

Daniel Srourian, Bar No. SBN 285678
SROURIAN LAW FIRM
3440 Wilshire Blvd., Suite 915
Los Angeles, CA 90010
Telephone: 310.601.3131
Facsimile: 310.388.8444

Ashkan Shakouri, Bar No. 242072
SHAKOURI LAW FIRM
11601 Wilshire Blvd., Fifth Floor
Los Angeles, CA 90025
Telephone: 310.575.1827
Facsimile: 310.575.1890
Email: ash@shakourilawfirm.com

Attorneys for Plaintiffs and the Proposed Class

Shareef S. Farag, Bar No. 251650
BAKER & HOSTETLER LLP
11601 Wilshire Boulevard, Suite 1400
Los Angeles, CA 90025-0509
Telephone: 310.820.8800
Facsimile: 310.820.8859
Email: sfarag@bakerlaw.com

Attorneys for Defendants
L.A. LEASING, INC. AND HUYSEN, INC.

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

SAM PATTERSON; CLARANISHA
RAINEY-PALM; RONISHA ANDREWS;
VERONICA HERNANDEZ; DONNA
WINGO; MYIKA GLASGOW AND
TYESHA ROGERS on behalf of themselves
and other similarly situated,

Plaintiffs,

v.

PHONE WARE, INC., a California
corporation; SUNNET, INC. a California
corporation; L.A. LEASING INC., a California
corporation; HUYSEN, INC., a California
corporation; BILL NASSIR, an individual;
HAZEL NASSIR, an individual; SOPHIA
GONZALEZ-SMITH, an individual; and
DOES 1 - 20, inclusive,

Defendants.

Case No: 37-2016-00021373-CU-CE-CTL

[Assigned for all purposes to
The Honorable Ronald L. Styn, Dept. 74]

**JOINT STIPULATION OF CLASS
ACTION SETTLEMENT**

Action Filed: June 23, 2016
FAC Filed: August 18, 2016
SAC Filed: March 13, 2017
TAC Filed: October 3, 2017
Trial Date: None set

This Joint Stipulation of Class Action Settlement (together with Exhibit A, the "Settlement") is entered into by and between plaintiffs, Claranisha Rainey-Palm; Ronisha Andrews; and Tyesha Rogers ("Sub-Class Representatives") on behalf of themselves and as a representative of the Sub-Class described in this Settlement, and defendants L.A. Leasing, Inc. and Huysen, Inc. ("Staffing Defendants").

1. DEFINITIONS

As used in this Settlement, the following terms will have the meanings specified below:

1.1 "Attorneys' Fees" means Sub-Class Counsel's fees, up to thirty three percent (33%) of the Maximum Settlement Consideration, as detailed in Section 7.1 of this Settlement.

1.2 "Sub-Class" means all 855 non-exempt employees of Staffing Defendants who performed any work for Phone Ware, Inc., Sunnet, Inc. Bill Nassir, Hazel Nassir or Sophia Gonzalez-Smith (collectively, the "Phone Ware Defendants"), at any time from June 23, 2012 through September 1, 2016.

1.3 "Sub-Class Member" means an individual who falls within the definition of the Sub-Class.

1.4 "Sub-Class Counsel" means:

SROURIAN LAW FIRM
Daniel Srourian, Esq. [SBN 285678]
3440 Wilshire Blvd., Suite 915
Los Angeles, CA 90010
Telephone: (310) 601-3131
Fax: (310) 388-8444

SHAKOURI LAW FIRM
Ashkan Shakouri, Esq. [SBN 242072]
11601 Wilshire Blvd., Fifth Floor
Los Angeles, California 90025
Telephone: (310) 575-1827
Fax: (310) 575-1890

1.5 "Sub-Class Period" means the period from June 23, 2012 through the Date of Preliminary Approval, as defined below.

1.6 "Sub-Class Representatives" means Plaintiffs Claranisha Rainey-Palm; Ronisha Andrews; and Tyesha Rogers who worked for L.A. Leasing during the Sub-Class Period. After working for LA Leasing, Plaintiff Claranisha Rainey-Palm was hired by and directly worked for

1 Phone Ware Defendants. Any claims Plaintiff Claranisha Rainey-Palm has or may have against
2 Phone Ware Defendants during the time she worked directly for Phone Ware Defendants is not
3 released through the Settlement.

4 1.7 "Third-Amended Complaint" means the operative complaint filed in the Lawsuit
5 (as defined below).

6 1.8 "Court" means the Superior Court of the State of California, County of San Diego.

7 1.9 "Date of Final Approval" means the date the Court enters an order granting final
8 approval of the Settlement ("Final Approval Order").

9 1.10 "Date of Preliminary Approval" means the date the Court enters an order granting
10 preliminary approval of the Settlement ("Preliminary Approval Order").

