dated: 09/13/25

JORGE HERNANDEZ

21 By: 

22 (Signature)

23 Dated: 09/11/2025

24 ANDY'S PRECISION SEAL &
25 STRIPE, INC.

26 By: Andrew L. Machado
27 (Signature)

28 Andrew L Machado

(Printed Name)

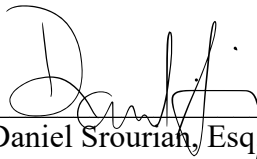
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(Title)

Approved as to form only:

Dated: 01/12/26 _____

SROURIAN LAW FIRM, P.C.

By:  _____
Daniel Srourian, Esq.
Attorney for Plaintiff, Jorge Hernandez

Dated: January 14, 2026 _____

JEFFER MANGELS BUTLER &
MITCHELL LLP

By:  _____
Travis M. Gemoets, Esq
Raef Cogan, Esq.
Attorneys for Defendants, Andy's Precision Seal & Stripe, Inc.

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