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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

SHONKENDRICK TERRELL, individually,
and on behalf of all others similarly situated,

Plaintiff,

vs.

INDUSTRIAL THREADED PRODUCTS,
INC., a California corporation; and DOES 1
through 10, inclusive,

Defendants

Case No.: CIVSB2221053

CLASS ACTION

[Hon. David Cohn, Dept. S26]

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

Complaint filed: September 26, 2022
Trial date: Not set

JOINT STIPULATION OF CLASS ACTION SETTLEMENT

This Joint Stipulation of Class Action and PAGA Settlement (“Joint Stipulation of Settlement” or “Settlement” or “Agreement”) is made and entered into by and between Plaintiff SHONKENDRICK TERRELL, individually, and on behalf of all others similarly situated, (“Plaintiff” or “Class Representative”), and Defendant INDUSTRIAL THREADED PRODUCTS, INC. (“Defendant”). Plaintiff and Defendant are sometimes referred to individually as a “Party” or collectively referred to herein as “the Parties.” THE PARTIES STIPULATE AND AGREE as follows:

DEFINITIONS

1. For purposes of this Settlement, “Complaint” refers to the First Amended Complaint filed in the Action.

2. For purposes of this Settlement, “Action” refers to the above-captioned action entitled *Terrell v. Industrial Threaded Products, Inc.*, Case No. CIVSB2221053.

3. For purposes of this Settlement, the “Class Period” is September 26, 2018 through the date the court preliminary approves the Settlement, or May 27, 2023, whichever is sooner.

4. For purposes of this Settlement, the “Class” or “Class Members” consist of: All non-exempt employees of Defendant who worked for Defendant in California during the Class Period. The “Settlement Class” or “Settlement Class Members” are those Class Members who do not submit timely and compliant exclusion requests to the Settlement Administrator. The Parties estimate that the Class included approximately 68 Class Members who worked 7,407 workweeks as of March 28, 2023.

5. For purposes of this Settlement, “Class Counsel” means MOON & YANG, APC.

6. For purposes of this Settlement, “Covered Workweeks” means the number of weeks a Class Member worked at Defendant’s locations in California during the Class Period.

7. For purposes of this Settlement, “Response Deadline” means the date sixty (60) days after the Settlement Administrator initially mails the Notice to Settlement Class Members (“Notice”) and the last date on which Class Members may submit a request for exclusion or written objection to the Settlement. In the case of a re-mailed Notice, the Response Deadline will be the later of sixty (60) calendar days after initial mailing or fourteen (14) calendar days from re-mailing. The Response Deadline may be extended only as expressly described herein.

8. For purposes of the Settlement, “Defendant’s Counsel” means MAGARIAN & DIMERCURIO, APLC.

9. For purposes of this Settlement, “PAGA” means the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*).

10. For purposes of this Settlement, “PAGA Allocation” means the portion of the Gross Settlement Amount that the Parties have agreed to allocate to resolution of the Released PAGA Claims. The Parties have agreed that the PAGA Allocation will be \$25,000 from the Gross Settlement Amount. Pursuant to PAGA, Seventy-Five Percent (75%), or \$18,750, of the PAGA Allocation will be paid to the Labor and Workforce Development Agency (“LWDA”) (“PAGA Penalty Payment”), and Twenty-Five Percent (25%), or \$6,250, of the PAGA Allocation will be paid to the PAGA Employees (“PAGA Settlement Payment”).

11. For purposes of this Settlement, “PAGA Period” means the period from September 26, 2021, through the date the court preliminary approves the Settlement, or May 27, 2023, whichever is sooner.

12. For purposes of this Settlement, “PAGA Employee” means all Class Members that worked during the PAGA Period. It is stipulated by the Parties that, for purposes of this Settlement, all PAGA Employees are “aggrieved employees” as defined pursuant to PAGA.

13. For purposes of this Settlement, “PAGA Pay Periods” means the number of pay periods each PAGA Employee worked during the PAGA Period.