11 1.11 "Effective Date" means the date when the Final Approval Order becomes final.
12 For purposes of this Settlement, the Final Approval Order "becomes final" upon the last to occur
13 of the following: (a) if there are no objections to the Settlement, the Date of Final Approval; (b) if
14 there are objections to the Settlement, and if an appeal, review, or writ is not sought from the
15 Final Approval Order, the day after the time period to appeal the Final Approval Order has
16 expired; or (c) if an appeal, review, or writ is sought from the Final Approval Order, the day after
17 the Final Approval Order is affirmed or the appeal, review, or writ is dismissed or denied, and the
18 Final Approval Order is no longer subject to further judicial review.

19 1.12 "Last Known Address" means the most recently recorded mailing address for a
20 Sub-Class Member as such information is contained in the personnel records maintained by
21 Staffing Defendants and/or the companies that provided Staffing Defendants temporary workers
22 during the Sub-Class Period.

23 1.13 "Lawsuit" means the civil action entitled *Sam Patterson; Claranisha Rainey-*
24 *Palm; Ronisha Andrews; Veronica Hernandez; Donna Wingo; Myika Glasgow and Tyeshia*
25 *Rogers v. Phone Ware, Inc.; Sunnet, Inc.; L.A. Leasing, Inc.; Huyssen, Inc. Bill Nassir, Hazel*
26 *Nassir, and Sophia Gonzalez-Smith*, Case No. 37-2016-00021373-CU-CE-CTL, pending in the
27 Superior Court of the State of California, County of San Diego.
28

1.14 "Litigation Expenses" means those actual expenses and costs of litigation incurred by Sub-Class Counsel and approved for reimbursement by the Court, up to ten thousand dollars (\$10,000), excluding costs or fees of the Settlement Administrator, as detailed in Section 7.1 of this Settlement.

1.15 "Maximum Settlement Consideration" means the maximum amount that Staffing Defendants will pay under the terms of this Settlement (not including payroll taxes), which is a non-reversionary gross settlement amount of Three Hundred Fifteen Thousand Dollars (\$315,000), and is inclusive of all Settlement Payments, Service Payments, \$7,500 in connection with the settlement of Sub-Class Representatives' claims under the California Labor Code Private Attorneys General Act ("PAGA"), Litigation Expenses, Attorneys' Fees, and Settlement Administration Costs, as those terms are defined in this Settlement.

1.16 "Net Settlement Consideration" means the Maximum Settlement Consideration less Attorneys' Fees, Litigation Expenses, \$7,500 payment pursuant to settlement of Sub-Class Representatives' PAGA claims, Service Payments, and Settlement Administration Costs.

1.17 "Notice" means the form of the document attached to this Settlement as Exhibit "A".

1.18 "Notice Period" means a 30-day period for Sub-Class Members to respond to the Notice and object or Opt Out, subject to a potential 20-day extension as detailed in Section 8.8 of this Settlement.

1.19 "Operative Complaint" means the Third Amended Complaint filed by Sub-Class Representatives on October 3, 2017.

1.20 "Opt Out" means the process by which Sub-Class Members can respond to the Notice by requesting that they be excluded from this Settlement as detailed in Section 8.5 of this Settlement and as reflected as Exhibit "B" to this Settlement.

1.21 "Parties" means the Sub-Class Representatives and Staffing Defendants.

1.22 "Reasonable Address Verification Measures" means running the Last Known Addresses and social security numbers of Sub-Class Members through the United States Postal Service's National Change of Address database to verify a Sub-Class Member's address.

1.23 “Released Claims” means the claims the Sub-Class Members release subject to the terms of this Settlement as detailed in Section 10.1 of this Settlement.

1.24 “Service Payments” means the payment of up to five thousand dollars \$5,000 to the Sub-Class Representatives as detailed in Section 6.3 of this Settlement.

1.25 “Settlement Administration Costs” means the costs and expenses of up to fifteen thousand dollars \$15,000 due to the Settlement Administrator as approved by the Court.

1.26 “Settlement Administrator” means the third-party settlement administration provider Phoenix Class Action Administration Solutions.

1.27 “Settlement Sub-Class Member(s)” means Sub-Class Members who do not timely and validly Opt Out of this Settlement.

1.28 “Settlement Payment” means the total, gross amount due to the Sub-Class Members, which will be calculated as detailed in Section 6.2 of this Settlement.

1.29 “Updated Address” means a mailing address that was updated via Reasonable Address Verification Measures or via an updated mailing address provided by the United States Postal Service or a Sub-Class Member.

1.30 “Alleged Claims” means all claims and causes of action alleged in the original Complaint, First Amended Complaint, Second Amended Complaint and the operative, Third Amended Complaint.

