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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

JORGE GONZALEZ, individually and on
behalf of himself and other persons similarly
situated,

Plaintiff,

vs.

CITISTAFF SOLUTIONS, INC., a California
corporation; and DOES 1 through 30, inclusive,

Defendants.

LUIS SILVA, an individual, on behalf of
himself and all others similarly situated,

Plaintiff,

vs.

CITISTAFF SOLUTIONS, INC., a California
Corporation, and DOES 1 through 100,

Defendants.

) Case No. BC620115 (Lead Case)

) Case No. BC622512

) [Assigned for all purposes to the Honorable
Marc Marmaro, Dept. 37]

) **JOINT STIPULATION OF
SETTLEMENT AND RELEASE**

) **REPRESENTATIVE LAWSUIT**

) Complaint Filed (Lead Case): 5/10/2016

) Trial Date (Lead Case): 10/30/2018

1 IT IS HEREBY STIPULATED AND AGREED by and between Defendant CitiStaff
2 Solutions, Inc. (“CitiStaff” or “Defendant”), on the one hand, and Plaintiff Jorge Gonzalez
3 (“Gonzalez”), Plaintiff Teresa Nieto (“Nieto”) and Plaintiff Luis Silva (“Silva”) (collectively,
4 “Plaintiffs” or “Representative Plaintiffs”) on behalf of themselves and each of the other Aggrieved
5 Employees (as defined herein), on the other hand, subject to the approval of the Court pursuant to
6 section 2699(l) of the California Labor Code, that the settlement of the Lawsuit (defined collectively
7 as the cases entitled *Jorge Gonzalez v. CitiStaff Solutions, Inc.*, LASC Case No. BC620115, and *Luis*
8 *Silva v. CitiStaff Solutions, Inc.* LASC Case No. BC622512) shall be effectuated and subject to the
9 following terms and conditions:

10 **I. SUMMARY OF SETTLEMENT TERMS**

11 Under the terms of the Settlement, CitiStaff will pay the Gross Settlement Amount of Two
12 Hundred Seventy-Five Thousand Dollars and No Cents (\$275,000.00), non-reversionary, and
13 inclusive of all California Private Attorney General Act, Labor Code §§2698 *et seq.* (“PAGA”)
14 civil penalties payable to the Aggrieved Employees and the California Labor & Workforce
15 Development Agency (“LWDA”), Representative Plaintiffs Enhancement Payments, attorneys’
16 fees and costs, and Settlement Administration Costs (as defined herein), in exchange for the full
17 and final settlement and release of any and all claims by Plaintiffs and the Aggrieved Employees
18 that were made, or that could have been made pursuant to PAGA, based on the facts alleged in the
19 operative Complaints in the Lawsuit or any of the letter to the LWDA by any of the named
20 Plaintiffs, and subject to the terms and conditions outlined in this Settlement (as defined herein).

21 Plaintiffs’ and Aggrieved Employees’ Counsel (each of which as defined herein) will seek
22 from the Gross Settlement Amount Aggrieved Employees’ Counsel Fees (as defined herein) in the
23 amount of Ninety-One Thousand Six Hundred and Sixty-Six Dollars and Sixty-Six Cents
24 (\$91,666.66) representing one-third of the Gross Settlement Amount. In addition, Aggrieved
25 Employees’ Counsel will also be seeking a recovery of Aggrieved Employees’ Counsel Costs (as
26 defined herein) in an amount not to exceed Fifteen Thousand Dollars and No Cents (\$15,000). All
27 Settlement Administration Costs (as defined herein) shall be paid out of the Gross Settlement
28

Amount, in an amount not to anticipated to exceed Sixty-Five Thousand Dollars and No Cents (\$65,000.00). The settlement will be administered by CPT Group, a third-party administrator.

Furthermore, and in exchange for the consideration contained herein, Representative Plaintiffs agree to release any and all claims against CitiStaff and/or the Released Persons personally, and each agree to execute and/or endorse the Personal Release contained herein. In exchange, the Representative Plaintiffs shall be paid the Representative Plaintiffs Enhancement Payments (as defined herein) of Five Thousand Dollars and Zero Cents (\$5,000.00) each, for a total of Fifteen Thousand Dollars and Zero Cents (\$15,000.00) in Representative Plaintiffs Enhancement Payments. There will be no reversion of unclaimed funds to CitiStaff.

After the foregoing deductions have been made from the Settlement, the remainder will be known as Net Settlement Amount. From the Net Settlement Amount, 75% will be paid to the LWDA for its share PAGA civil penalties. See Cal. Labor Code § 2699(i). The remaining 25% of the Net Settlement Amount will be paid out was PAGA civil penalties, which are to be paid directly to Aggrieved Employees. *Id.*

II. DEFINITIONS

As used in this Stipulation and Settlement Agreement, the following terms shall have the meanings specified below:

1. “Aggrieved Employee” or “Aggrieved Employees” means all persons who at any time during the Settlement and Release Period were employed by Defendant in non-exempt hourly positions in the State of California who were provided with at least wage statement.
2. “Aggrieved Employees’ Counsel” means Dennis F. Moss, Esq., Ari E. Moss, Esq., and Jeremy F. Bollinger of Moss Bollinger, LLP, Paul K. Haines, Esq., Tuvia Korobkin, Esq. and Stacey Shim, Esq. of Haines Law Group, APC, and Sahag Majarian, II of Law Offices of Sahag Majarian II.
3. “Aggrieved Employees’ Counsel Costs” means verified litigation costs in an amount not to exceed Fifteen Thousand Dollars and No Cents (\$15,000.00), as approved by the Court.

1 4. "Aggrieved Employees' Counsel Fees" means the amount to be paid, after Court
2 approval, to Aggrieved Employees' Counsel for all past and future attorneys' fees incurred
3 by Aggrieved Employees' Counsel in the Lawsuit on behalf of Representative Plaintiffs and
4 the Aggrieved Employees including, but not limited to, future attorneys' fees incurred in
5 securing final approval of the Settlement in the amount of Ninety-One Thousand Six
6 Hundred and Sixty-Six Dollars and Sixty-Six Cents (\$91,666.66), representing one-third of
7 the Gross Settlement Amount.