2. FACTUAL AND PROCEDURAL BACKGROUND

2.1 On June 23, 2016, Sub-Class Representatives filed the Lawsuit. On August 18, 2016, Plaintiffs filed a First Amended Complaint. On March 13, 2017, Sub-Class Representatives filed a Second Amended Complaint. On October 3, 2017, Sub-Class Representatives filed a Third Amended Complaint alleging thirteen causes of action under California law for purported violations of the California Labor Code and California Business and Professions Code, breach of contract, breach of the implied covenant of good faith and fair dealing, and fraudulent concealment of injuries, seeking damages, penalties, injunctive reliefs, interest, and attorneys’ fees and costs.

1 2.2 Significant discovery occurred throughout litigation of the Lawsuit. This included
2 several sets of written discovery, putative sub-class member interviews, and production and
3 review of thousands of pages of documents, including timekeeping and payroll records for a
4 significant portion of the Sub-Class Members.

5 2.3 On November 28, 2017, the Parties engaged in mediation with mediator Todd
6 Smith. Following the mediation, Staffing Defendants and Sub-Class Representatives continued to
7 negotiate through Mr. Smith. As a result of those negotiations, the Parties reached the agreement
8 reflected in this Settlement, subject to Court approval. At all times, the Parties' negotiations were
9 adversarial, non-collusive, and at arms' length.

10 2.4 The Parties acknowledge that the Lawsuit involves putative class members and
11 class representatives who worked directly for the Phone Ware Defendants and who never worked
12 for the Staffing Defendants. Such putative class members are not members of the Sub-Class and
13 their claims are not within the scope of this settlement.

14 2.5 The Parties also acknowledge that on November 21, 2016 the Staffing Defendants
15 filed a Cross-Complaint against the Phone Ware Defendants for equitable indemnity and
16 equitable contribution for the losses they have sustained in the Lawsuit and the Troxel Action.
17 This Settlement does not impact the Staffing Defendants' Cross-Complaint in any way. The
18 Staffing Defendants reserve, preserve, and do not waive or release their Cross-Complaint and
19 their cross claims against the Phone Ware Defendants.

20 **3. ADDITIONAL RECITALS**

21 3.1 The Parties are sufficiently familiar with the facts of the Lawsuit and applicable
22 law so as to warrant settlement at this time.

23 3.2 The Parties are represented by competent counsel and have had the opportunity to
24 consult with counsel prior to the submission of this Settlement to the Court. Pursuant to
25 California Evidence Code Sections 1119 and 1152, this Settlement and any related documents
26 filed or created in connection with it will be inadmissible in evidence in any proceeding, except as
27 necessary to approve, interpret or enforce this Settlement.

28

1 3.3 Staffing Defendants deny any liability or wrongdoing of any kind associated with
2 the Alleged Claims and further deny, for purposes other than the settling of this Lawsuit, that any
3 part of the Lawsuit is appropriate for class treatment. Staffing Defendants have denied and
4 continued to deny each and every material factual allegation and alleged claim asserted in the
5 Lawsuit. Nothing in this Settlement will constitute an admission by Staffing Defendants of
6 wrongdoing or liability or of the truth of any factual allegation in the Lawsuit. In addition,
7 nothing in this Settlement will constitute an admission by Staffing Defendants that the Lawsuit is
8 properly brought on a class action or representative basis other than for settlement purposes.

9 3.4 The Sub-Class Representatives and Sub-Class Counsel believe that the claims
10 asserted in the Lawsuit have merit. Sub-Class Counsel, however, recognizes and acknowledges
11 the significant expense and length of continued proceedings necessary to prosecute the litigation
12 against Staffing Defendants through trial(s) and potentially through appeal(s). Sub-Class Counsel
13 are also mindful of the challenges of obtaining class certification, proving liability and damages,
14 and resolving possible defenses to the Alleged Claims. Sub-Class Counsel have performed a
15 thorough study of the law and facts relating to the Alleged Claims and have concluded, based
16 upon their investigation and discovery, and taking into account the sharply contested issues, the
17 expense and time necessary to pursue the Lawsuit through trial, the risks and costs of further
18 prosecution of the Lawsuit, the uncertainties of complex litigation, and the substantial benefits to
19 the Sub-Class, that a settlement with Staffing Defendants on the terms set forth in this Settlement
20 is fair, reasonable, adequate, and in the best interests of the Sub-Class. Sub-Class Counsel and
21 the Sub-Class Representative believe that the Settlement confers substantial benefits to the Sub-
22 Class. Nothing in this Settlement will constitute an admission by Sub-Class Representatives that
23 the Alleged Claims lack merit or that any of Staffing Defendants' affirmative defenses are valid.

24 3.5 Subject to Court Approval, the Sub-Class Representatives will be entitled to a
25 Service Payments for their services on behalf of the Sub-Class, in conformity with Section 6.3.

26 **4. CONDITIONS PRECEDENT TO EFFECTIVENESS OF SETTLEMENT**

27 4.1 The Parties enter into this Settlement with the understanding that it is subject to
28 Court approval. This Settlement will become final and effective only upon the Effective Date.