8 5. "Agreement" or "Settlement" means this Stipulation and Settlement Agreement,
9 including any attached exhibits.

10 6. "Complaints" mean the operative Complaints filed in the Lawsuit.

11 7. "Counsel for CitiStaff" or "Defense Counsel" means Charles Slater, General
12 Counsel for Defendant CitiStaff Solutions, Inc.

13 8. "Court" means the Los Angeles Superior Court in which the Lawsuit is currently
14 pending, the Honorable Judge Marc Marmaro presiding. Court shall also mean any other
15 Court that acquires proper jurisdiction of this Lawsuit.

16 9. "Distributable Amount" means the amount that is distributable to the Aggrieved
17 Employees, and equals the Gross Settlement Amount less Aggrieved Employees' Counsel
18 Fees, Aggrieved Employees' Counsel Costs, Settlement Administration Costs,
19 Representative Plaintiffs Enhancement Payments, and payment to the California Labor &
20 Workforce Development Agency ("LWDA").

21 10. "Effective Date" means the later of (a) the date of entry of Order granting approval
22 of this Settlement, if no objection to the Settlement is filed, (b) the date on which the time
23 for all appeals from objections to the Settlement has passed, if one or more objections to the
24 Settlement are filed, and (c) if an appeal is taken, the date on which any reviewing court
25 issues a decision, the time for further appeal has expired, and the trial court has regained
26 jurisdiction.

11. “Gross Settlement Amount” means the total amount of Two Hundred Seventy-Five Thousand Dollars and No Cents (\$275,000.00), the maximum amount to be paid by CitiStaff pursuant to the terms of this Agreement.

12. “Lawsuit” means the two related lawsuits and the operative Complaints in the matters entitled *Jorge Gonzalez, individually and on behalf of himself and all other persons similarly situated, v. CitiStaff Solutions, Inc., a California Corporation and DOES 1 through 30*, Los Angeles Superior Court Case No. BC620115, and *Luis Silva, an individual, on behalf of himself and all others similarly situated, v. CitiStaff Solutions, Inc., a California Corporation and DOES 1 through 100*, Los Angeles Superior Court Case No. BC622512.

13. “Net Settlement Amount” means the Gross Settlement Amount less Aggrieved Employees’ Counsel Fees, Aggrieved Employees’ Counsel Costs, Settlement Administration Costs, and Representative Plaintiffs Enhancement Payments.

14. “Notice of Settlement” means the form to be prepared and approved by both Counsel for CitiStaff and Aggrieved Employees’ Counsel and sent to the Aggrieved Employees with the Settlement Payments to inform them of the material terms of the Agreement and the Released Claims.

15. “Notice Returns” means envelopes containing the Notice of Settlement that were mailed by the Settlement Administrator to Aggrieved Employees but were undelivered and returned to the Settlement Administrator by the United States Postal Service.

16. “Order and Judgment” means the order and judgment entered by the Court pursuant to the terms set forth in this Agreement (i) approving finally and fully the terms contained in this Agreement; (ii) permanently enjoining and forever barring from prosecution any and all Released Claims against CitiStaff or the Released Persons; (iii) entering a final judgment in the Lawsuit; and (iv) retaining jurisdiction to enforce the terms of this Agreement following approval of the Settlement. Aggrieved Employees’ Counsel will submit with its approval motion a proposed Order and Judgment.

17. “Personal Release” means the Representative Plaintiffs’ irrevocable and unconditional release, acquittal, and discharge of the Released Persons and all persons and/or corporate entities acting by, through, under or in concert with any of them, or any of them, from any and all complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, costs, losses, debts and expenses (including attorneys’ fees and costs actually incurred), of any nature whatsoever, including but not limited to the release of any and all claims arising under any of the following, as amended: the National Labor Relations Act (“NLRA”), Title VII of the Civil Rights Act of 1964, Sections 1981 through 1988 of Title 42 of the United States Code, the Employee Retirement Income Security Act of 1974 (“ERISA”), the Americans with Disabilities Act of 1990 (“ADA”), the Fair Labor Standards Act (“FLSA”), the Occupational Safety and Health Act (“OSHA”), the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”), the Genetic Information Nondiscrimination Act (“GINA”), the Family and Medical Leave Act (“FMLA”), the Worker Adjustment and Retraining Notification Act (“WARN”), the California Fair Employment and Housing Act (“FEHA”), the California Family Rights Act (“CFRA”), the Private Attorneys’ General Act (“PAGA”), the California Worker Adjustment and Retraining Notification Act (“Cal-WARN”), the California Minimum Wage Law, the Equal Pay Law for California, the California Labor Code (including specifically, Section 132a), together with any alleged violation of the United States or any state Constitution, any local, state or federal law, regulation or ordinance, and/or public policy, contract or tort or common-law, having any bearing whatsoever on Representative Plaintiffs’ application for employment, employment with, or separation of employment from the Released Persons, which Representative Plaintiffs ever had, now have, or shall have, from the beginning of time to the date of the Effective Date.

As to the foregoing claims, Representative Plaintiffs expressly waive the benefits of California Civil Code §1542. Civil Code §1542 provides:

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

1 ***OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST***
2 ***HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE***
3 ***DEBTOR***

4 18. “Per Capita Payment” means the amount payable to each Aggrieved Employee on
5 an equal per capita basis.

6 19. “Redirected Notice” means a second Notice of Settlement mailed by the Settlement
7 Administrator to a new or different address for an Aggrieved Employee that was obtained
8 by the Settlement Administrator as a result of a Notice Return.

9 20. “Released Claims” means any and all claims, costs, expenses, attorneys’ fees,
10 penalties, civil penalties or causes of Lawsuit pursuant to California Labor Code §2698 et
11 seq. (“PAGA”) based on the facts or claims in the Lawsuit filed by the Representative
12 Plaintiffs, on their behalf and on behalf of the Aggrieved Employees, during the Settlement
13 and Release Period. The Released Claims shall specifically include all civil penalties or
14 other amounts which are or may be available under or through the PAGA based on the facts
15 that were alleged in the operative Complaints, and/or predicated any of the Labor Code
16 violations asserted in the operative Complaints, inclusive of all of Representative Plaintiffs’
17 and the Aggrieved Employees’ attorneys’ fees and costs. As to the foregoing claims,
18 Representative Plaintiffs and Aggrieved Employees release PAGA civil penalties
19 recoverable under any theory of liability upon which such civil penalties under the PAGA
20 could have been recovered based upon the allegations in the operative Complaints,
21 including specifically any and all claims, causes of action, damages, wages, benefits,
22 expenses, penalties, interest, debts, liabilities, demands, obligations, attorneys’ fees, costs,
23 and any other form of relief or remedy in law, equity, or whatever kind or nature..