1 4.2 If the Effective Date does not occur, then this Settlement will automatically be
2 deemed null and void, and the Parties will revert to their positions prior to provisional class
3 certification under the terms of this Settlement.

4 **5. CONDITIONAL CLASS CERTIFICATION**

5 5.1 The Parties conditionally stipulate to class certification for purposes of this
6 Settlement only. In the event that class certification for Settlement purposes is deemed null and
7 void, then that class certification will have no precedential value and it will not be introduced into
8 evidence or used for any other purpose.

9 **6. SETTLEMENT CONSIDERATION**

10 6.1 Under the terms set forth in Settlement, Staffing Defendants will pay each Sub-
11 Class Member who does not Opt Out of this Settlement his or her individual share of the
12 Settlement Payment as consideration for the Settlement pursuant to Section 6.2. Aside from the
13 employer's share of any applicable payroll taxes, which shall be paid separately and additionally
14 by Staffing Defendants, in no event will Staffing Defendants be obligated to pay more than the
15 Maximum Settlement Consideration. The amounts paid under the Settlement will constitute
16 adequate consideration for the Sub-Class Members' Released Claims and for the Sub-Class
17 Representative's general release as detailed in Section 10.2 of this Settlement.

18 6.2 Each Sub-Class Member who does not Opt Out of this Settlement will receive a
19 share of the Net Settlement Consideration, which is a share of the Net Settlement Amount based
20 on the number of workweeks worked by that Sub-Class Member as an employee of Staffing
21 Defendants assigned to work for the Phone Ware Defendants during the Sub-Class Period
22 ("Individual Workweeks"). The Settlement Payment for each individual Participating Sub-Class
23 Member will be calculated by setting the Participating Sub-Class Member's Individual
24 Workweeks while assigned to work for the Phone Ware Defendants, at any time during the Sub-
25 Class Period as a ratio of the total number of workweeks worked by all Sub-Class Members
26 Workweeks for the Phone Ware Defendants, during the Sub-Class Period ("Sub-Class
27 Workweeks") and then multiplying that ratio times the Net Settlement Amount. The formula is
28 as follows: Jane Doe Settlement Payment = Jane Doe Individual Workweeks / Sub-Class

1 Workweeks x (Net Settlement Amount). Any disputes regarding the number of workweeks a
2 Sub-Class Member worked during the Sub-Class Period, or the calculation of an individual Sub-
3 Class Member's Settlement Payment, will be resolved and decided by the Settlement
4 Administrator based on Staffing Defendants' records. The Settlement Administrator's decision
5 on all such disputes will be final and non-appealable.

6 6.3 In exchange for each of the Sub-Class Representatives executing a general release,
7 and in recognition of their efforts in prosecuting the Lawsuit on behalf of the Sub-Class, Staffing
8 Defendants agree not to oppose any application or motion for a Service Payments of up to five
9 thousand dollars (\$5,000) for each of the Sub-Class Representatives. The Sub-Class
10 Representatives' Service Payments, which will be paid from the Gross Settlement Amount, will
11 be in addition to the each Sub-Class Representative's individual share of the Settlement Payment
12 paid pursuant to the Settlement. The Sub-Class Representatives will be solely and legally
13 responsible to pay any and all applicable taxes on the payment made pursuant to this paragraph
14 and will indemnify and hold Staffing Defendants harmless from any claim or liability for taxes,
15 penalties, or interest arising as a result of the payment.

16 6.4 Twenty percent (20%) of each Settlement Payment constitutes wages (and each
17 Sub-Class Member will be issued an IRS Form W-2 for such payment) forty percent (40%)
18 constitutes interest, and forty percent (40%) constitutes penalties and other non-wage payments.
19 Staffing Defendants will be responsible for paying the employer's share of any applicable payroll
20 taxes, including those collected under the authority of the Federal Insurance Contributions Act
21 ("FICA"), separate, apart from, and in addition to the Maximum Settlement Consideration. The
22 Sub-Class Representatives and any Sub-Class Member who receives a Settlement Payment
23 pursuant to this Settlement will be solely responsible for any and all tax obligations associated
24 with receipt of such payments, except as set forth in this Section.

25 6.5 Sub-Class Members will not be entitled to any additional benefits including, for
26 example (but without limitation), vacation, holiday pay, pension, or 401(k) plan contributions
27 based on the Settlement Payments. The Settlement Payments do not represent any modification
28 of previously credited hours of service or other eligibility criteria under any employee pension or

1 employee welfare benefit plan sponsored by Staffing Defendants. The Settlement Payments are
2 not "compensation" for purposes of determining eligibility for, or benefit accrual within, an
3 employee pension benefit plan, an employee welfare benefit plan, or other plan sponsored by
4 Staffing Defendants or its predecessors, subsidiaries, or successors.