24 21. “Released Persons” means CitiStaff and its respective agents, attorneys, insurers,
25 past, present and future divisions, affiliates, any DBAs, predecessors, successors,
26 shareholders, officers, directors, managers, employees, trustees, representatives,
27 administrators, fiduciaries, assigns, subrogees, executors, partners, parents, subsidiaries,
28

privies, and/or any and all persons and/or corporate entities acting by, through, under or in concert with any of them.

22. “Representative Plaintiffs” or “Plaintiffs” means Jorge Gonzalez, Teresa Nieto, Luis Silva and their respective representative(s), heir(s), assign(s), attorney(s) and/or insurer(s).

23. “Representative Plaintiffs Enhancement Payments” means an amount of Five Thousand Dollars and No Cents (\$5,000.00) to be paid to each Plaintiff, respectively, for a total of Fifteen Thousand Dollars and No Cents (\$15,000.00), for their general release of all claims and waiver under Civil Code 1542, which shall be in addition to their Settlement Payment.

24. “Settlement Administration Costs” means the fees and costs incurred or charged by the Settlement Administrator in connection with the execution of its duties under this Agreement including, but not limited to: (i) fees and costs associated with preparing, issuing and/or monitoring reports, filings and notices (including the cost of printing, verifying addresses through a United States Postal Service national change of address database to obtain updated addresses for any individual who has moved in the previous four years who has notified the U.S. Postal Service of a forwarding address, skip tracing, and mailing/tracking/retaining all notices and other documents to the Aggrieved Employees) required to be prepared in the course of administering the Settlement; (ii) computing the amount of the Settlement Payments, taxes, and any other payments to be made under this Agreement; (iii) handling inquiries about the calculation of individual Settlement Payments or mailings; (iv) establishing and operating a physical Settlement Payment center address and phone number to receive Aggrieved Employees’ inquiries about the Settlement; (v) remitting any tax deductions or subtractions applicable under the law and/or pursuant to this Agreement and preparing and submitting any filings required by any governmental taxing authority or other governmental agency and/or CitiStaff’s worker’s compensation insurer; and (vi) establishing a Qualified Settlement Fund. Settlement Administration Costs are not expected to exceed Sixty-Five Thousand Dollars and No Cents (\$65,000.00).

1 25. "Settlement Administrator" refers to CPT Group, or any other entity that Aggrieved
2 Employees' Counsel and Defense Counsel select to administer this Settlement and to act as
3 the administrator to process the Settlement under the terms of this Agreement.

4 26. "Settlement Payment(s)" refers to the payment(s) to any Aggrieved Employee
5 pursuant to the terms of this Agreement.

6 27. "Settlement and Release Period" means from May 10, 2015 through September 12,
7 2016.

8 **III. SETTLEMENT APPROVAL & IMPLEMENTATION PROCEDURE**

9 **A. Approval of the Settlement**

10 As soon as practicable, Aggrieved Employees' Counsel will submit this Agreement to the
11 Court for its approval pursuant to section 2699(l) of the California *Labor Code*, as this Agreement
12 is fair, adequate and reasonable. Such submission will also include a Notice of Settlement.

13 However, if the settlement fails to be approved or otherwise fails to be consummated for
14 any reason whatsoever, including but not limited to the Order not becoming final, then CitiStaff
15 retains all rights previously available to it, and any provisional approval of the settlement, or the
16 adoption of any procedure herein, shall be undone and the parties restored to their pre-settlement
17 status as if no settlement had been reached and no decisions were made pursuant to it, except as
18 otherwise expressly provided herein. In that event, nothing in this Agreement or other papers or
19 proceedings related to the settlement shall be used as evidence or argument by any party or
20 Aggrieved Employee.

21 **B. Cooperation**

22 The parties agree to cooperate fully with each other to accomplish the terms and
23 requirements of this Agreement, including but not limited to, the execution of such documents and
24 other such actions as may reasonably be necessary to implement the terms of this stipulated
25 settlement.

26 Except as otherwise provided herein, neither party nor any of their attorneys or agents shall
27 initiate any communication with any Aggrieved Employees for the purpose of discouraging them to
28 participate in the settlement unless authorized by the Court. This provision in no way limits

1 Aggrieved Employees' Counsel from communicating with the Representative Plaintiffs.

2 The parties shall promptly submit this Agreement for approval and determination by the
3 Court. Promptly upon execution of this Agreement, the parties shall apply to the Court to schedule
4 a hearing to determine whether the proposed Settlement should be approved. Both parties shall
5 represent to the Court that the Agreement is fair, reasonable, and adequate as to the Aggrieved
6 Employees, and request Court approval as to form and content of the Notice of Settlement.

7 **C. Approval Hearing**

8 At the approval hearing, the Representative Plaintiffs, Aggrieved Employees' Counsel, and
9 Counsel for CitiStaff shall ask the Court to give approval to this Agreement and the settlement
10 contained herein. Upon granting approval of the settlement contained herein, the Court shall also
11 enter an Order implementing the releases contained in Section V as to Representative Plaintiffs and
12 all Aggrieved Employees as well as the personal release contained in the Section VI(E) of this
13 Agreement. The releases contained in Sections V and VI(E) of this Agreement shall enter into
14 effect concurrently with the issuance of the Order granting approval.

15 **D. Aggrieved Employee Data And Notice Of Settlement By Mail**

16 CitiStaff will provide as soon as practicable, but no later than fifteen (15) business days
17 after the Court grants approval of the settlement, the Settlement Administrator with information
18 maintained by CitiStaff in the normal course of its business operations concerning the Aggrieved
19 Employees' names, last known addresses, last known telephone numbers, and social security
20 numbers, which will be used to send the Notice of Settlement and Settlement Payment to the
21 Aggrieved Employees. Data provided by CitiStaff shall be kept confidential by the Settlement
22 Administrator except for purposes of administering the settlement and this data shall not be
23 provided to Plaintiffs' counsel for any reason. Using this list, the Settlement Administrator shall,
24 within twenty (20) days of receipt from CitiStaff of the list, mail the Notice of Settlement and
25 Settlement Payments via First-Class mail using the United States Postal Service to the most recent
26 address known for each Aggrieved Employee. Before mailing the Notice of Settlement and
27 Settlement Payments, the Settlement Administrator shall review the national change of address
28 registry for all Aggrieved Employees and/or skip trace to determine the most up-to-date addresses

1 of all Aggrieved Employees. If any Notices of Settlement are returned with a forwarding address,
2 the Settlement Administrator will re-mail the Notice of Settlement and Settlement Payment to the
3 Aggrieved Employee whose notice was returned.

4 Prior to the final date for any Aggrieved Employee to cash the Settlement Payment, if any
5 notice mailed to the Aggrieved Employee is returned as having been undelivered by the U.S. Postal
6 Service, the Settlement Administrator shall, via skip-tracing, seek an address correction from such
7 Aggrieved Employee(s), and send a Redirected Notice to the new or different address within seven
8 days. The Settlement Administrator may conduct any investigation it deems reasonable and
9 consistent with its role and industry practice to determine the correct address of any Aggrieved
10 Employee.

11 **E. Declaration Of Compliance**

12 As soon as practicable, the Settlement Administrator shall provide Aggrieved Employees’
13 Counsel and Counsel for CitiStaff a declaration attesting to completion of the notice and payment
14 process set forth in this Section (Section III), including an explanation of efforts to resend Notice
15 Returns, a summary of claims paid, and checks cashed and uncashed, which if requested by the
16 Court, shall be filed by Aggrieved Employees’ Counsel.

17 **F. Sufficient Notice**

18 Compliance with the procedures described in this Section (Section III) shall constitute due
19 and sufficient notice to Aggrieved Employees of this settlement, shall satisfy the requirements of
20 due process, and nothing else shall be required of the Representative Plaintiffs, Aggrieved
21 Employees’ Counsel, CitiStaff, Counsel for CitiStaff, or the Settlement Administrator to provide
22 additional notice of the settlement, unless expressly ordered by the Court.

23 **G. Qualified Settlement Fund**

24 “QSF” shall mean the Qualified Settlement Fund established by the Settlement
25 Administrator for the benefit of the Aggrieved Employees and from which the Settlement
26 Payments shall be paid.

27 If practical, the QSF shall be an interest-bearing account at a federally-insured bank that is
28 mutually acceptable to the parties and the Settlement Administrator. The parties agree that the QSF

1 is intended to be a “Qualified Settlement Fund” under Section 468B of the Code and Treas. Reg.
2 Section 1.468B-1, 26 CFR Section 1.468B-1, et seq., and will be administered by the Settlement
3 Administrator as such. With respect to the QSF, the Settlement Administrator shall: (1) open and
4 administer a in such a manner as to qualify and maintain the qualification of the QSF as a
5 “Qualified Settlement Fund” under Section 468B of the Code and Treas. Reg. Section 1.468B-1;
6 (2) satisfy all federal, state and local and income and other tax reporting, return, and filing
7 requirements with respect to the Defendant and the QSF and any interest or other income earned by
8 the QSF; and (3) satisfy out of the QSF all (i) taxes (including any estimated taxes, interest or
9 penalties) with respect to the interest or other income earned by the QSF, and (ii) fees, expenses
10 and costs incurred in connection with the opening and administration of the QSF and the
11 performance of its duties and functions as described in this Agreement. The aforementioned taxes,
12 fees, costs and expenses shall be treated as, and included in, the costs of administering the QSF and
13 as Settlement Administration Costs. The Settlement Administrator shall provide copies to
14 Defendant of any federal, state and local income or other tax reporting, return and filing prepared
15 on Defendant’s behalf. The parties agree to cooperate with the Settlement Administrator and each
16 other to the extent reasonably necessary to carry out the provisions of this Section.

17 The Settlement Administrator shall provide, as appropriate, an IRS Form 1099 to each
18 Aggrieved Employee, the Representative Plaintiffs, and Aggrieved Employees’ Counsel.

19 **H. Formulas to Determine Payment, Distribution of Funds & Payment of Funds**

20 **1. *General Terms of Settlement***

21 CitiStaff shall pay Two Hundred Seventy-Five Thousand Dollars and No Cents
22 (\$275,000.00), on a non-reversionary basis (the “Gross Settlement Amount”), to settle this Lawsuit,
23 per the schedule set forth below. Under no circumstances will CitiStaff be required to pay more
24 than the Gross Settlement Amount. Payment shall be tendered to the Settlement Administrator.

25 From the Gross Settlement Amount, the Parties agree that Aggrieved Employees’ Counsel
26 may request up to:

- 27 A. Ninety-One Thousand Six Hundred and Sixty-Six Dollars and Sixty-Six Cents
28 (\$91,666.66) as Aggrieved Employees’ Counsel Fees;

- 1 B. An amount not to exceed Fifteen Thousand Dollars and No Cents (\$15,000.00) for
2 recovery of Aggrieved Employees' Counsel Costs;
- 3 C. Five Thousand Dollars and No Cents (\$5,000.00) for each Representative Plaintiff
4 as a Representative Plaintiff Enhancement Payment, for a total of Fifteen Thousand
5 Dollars and No Cents (\$15,000.00) in Representative Plaintiffs Enhancement
6 Payments; and
- 7 D. An amount not to exceed Sixty-Five Thousand Dollars and No Cents (\$65,000.00)
8 for Settlement Administration Costs.

9 After the foregoing disbursements are made, the remainder of the Settlement Payment after
10 disbursing items (III)(H)(1)(A)-(III)(H)(1)(D) herein shall be designated the "Net Settlement
11 Amount." From the Net Settlement Amount, 75% will be paid to the LWDA for its share PAGA
12 civil penalties. See Cal. Labor Code § 2699(i). The remaining 25% of the Net Settlement Amount
13 will be paid out was PAGA civil penalties, which are to be paid directly to Aggrieved Employees.
14 Id.