5 **7. ATTORNEYS' FEES AND COSTS OF SUB-CLASS COUNSEL**

6 7.1 Sub-Class Counsel will submit an application for an award of Attorneys' Fees not
7 to exceed thirty-three (33%) of the Maximum Settlement Consideration, which equals one-
8 hundred three thousand and nine hundred fifty dollars (\$103,950). Sub-Class Counsel will also
9 submit an application for an award of its actual Litigation Expenses. Staffing Defendants will not
10 oppose a motion for approval of Attorneys' Fees and Litigation Expenses consistent with this
11 Settlement. The amounts set forth in this Section will constitute complete consideration for all
12 work performed and expenses incurred through the completion of Settlement of the Lawsuit and
13 pursuit of claims on behalf of the Sub-Class.

14 **8. NOTICE AND OBJECTION/OPT OUT/DISPUTE PROCEDURES**

15 8.1 Within forty-five (45) calendar days of the Date of Preliminary Approval, Staffing
16 Defendants will provide to the Settlement Administrator all of the following information about
17 each Sub-Class Member: (1) Name, (2) Last Known Address, (3) Social Security Number, and
18 (4) the number of workweeks worked for the Phone Ware Defendants while employed by L.A.
19 Leasing.

20 8.2 Not later than fifteen (15) calendar days after Staffing Defendants provides the
21 Settlement Administrator the information detailed in Section 8.1, the Settlement Administrator
22 will send each Sub-Class Member, via U.S. Mail, the Notice. The Settlement Administrator will
23 mail the Notice to the Last Known Address of each Sub-Class Member and comply with the
24 procedures specified in Section 8.3 of this Settlement.

1 8.3 Prior to mailing the Notice to each Sub-Class Member, the Settlement
2 Administrator will undertake a reasonable address verification measure including checking the
3 National Change of Address Database maintained by the U.S. Postal Service in order to ascertain
4 the current accuracy of the Last Known Address for each Sub-Class Member.

5 8.4 Subject to Court approval, Sub-Class Members will have the Notice Period to
6 object to or Opt Out of the Settlement. Any Sub-Class Member who wishes to object to the
7 Settlement must do so in writing, signed, dated, and mailed to the Settlement Administrator
8 postmarked no later than thirty (30) calendar days after the Settlement Administrator mails the
9 Notice. To be valid, the objection must: (a) set forth the objecting person's full name, address,
10 and telephone number; (b) contain the words "Notice of Objection"; (c) describe, in clear and
11 concise terms, the legal and factual arguments supporting the objection; (d) list witness(es) the
12 objector may call to testify at the Final Approval Hearing; and (e) provide true and correct copies
13 of any exhibit(s) the objector intends to offer at the Final Approval Hearing. Sub-Class Members
14 who have properly and timely submitted objections may appear at the Final Approval Hearing,
15 either in person or through a lawyer retained at their own expense.

16 8.5 Sub-Class Members who wish to Opt Out from the Settlement must mail a written
17 request for exclusion to the Settlement Administrator. To be valid, the written request for
18 exclusion must be addressed to the Settlement Administrator and: (a) state the Sub-Class
19 Member's name, address, telephone number, and the last four numbers of their social security
20 number; (b) state the Sub-Class Member's intention to Opt Out of the Settlement; (c) be signed
21 by the Sub-Class Member or their lawful representative; and (d) be postmarked no later than
22 thirty (30) calendar days after the Settlement Administrator mails the Notice to the Sub-Class. If
23 there is a question about the authenticity of a signed request for exclusion, the Settlement
24 Administrator may request additional proof of the Sub-Class Member's identity. Any Sub-Class
25 Member who returns a timely, valid, and signed request to Opt Out of the Settlement will not
26 participate in or be bound by the Settlement and subsequent judgment, and will not receive any
27 share of the Settlement Payment. A Sub-Class Member who does not complete and mail a timely
28 request for exclusion will automatically be included in the Settlement, will be mailed his or her

1 individual share of the Settlement Payment under the terms of this Settlement, and be bound by
2 all terms and conditions of the Settlement upon the Court's approval of the Settlement, regardless
3 of whether he or she has objected to the Settlement.

4 8.6 Sub-Class Members who wish to dispute the number of workweeks attributed to
5 them based on Staffing Defendants' records and listed on their Notice must mail a written dispute
6 to the Settlement Administrator. Sub-Class Members must clearly state their dispute in a written
7 letter. If they are disputing the number of workweeks attributed to them, they must timely submit
8 information or evidence to support their claim that the Staffing Defendants' records are in error
9 and demonstrate the number of workweeks that they contend should be credited to them. The
10 dispute must (a) state the Sub-Class Member's name, address, telephone number, and the last four
11 numbers of your social security number; (b) clearly state the Sub-Class Member's dispute; (c) be
12 signed by the Sub-Class Member or their lawful representative; and (d) be postmarked no later
13 than thirty (30) calendar days after the Settlement Administrator mails the Notice to the Sub-
14 Class.

15 8.7 The postmark date of the Notice, and any objection or Opt Out, will be deemed the
16 date that any such mailing was completed. If the last day of the Notice Period falls on a Sunday
17 or legal holiday, the Notice Period will extend through the next business day.

18 8.8 Within five (5) business days after the expiration of the Notice Period, the
19 Settlement Administrator will notify the Parties' counsel of the number of Sub-Class Members
20 who have objected to, or requested to Opt Out of, the Settlement.

21 8.9 Unless the Settlement Administrator receives a Notice returned from the United
22 States Postal Service, mailing of the Notice will be considered completed. If the Notice is
23 returned by the United States Postal Service to the Settlement Administrator with a forwarding
24 address for the recipient, the Settlement Administrator will re-mail the Notice to that Updated
25 Address no later than the last day of the Notice Period. If the Notice is returned by the United
26 States Postal Service to the Settlement Administrator without a forwarding address (i.e., the
27 address is no longer valid and the envelope is marked "Return to Sender"), the Settlement
28 Administrator will promptly conduct a "Skip Trace" search to locate a more current address. If a

1 more current address is found, the Settlement Administrator will promptly re-send the Notice no
2 later than the last day of the Notice Period. If no Updated Address is ascertained for a Sub-Class
3 Member, the Settlement Administrator will re-send the Notice to the Last Known Address no
4 later than the last day of the Notice Period. For those Sub-Class Members who are re-sent the
5 Notice under this Section, the Notice Period will be extended another twenty (20) calendar days
6 beyond the initial Notice Period. Within five (5) business days following the end of the extended
7 twenty (20) calendar day period, the Settlement Administrator will provide a final report of the
8 number of Sub-Class Members who have objected to, or requested to Opt Out of, the Settlement.

9 8.10 Before the Effective Date occurs, if five percent (5%) or more of the Sub-Class
10 Members Opt Out of this Settlement, then Staffing Defendants have the right to withdraw from
11 and void this Settlement and the Parties' previously-executed memorandum of understanding, and
12 the Parties will revert to their positions prior to provisional class certification under the terms of
13 this Settlement.

14 **9. PAYMENT OF CLAIMS, ATTORNEYS' FEES, LITIGATION EXPENSES AND**
15 **SERVICE PAYMENTS**

16 9.1 Each Settlement Sub-Class Member will be entitled to a gross payment equal to
17 the amount calculated in Section 6.2 of this Settlement, less required taxes and withholdings.

18 9.2 Not later than thirty (30) calendar days following the Effective Date, Staffing
19 Defendants will provide the Settlement Administrator with the Maximum Consideration
20 Settlement, which the Settlement Administrator will deposit into an interest-bearing account.

21 9.3 Not later than forty-five (45) calendar days following the Effective Date, the
22 Settlement Administrator will mail: (a) to each Sub-Class Member a check in the amount
23 calculated pursuant to Section 6.2 of this Settlement; and (b) to the Sub-Class Representatives the
24 approved Service Payments pursuant to Section 6.3 of this Settlement; and (c) to Sub-Class
25 Counsel the approved Attorneys' Fees and Litigation Expenses pursuant to Section 7.1 of this
26 Settlement.

27 9.4 Any checks issued to Settlement Sub-Class Members will remain negotiable for a
28 period of at least one hundred eighty (180) days from the date of mailing. Thereafter, checks for

1 such payments shall be canceled and funds associated with such checks shall be considered unpaid,
2 unclaimed, or abandoned cash residue pursuant to California Code of Civil Procedures § 384
3 (“Unpaid Residue”). The Unpaid Residue plus any accrued interest that has not otherwise been
4 distributed, shall be transmitted as follows twenty-five percent (25%) to the State Treasury for
5 deposit in the Trial Court Improvement and Modernization Fund; seventy-five percent (75%) to
6 the State Treasury for deposit into the Equal Access Fund of the Judicial Branch. The Settlement
7 Administrator shall prepare a report regarding the distribution plan pursuant to California Code of
8 Civil Procedures § 384 and the report shall be presented to the Court by Sub-Class Counsel.