15 No funds will revert to CitiStaff from the Gross Settlement Amount. CitiStaff shall bear its
16 own attorneys' fees and costs of every kind incurred in connection with the Lawsuit and the
17 negotiation of the settlement of this Lawsuit. CitiStaff agrees that if Plaintiffs believe it is necessary
18 to support the Gross Settlement Amount by reference to financial condition, Plaintiffs are permitted
19 provide a declaration to the Court from their expert attesting to CitiStaff's financial condition.

20 2. ***Aggrieved Employees' Counsel Fees, Aggrieved Employees' Counsel***
21 ***Costs, Settlement Administration Cost, Representative Plaintiffs Enhancement***
22 ***Payments, and Payment of Gross Settlement Amount***

23 Representative Plaintiffs and Aggrieved Employees' Counsel will request, and CitiStaff
24 agrees not to oppose: (a) a payment from the Gross Settlement Amount of Ninety-One Thousand
25 Six Hundred and Sixty-Six Dollars and Sixty-Six Cents (\$91,666.66) for Aggrieved Employees'
26 Counsel Fees, (b) a payment in an amount not to exceed ***Fifteen*** Thousand Dollars and No Cents
27 ***(\$15,000.00)*** for Aggrieved Employees' Counsel Costs; and (c) Representative Plaintiffs
28 Enhancement Payments in the amount of Five Thousand Dollars and No Cents (\$5,000.00) to each

1 Representative Plaintiff, for a total of Fifteen Thousand Dollars and No Cents (\$15,000.00) in
2 Representative Plaintiffs Enhancement Payments. Aggrieved Employees' Counsel believes, and
3 CitiStaff does not challenge, that such an award to Aggrieved Employees' Counsel and
4 Representative Plaintiffs is reasonable. Aggrieved Employees' Counsel Fees and Costs, and
5 Representative Plaintiffs' Enhancement Payments, whether they are awarded as requested or
6 reduced by the Court, shall be paid from the Gross Settlement Amount. Additionally, up to **Sixty-**
7 **Five** Thousand Dollars and No Cents (**\$65,000.00**) shall be paid from the Gross Settlement
8 Amount for Settlement Administration Costs. Within two (2) business days following the Effective
9 Date, the Settlement Administrator shall provide to CitiStaff complete wiring instructions,
10 including without limitation, the name of the account, name of the bank, routing number and bank
11 account number.

12 CitiStaff shall pay the Gross Settlement Amount to the Settlement Administrator and the
13 funds shall be distributed on the following schedule: Payment 1: \$15,000.00, to be paid within five
14 (5) business days from an Order from the Court approving this Settlement or June 1, 2018,
15 whichever is later, representing Representative Plaintiffs' Enhancement Payments; Payment 2:
16 \$15,000.00 to be paid on July 1, 2018 representing Aggrieved Employees' Counsel Costs; Payment
17 3: \$30,555.55 to be paid on August 1, 2018, representing the first 1/3 of the Aggrieved
18 Employees' Counsel Fees; Payment 4: \$30,555.55 to be paid on October 1, 2018, representing the
19 second 1/3 of the Aggrieved Employees' Counsel Fees; Payment 5: \$30,555.55 to be paid on
20 December 1, 2018, representing the third 1/3 of the Aggrieved Employees' Counsel Fees;
21 Payments 6 through 18: \$12,777.78 to be paid monthly, commencing on January 1, 2019 through
22 December 1, 2019, to be paid on the first date of each month, representing the amounts
23 distributable to the LWDA, Aggrieved Employees and Settlement Administration Costs. CitiStaff
24 shall be deemed to have fully met its payment obligations upon payment to the Settlement
25 Administrator of the foregoing payments and shall assume no responsibility for the security or
26 distribution of settlement funds following payment to the Settlement Administrator. Aggrieved
27 Employees' Counsel shall timely provide completed IRS Forms W-9 no later than five (5) days
28 after the Effective Date and any other information needed for the Settlement Administrator to make

1 payments. Any payment obligation by any party shall be tolled until the correct information is
2 provided as required by any party. Settlement Administrator shall prepare, file and send IRS Form
3 1099's for Settlement Payments made to Aggrieved Employees and for all other payments issued
4 out of the Gross Settlement Amount. Under no circumstances shall CitiStaff be required to pay
5 more than the Gross Settlement Amount. The amounts paid under this Agreement shall not be
6 credited toward or otherwise taken into consideration for purposes of any of CitiStaff or the
7 Released Persons' benefit plans, including any profit-sharing plans or bonus plans, to which any
8 Aggrieved Employee is eligible to participate. Rather, it is the parties' intention that this
9 Agreement will not affect any rights or amounts to which any Aggrieved Employee may be entitled
10 under any benefit plans.

11 **I. The Settlement Administrator**

12 Aggrieved Employees' Counsel designates CPT Group, Inc. an experienced Settlement
13 Administrator, to process and administer this Settlement. CitiStaff does not object to this
14 designation. The actions of the Settlement Administrator shall be governed by the terms of this
15 Agreement. In the event that either Counsel for CitiStaff or the Aggrieved Employees' Counsel
16 take the position that the Settlement Administrator is not acting in accordance with the terms of the
17 Agreement, such party shall meet and confer first with opposing counsel and then, if necessary,
18 with the Settlement Administrator and/or the Court. The Settlement Administrator will administer
19 the settlement, including, but not limited to, ascertaining best addresses through United States
20 Postal Service national change of address databases and skip-tracing, re-mailing notices as
21 required, distributing the Notice of Settlement and Settlement Payments and handling inquiries
22 about the calculation of individual Settlement Payments to the Aggrieved Employees pursuant to
23 the terms contained in this Agreement. The Settlement Administrator shall establish a physical
24 settlement payment center address, telephone number, and facsimile number to receive and timely
25 process Aggrieved Employees' inquiries about the Notice of Settlement, and process the payments
26 to the Aggrieved Employees under the terms of this Agreement. The Settlement Administrator
27 shall track and maintain proof of mailing for the Notice of Settlement Payment and Settlement
28 Payments and provide copies of these documents to counsel for CitiStaff upon reasonable notice.

1 The Settlement Administrator is not to destroy either proof of mailing or communications between
2 the Settlement Administrator and any individual who is sent a Notice of Settlement and Settlement
3 Payment without first receiving written confirmation from Defense Counsel authorizing them to do
4 so. The expiration date of the settlement checks will be one hundred and eighty (180) days from
5 the date that the settlement checks are mailed. The amount of any settlement checks that are
6 returned as undeliverable or not cashed by Aggrieved Employees within one hundred and eighty
7 (180) days of the date of the mailing of the settlement checks shall be sent to the Director of
8 Industrial Relations in the name of the Aggrieved Employee.

9 The Settlement Administrator shall not disburse the settlement funds except as provided
10 herein, as ordered by the Court, or as agreed upon, in writing, by Counsel for CitiStaff and
11 Aggrieved Employees' Counsel. Subject to further orders and/or directions as may be made by the
12 Court, the Settlement Administrator is authorized to execute such transactions on behalf of the
13 Aggrieved Employees as are consistent with the terms of this Agreement.

14 **J. Time For Disbursement**

15 Within ten (10) days of receipt of CitiStaff's final payment of the Gross Settlement
16 Amount, the Settlement Administrator shall cause to be issued checks to all Aggrieved Employees
17 and the LWDA under this Agreement. Payment to any Aggrieved Employee will be in the form of
18 a check issued for an amount calculated using the formulas contained in this Agreement. Funds
19 from any settlement checks remaining un-cashed after one hundred eighty (180) calendar days after
20 being issued shall be distributed to the Aggrieved Employees in the same manner as provided in
21 Section III (H)(2). Aggrieved Employees will be bound by all the terms of this Agreement,
22 regardless of whether that Aggrieved Employee receives and cashes his or her Settlement Payment.

23 **K. Circular 230 Disclaimer**

24 Each party to this Agreement acknowledges and agrees that (1) no provision of this
25 Agreement, and no written communication or disclosure between or among the parties or their
26 attorneys and other advisers, is or was intended to be, nor shall any such communication or
27 disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United
28 States Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) the party (a) has relied

1 exclusively upon his, her or its own independent legal and tax advisers for advice (including tax
2 advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the
3 recommendation of any other party or any attorney or advisor to any other party, and (c) is not
4 entitled to rely upon any communication or disclosure by any attorney or adviser to any other party
5 to avoid any tax penalty that may be imposed on the party; and (3) no attorney or adviser to any
6 other party has imposed any limitation that protects the confidentiality of any such attorney's or
7 adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by
8 the party of the tax treatment or tax structure of any transactions, including any transactions
9 contemplated by this Agreement.

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

11 **A. No Admission**

12 Neither the acceptance nor the performance by CitiStaff of the terms contained in this
13 Agreement or any of the related negotiations or proceedings is or shall be claimed to be, construed
14 as, or deemed a precedent or an admission by CitiStaff and/or the Released Persons of the truth of
15 any allegations in the Lawsuit, any violation of any federal, state or local law, ordinance or
16 regulation, any violation of any policy or procedure, or of any liability or wrongdoing whatsoever.

17 **B. Confidentiality**

18 Representative Plaintiffs and Aggrieved Employees' Counsel agree that the terms of this
19 Agreement (including, but not limited to, the settlement amount), the negotiations leading to the
20 execution of the Agreement and the terms of the Agreement itself shall not be discussed with or
21 publicized or promoted to the media (including, without limitation, legal periodicals and
22 publications such as "Jury Verdicts," or disclosure of the Agreement on any web site of Aggrieved
23 Employees' Counsel), or the public at large, without the advance written consent of CitiStaff. The
24 parties intend this paragraph to prohibit Aggrieved Employees' Counsel from discussing,
25 answering questions about, promoting or publicizing the Agreement, its terms, or the negotiations
26 leading to the Agreement with anyone other than the Court or those individuals necessary to
27 effectuate the terms of the Agreement. Notwithstanding the foregoing, Representative Plaintiffs
28 and the Aggrieved Employees' Counsel (1) may tell the public in general only that certain claims

1 “have been resolved by the parties;” and (2) may disclose the terms of the Agreement (a) in
2 appropriate filings with the Court in this case; (b) where required by law (e.g., income tax returns);
3 (c) as necessary to establish “adequacy of counsel” in other matters; and (d) to accountants or other
4 tax professionals for the purpose of preparing tax returns.

5 **C. Non-Evidentiary Use**

6 Neither this Agreement or its terms, nor any statements or conduct in the negotiation or
7 drafting of it, shall be admissible, offered or used as evidence by Representative Plaintiffs, any
8 Aggrieved Employee, CitiStaff, or its or their respective counsel, in the Lawsuit or any other
9 proceeding as evidence of liability or wrongdoing by CitiStaff and/or the Released Persons. This
10 Agreement may be used by CitiStaff and/or the Released Persons to prove or defend against any
11 claim released herein by any Aggrieved Employee in any judicial, quasi-judicial, administrative or
12 governmental proceeding. This Agreement shall not be subject to collateral attack by any
13 Aggrieved Employee. Such prohibited collateral attacked shall include, but not be limited to,
14 claims that the Aggrieved Employee failed, for any reason, to timely receive his or her Settlement
15 Payment.

16 **D. Nullification**

17 Should the court not approve this Agreement, the parties shall request leave and shall work
18 jointly to attempt to remedy the PAGA settlement in order to obtain the Court’s approval, provided,
19 however, that invalidation of any material portion of this Agreement shall invalidate this
20 Agreement in its entirety unless the parties agree in writing that the remaining provisions shall
21 remain in full force and effect. If the Court for any reason does not approve this Agreement, this
22 Agreement shall be considered null and void and all parties to this settlement shall stand in the
23 same position, without prejudice, as if the settlement had been neither entered into nor filed with
24 the Court.

25 **E. Code of Civil Procedure Section 384 Does Not Apply To The Gross Settlement**
26 **Amount**

27 The parties agree that California Civil Procedure Code section 384 is not applicable since
28 this is not a class action.