9 **10. RELEASED CLAIMS**

10 10.1 Sub-Class Release

11 As of the Effective Date, the Settlement Sub-Class Members, on behalf of themselves and
12 each of their heirs, representatives, successors, assigns, and attorneys, hereby compromise,
13 release, resolve, relinquish, discharge, and settle any and all Alleged Claims, and causes of action,
14 debts, liabilities, demands, obligations, guarantees or damages which have been or could have
15 reasonably been raised in the Lawsuit against the Released Parties (as defined below), including
16 but not limited to alleged violations of California Labor Code Sections 201-204, 226, 226.7, 510,
17 512, 1174, 1194, 1197, 1197.1, and 1198, and applicable IWC wage orders or any similar claims,
18 including, but not limited to, nonpayment or under payment of minimum and overtime wages
19 under California law and the Fair Labor Standards Act, nonpayment or underpayment of
20 premiums for meal or rest period violations, failure to timely pay wages, failure to pay all wages
21 due at termination, failure to maintain accurate records, failure to provide accurate and itemized
22 wage statements, violation of the Labor Code Private Attorneys General Act of 2004, fraudulent
23 concealment of injuries, break of contract, breach of the implied covenant of good faith and fair
24 dealing, negligent misrepresentation, or unfair or unlawful business practices (including under
25 Business & Professions Code Sections 17200 *et seq.*), and related penalties, interest, costs,
26 attorneys’ fees, injunctive relief, or declaratory relief (the “Released Claims”). “Released
27 Parties” means both Staffing Defendants and Phone Ware Defendants, and each and all of their
28 respective present, former and future controlling persons, parents, affiliates, subsidiaries,

1 successors-in-interest, benefit plans sponsored by such companies, shareholders, owners, officers,
2 directors, principals, employees, agents, attorneys, insurers, managers, trustees, fiduciaries,
3 representatives, divisions, predecessors, successors, and assigns. The Released Claims do not
4 include any claims that cannot be released as a matter of law, including claims for workers'
5 compensation.

6 Further, with respect to only the Released Claims, as of the Effective Date the Sub-Class
7 Members will be deemed to have expressly waived and relinquished, to the full extent permitted
8 by law, all rights under California Civil Code Section 1542 that they may have against the
9 Released Parties relating to the Alleged Claims or those claims that could have been alleged by
10 Sub-Class Representatives in the Lawsuit. Section 1542 provides:

11 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE
12 CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE
13 TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST
14 HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

15 As such, the Sub-Class Members understand and agree that they are providing the
16 Released Parties with a full and complete release with respect to the Released Claims.

17 10.2 General Release by Sub-Class Representatives

18 In addition to releasing the Released Claims against the Released Parties, the Sub-Class
19 Representatives agree that the consideration set forth in this Settlement represents full settlement
20 of all Alleged Claims and claims that reasonably could have raised in the Lawsuit against the
21 Released Parties. The Sub-Class Representatives, on behalf of themselves and each of their heirs,
22 representatives, successors, assigns, and attorneys, hereby compromise, release, resolve,
23 relinquish, discharge and settles each and all of the Released Parties from any and all claims she
24 has or may have had against any of them.

25 The claims the Sub-Class Representatives are releasing include: (a) claims arising out of
26 Sub-Class Representatives' employment or any other relationship with Staffing Defendants or
27 any of the Released Parties, including their separation from employment with Staffing Defendants
28 or any of the Released Parties; (b) claims which were or could have been alleged in the Lawsuit;

(c) claims arising under Staffing Defendants' policies, plans, or practices, including promotion, compensation, bonuses, expenses and expense reimbursement or benefits; (d) claims for fraud, breach of express or implied contract or covenant of good faith and fair dealing; (e) claims for harassment, discrimination or violation of public policy; (f) claims for constructive discharge or wrongful discharge; (g) claims for retaliation; (h) claims for violation of state or federal common law or statutory law, including all claims arising under the California Labor Code, the Fair Labor Standards Act, California Fair Employment and Housing Act, the California Family Rights Act, Title VII of the Civil Rights Act of 1964, as amended, the Employee Retirement Income Security Act, the National Labor Relations Act, the Family and Medical Leave Act, the Americans with Disabilities Act, the Sarbanes-Oxley Act of 2002, or other federal, state, or local laws relating to employment or separation from employment or benefits associated with employment or separation from employment; (i) claims for emotional distress, mental anguish, humiliation, personal injury; and (j) claims that may be asserted on the Sub-Class Representatives' behalf by others. Excluded from this release are claims which cannot be waived or released as a matter of law, including workers' compensation claims.

The Sub-Class Representatives specifically acknowledges that they are aware of and familiar with the provisions of California Civil Code Section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Sub-Class Representatives, being aware of California Civil Code Section 1542, hereby expressly waive and relinquish all rights and benefits they may have under Section 1542 as well as any other statutes or common law principles of a similar effect.

11. MOTION FOR COURT APPROVAL

11.1 Motion for Preliminary Approval

As soon as practicable, Sub-Class Counsel will file on behalf of the Sub-Class Representative: (i) this Settlement; (ii) a noticed motion seeking the Court's preliminary approval

1 of this Settlement ("Motion for Preliminary Approval"); (iii) a proposed Preliminary Approval
2 Order including an order setting hearing for final approval; and (iv) any other documents
3 consistent with the Settlement and reasonably necessary to obtain the Court's approval of the
4 Settlement.