1 **F. Waiver of Appeals**

2 The parties agree to waive appeals; provided, however, that either party may appeal any
3 Order issued by the Court that materially alters the terms of the Agreement.

4 **V. RELEASE**

5 It is the desire of the Representative Plaintiffs, Aggrieved Employees, and CitiStaff to fully,
6 finally, and forever settle, compromise, and discharge disputes and claims arising from or related to
7 this Lawsuit. Upon the final approval by the Court of this Agreement and by operation of the
8 Agreement's terms, and except as to such rights or claims as may be created by this Agreement, all
9 Aggrieved Employees fully release and discharge the Released Persons from all Released Claims,
10 whether known or unknown, during the Settlement and Release Period. Any Aggrieved Employee
11 covered by this Agreement will be barred from proceeding with any Claim released by this
12 Agreement.

13 **VI. MISCELLANEOUS PROVISIONS**

14 **A. Amendments**

15 The terms and provisions of this Agreement may be amended only by a written agreement,
16 which is both (1) signed by each Representative Plaintiff, Aggrieved Employees' Counsel,
17 CitiStaff, and Counsel for CitiStaff and (2) approved by the Court.

18 **B. Jurisdiction of the Court to Enforce Terms of Agreement**

19 The parties stipulate and agree that the Court will retain jurisdiction both to (1) enforce the
20 terms of this Agreement following approval of the settlement pursuant to California Code of Civil
21 Procedure section 664.6, and (2) permanently enjoin and forever bar the Representative Plaintiff,
22 Aggrieved Employees' Counsel, or the Aggrieved Employees from instituting or prosecuting any
23 action against the Released Persons which was resolved as part of the Agreement. The parties agree
24 to the exclusive jurisdiction of the Court to enforce the terms and conditions contained herein.

25 **C. No Inducements**

26 Representative Plaintiffs and CitiStaff acknowledge that they are entering into this
27 Agreement as a free and voluntary act without duress or undue pressure or influence of any kind or
28 nature whatsoever and that neither Representative Plaintiffs nor CitiStaff has relied on any

1 promises, representations or warranties regarding the subject matter hereof other than as set forth in
2 this Agreement.

3 **D. No Prior Assignment**

4 The parties hereto represent, covenant, and warrant that they have not, directly or indirectly,
5 assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or
6 entity any portion of any liability, claim, demand, Lawsuit, cause of Lawsuit, attorneys' fees, or
7 rights herein released and discharged except as set forth herein. If any claims are made by any
8 Aggrieved Employee between the start of the Settlement Period and the date in which the Court
9 approves the Settlement outlined in this Agreement, such a claim will be deemed covered and
10 released by the individual Aggrieved Employee making the claim under the terms set forth herein.
11 Any Aggrieved Employee covered by this Agreement will be barred from proceeding with any
12 such claim.

13 **E. Representative Plaintiffs Personal Releases**

14 As part of the Agreement, Representative Plaintiffs Jorge Gonzalez, Teresa Nieto, and Luis
15 Silva grant CitiStaff and the Released Persons the Personal Release, as that term is defined in
16 Section II of this Agreement, in exchange for the consideration contained herein.

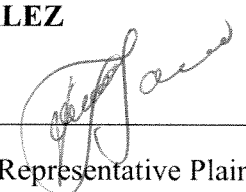
17 **F. Counterparts**

18 This Agreement, and any amendments hereto, may be executed in any number of
19 counterparts, each of which when executed and delivered shall be deemed to be an original and all
20 of which taken together shall constitute one and the same instrument. Signatures obtained via
21 facsimile, or copies of signatures, shall be deemed valid as if they were inked originals. This
22 Agreement will become effective on the date when the last person signs and dates it.

23 **IN WITNESS WHEREOF**, the parties hereto execute this Agreement and have caused this
24 Agreement to be executed by their duly authorized representatives.

25 **PLAINTIFF & REPRESENTATIVE PLAINTIFF**
26 **JORGE GONZALEZ**

27 Date: 03-23-18

28 

Jorge Gonzalez
Personally and as Representative Plaintiff

1 **PLAINTIFF & REPRESENTATIVE PLAINTIFF**
2 **TERESA NIETO**

3 Date: _____

4 Teresa Nieto
5 Personally and as Representative Plaintiff

6 **PLAINTIFF & REPRESENTATIVE PLAINTIFF**
7 **LUIS SILVA**

8 Date: 4/2/18

9 Luis Silva
10 Personally and as Representative Plaintiff

11 **DEFENDANT CITISTAFF SOLUTIONS, INC.**

12 Date: _____

13 **APPROVED AS TO FORM AND CONTENT**

14 **HAINES LAW GROUP, APC**

15 Date: _____

16 Paul K. Haines, Esq.
17 Counsel for Plaintiff Luis Silva and Aggrieved
18 Employees

19 **MOSS BOLLINGER, LLP**

20 Date: _____

21 Ari E. Moss, Esq.
22 Counsel for Plaintiffs Jorge Gonzalez and Teresa
23 Nieto and Aggrieved Employees

24 **GENERAL COUNSEL, CITISTAFF**

25 Date: _____

26 Charles Slater, Esq.
27 General Counsel for Defendant Citistaff Solutions,
28 Inc.

DEFENDANT CITISTAFF SOLUTIONS, INC.

Date: _____

APPROVED AS TO FORM AND CONTENT

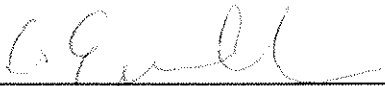
HAINES LAW GROUP, APC

Date: _____

Paul K. Haines, Esq.
Counsel for Plaintiff Luis Silva and Aggrieved
Employees

MOSS BOLLINGER, LLP

Date: 3/8/2018



Ari E. Moss, Esq.
Counsel for Plaintiffs Jorge Gonzalez and Teresa
Nieto and Aggrieved Employees

GENERAL COUNSEL, CITISTAFF

Date: _____

Charles Slater, Esq.
General Counsel for Defendant Citistaff Solutions,
Inc.

**PLAINTIFF & REPRESENTATIVE PLAINTIFF
TERESA NIETO**

Date: 3-26-18

Teresa Nieto
Teresa Nieto
Personally and as Representative Plaintiff

**PLAINTIFF & REPRESENTATIVE PLAINTIFF
LUIS SILVA**

Date: _____

Luis Silva
Personally and as Representative Plaintiff

DEFENDANT CITISTAFF SOLUTIONS, INC.

Date: _____

APPROVED AS TO FORM AND CONTENT

HAINES LAW GROUP, APC

Date: _____

Paul K. Haines, Esq.
Counsel for Plaintiff Luis Silva and Aggrieved
Employees

MOSS BOLLINGER, LLP

Date: _____

Ari E. Moss, Esq.
Counsel for Plaintiffs Jorge Gonzalez and Teresa
Nieto and Aggrieved Employees

GENERAL COUNSEL, CITISTAFF

Date: _____

Charles Slater, Esq.
General Counsel for Defendant Citistaff Solutions,
Inc.

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**PLAINTIFF & REPRESENTATIVE PLAINTIFF
TERESA NIETO**

Date: _____

Teresa Nieto
Personally and as Representative Plaintiff

**PLAINTIFF & REPRESENTATIVE PLAINTIFF
LUIS SILVA**

Date: _____

Luis Silva
Personally and as Representative Plaintiff

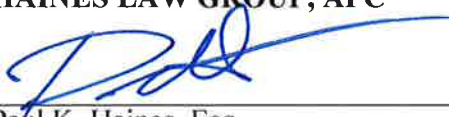
DEFENDANT CITISTAFF SOLUTIONS, INC.

Date: _____

APPROVED AS TO FORM AND CONTENT

HAINES LAW GROUP, APC

Date: 5/21/18



Paul K. Haines, Esq.
Counsel for Plaintiff Luis Silva and Aggrieved
Employees

MOSS BOLLINGER, LLP

Date: _____

Ari E. Moss, Esq.
Counsel for Plaintiffs Jorge Gonzalez and Teresa
Nieto and Aggrieved Employees

GENERAL COUNSEL, CITISTAFF

Date: _____

Charles Slater, Esq.
General Counsel for Defendant Citistaff Solutions,
Inc.

**PLAINTIFF & REPRESENTATIVE PLAINTIFF
TERESA NIETO**

Date: _____

Teresa Nieto
Personally and as Representative Plaintiff

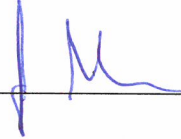
**PLAINTIFF & REPRESENTATIVE PLAINTIFF
LUIS SILVA**

Date: _____

Luis Silva
Personally and as Representative Plaintiff

DEFENDANT CITISTAFF SOLUTIONS, INC.

Date: 3-20-18



APPROVED AS TO FORM AND CONTENT

HAINES LAW GROUP, APC

Date: _____

Paul K. Haines, Esq.
Counsel for Plaintiff Luis Silva and Aggrieved
Employees

MOSS BOLLINGER, LLP

Date: _____

Ari E. Moss, Esq.
Counsel for Plaintiffs Jorge Gonzalez and Teresa
Nieto and Aggrieved Employees

GENERAL COUNSEL, CITISTAFF

Date: 3/20/18

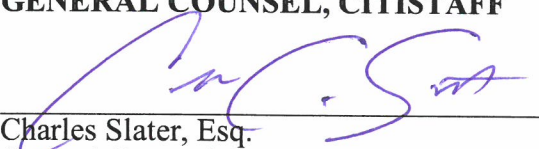

Charles Slater, Esq.
General Counsel for Defendant Citistaff Solutions,
Inc.

EXHIBIT A

<Mailing Date>

NOTICE OF SETTLEMENT

Re: *Gonzalez v. CitiStaff Solutions, Inc., Los Angeles Superior Court Case No. BC620115*
Silva v. CitiStaff Solutions, Inc., Los Angeles Superior Court Case No. BC622512

CPT

ID

<Name>

<Address>

<City, State Zip>

Dear <Name>,

A settlement was reached between Plaintiffs and Defendant in *Jorge Gonzalez v. CitiStaff Solutions, Inc.*, Los Angeles Superior Court Case No. BC620115 and *Luis Silva v. CitiStaff Solutions, Inc.*, Los Angeles Superior Court Case No. BC622512. On September 27, 2018, Judge David S. Cunningham III of the Superior Court of California, for the County of Los Angeles issued an Order approving the Settlement, which was brought pursuant to the Private Attorneys General Act of 2004 (“PAGA”). An action under PAGA is an enforcement action, in which an aggrieved employee acts as a private attorney general to collect penalties from employers. In reaching this settlement, CitiStaff Solutions, Inc. (“CitiStaff”) made no admission of liability and denied the truth of the allegations in the Complaint. However, to avoid additional expense, inconvenience, and interference with CitiStaff’s business operations, the parties have concluded that it is in the best interests of the parties to settle.

This settlement affects certain employees and former employees of CitiStaff. You are receiving this Notice of Settlement because you worked for CitiStaff in California and at some point between May 10, 2015 and September 12, 2016 (“Settlement and Release Period”) and you were provided with at least one wage statement during that time period.

Pursuant to Judge Cunningham’s Order, aggrieved employees will receive a per capita payment of the settlement funds. Your payment amount is <\$XX.XX>. Your check is enclosed with this Notice of Settlement and will remain valid for 180 days from the date of issuance. If you do not cash your check within the 180 days, the funds will be tendered to the Director of Industrial Relations in your name. If you are still employed by CitiStaff your decision to cash the enclosed payment will not affect your employment.

Payment of this settlement includes a release of any and all claims pursuant to California Labor Code § 2698 et seq. which were alleged based on the facts in the operative Complaint or notice to the California Labor Workforce Development Agency (“LWDA”) on behalf of Plaintiffs and all

aggrieved employees during the Settlement and Release Period. The release specifically includes all civil penalties or other amounts which are or may be available under or through the PAGA under any theory of liability upon which such civil penalties could have been recovered based upon the allegations in the operative Complaint or LWDA letter. This release only waives, and is limited to, the aggrieved employees' rights to collect civil penalties pursuant to PAGA for alleged violations of California Labor Code § 226.

If you have any questions concerning this Settlement please contact CPT Group, Inc.

Questions? Contact CPT Group at: 1 (XXX) XXX-XXXX