5 **12. COOPERATION**

6 12.1 The Parties will cooperate fully with one another in seeking Court approval of this
7 Settlement and use their respective best efforts to obtain Final Approval. The Parties therefore
8 will cooperate in good faith to promptly prepare, execute and finalize all Settlement-related
9 documents, seek all necessary Court approval, and do all other things necessary to obtain Final
10 Approval.

11 12.2 The Parties and their counsel consider this Settlement to be fair and reasonable.
12 The Parties and their counsel will not solicit or otherwise encourage Sub-Class Members to
13 submit written objections to, or Opt Out from, the Settlement or encourage Sub-Class Members to
14 appeal the Court's Final Approval Order.

15 **13. MISCELLANEOUS PROVISIONS**

16 13.1 All of the Parties have been represented by counsel throughout all negotiations that
17 preceded the execution of this Settlement, and this Settlement is made with the consent and
18 advice of counsel.

19 13.2 This Settlement may not be modified or amended, except in a writing that is signed
20 by the respective counsel of record for the Parties and approved by the Court.

21 13.3 This Settlement and the exhibits attached constitute the entire agreement between
22 the Parties concerning the subject matter of the Settlement, and supersede and replace all prior
23 negotiations, understandings, memoranda of understanding and proposed agreements, written and
24 oral, relating to the Settlement. No extrinsic oral or written representations or terms will modify,
25 vary or contradict the terms of the Settlement unless made in writing and signed by duly
26 authorized representatives of all Parties and approved in writing by a final order of the Court. No
27 waiver of any term, provision or condition of this Settlement, whether by conduct or otherwise, in
28

1 any one or more instance will be deemed to be or construed as a further or continuing waiver, of
2 any such term, provision or condition.

3 13.4 This Settlement will be subject to, governed by, construed, enforced, and
4 administered in accordance with the laws of the State of California, without giving effect to the
5 principles of conflict of laws, both in its procedural and substantive aspects, and will be subject to
6 the continuing jurisdiction of the Court. This Settlement will be construed as a whole according
7 to its fair meaning and intent, and not strictly for or against any party, regardless of who drafted
8 (or was principally responsible for drafting) this Settlement or any specific term or condition of
9 the Settlement.

10 13.5 This Settlement is subject to the execution of all Parties. However, the Settlement
11 Agreement may be executed in one or more counterparts. All executed counterparts, including
12 facsimile and scanned copies of the signature page, will be deemed to be one document.

13 13.6 The Settlement will be binding upon and inure to the benefit of the Parties'
14 respective successors, assigns, heirs, spouses, executors, administrators and legal representatives.
15 The Settlement is not designed to and does not create any third-party beneficiaries either express
16 or implied.

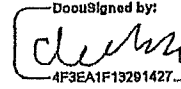
17 13.7 Sub-Class Representatives represent, covenant and warrant that they have not
18 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer or
19 encumber to any person or entity and portion of any liability, claim, demand, cause of action or
20 rights released and discharged in this Settlement. No Sub-Class Member may assign his or her
21 claim to any third party.

22 13.8 Each individual signing this Settlement warrants that he or she has the authority
23 and is expressly authorized to enter into this Settlement on behalf of the party for which that
24 individual signs.

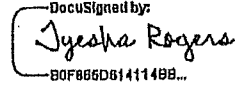
BAKER & HOSTETLER LLP
ATTORNEYS AT LAW
LOS ANGELES

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Dated: February 21, 2018

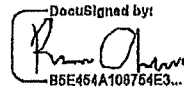
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CLARANISHA RAINEY-PALM

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Dated: February 22, 2018

TYESHA ROGERS

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Dated: February 21, 2018

RONISHA ANDREWS

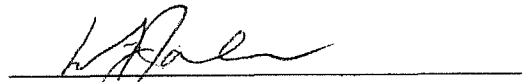
Dated: February 24, 2018

HUYSSSEN INCORPORATED.


By: CARLA STAPLEY
Its: PRESIDENT

Dated: February 26, 2018

L.A. LEASING, INC.


By: MARY A. JOHN
Its: PRESIDENT

1 Dated: February ²², 2018

SROURIAN LAW FIRM

DocuSigned by:

Daniel Srourian

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By:

Daniel Srourian

Attorneys for Plaintiffs and the Proposed Class

7 Dated: February ²², 2018

SHAKOURI LAW FIRM

By:

Ashkan Shakouri

Attorneys for Plaintiffs and the Proposed Class

13 Dated: February ²⁶, 2018

BAKER & HOSTETLER LLP

By:

Shareef S. Farag

Attorneys for Defendants, L.A. LEASING, INC. and HUYSEN, INC.

BAKER & HOSTETLER LLP
ATTORNEYS AT LAW
LOS ANGELES