14. For purposes of this Settlement, “PAGA Representative” means Plaintiff.

15. For purposes of this Settlement, “Released PAGA Claims” means all claims for penalties and any other available relief pursuant to PAGA, to the extent asserted in Plaintiff’s administrative exhaustion letter submitted to the LWDA in this Action on September 18, 2022, arising during the PAGA Period.

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

STIPULATED BACKGROUND

17. On September 26, 2022, Plaintiff filed a putative Class Action alleging the following labeled causes of action: (1) Failure to Pay Minimum Wage Wages [Cal. Lab. Code §§ 204, 1194, 1194.2, 1197,

1 and the Industrial Welfare Commission Wage Orders]; (2) Failure to Pay Overtime Compensation [Cal.
2 Lab. Code §§ 1194,1198, and the Industrial Welfare Commission Wage Orders]; (3) Failure to Provide
3 Meal Periods [Cal. Lab. Code §§ 226.7, 512, and the Industrial Welfare Commission Wage Orders]; (4)
4 Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code §§ 226.7, and the Industrial Welfare
5 Commission Wage Orders]; (5) Failure to Indemnify Necessary Business Expenses [Cal. Lab. Code
6 §2802]; (6) Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203]; (7) Failure to
7 Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226, and the Industrial Welfare
8 Commission Wage Orders]; and (8) Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, *et seq.*].
9 (The “Action.”) In the Complaint, Plaintiff sought to represent all persons that worked for Defendant in
10 California as an hourly-paid, non-exempt employee at any time during the period beginning four years
11 before the filing of the initial complaint and ending when Notice to the Class is sent.

12 18. On November 27, 2022, Plaintiff satisfied the administrative exhaustion requirement that is a
13 prerequisite to filing a claim for Civil Penalties under PAGA. After satisfying the administrative
14 exhaustion requirement, Plaintiff filed an amended complaint to add a single cause of action for Civil
15 Penalties under PAGA on or about January 24, 2023.

16 19. Solely for purposes of settling the Action, the Parties and their respective counsel stipulate and
17 agree that the requisites for establishing class certification with respect to the Class Members have been
18 met and are met. More specifically for settlement purposes only, the Parties stipulate and agree that:

19 (a) The Class is ascertainable and so numerous as to make it impracticable to join all
20 Class Members.

21 (b) There are common questions of law and fact including, but not limited to, the
22 following:

- 23 1) Whether or not Defendant properly paid all wages, including minimum and
24 overtime wages, to the Class;
- 25 2) Whether or not Defendant provided legally-compliant meal periods to the
26 Class;
- 27 3) Whether or not Defendant provided legally-compliant rest periods to the
28 Class;

- 4) Whether or not Defendant indemnified necessary business expenses incurred by the Class Members;
 - 5) Whether or not Defendant paid proper compensation timely upon separation of employment to Class Members whose employment ended during the Class Period;
 - 6) Whether or not Defendant paid proper compensation timely throughout Class Members' employment;
 - 7) Whether or not Defendant provided accurate and complete itemized wage statements to the Class;
 - 8) Whether or not waiting-time penalties are available to Class Members who are no longer employed by Defendant for violation of California Labor Code § 203;
 - 9) Whether or not Defendant maintained adequate and requisite records for Class Members;
 - 10) Whether or not Defendant paid proper meal period premiums and/or rest period premiums to the Class; and,
 - 11) Whether or not Defendant engaged in unlawful or unfair business practices affecting the Class in violation of California Business and Professions Code §§ 17200-17208.
- (c) Plaintiff's claims are typical of the claims of the Class Members.
- (d) Plaintiff and Class Counsel will fairly and adequately protect the interests of the Class.
- (e) The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications, which would establish incompatible standards of conduct.
- (f) With respect to the Class, questions of law and fact common to the members of the Class predominate over any questions affecting any individual member in such Class, and that a class action is superior to other available means for the fair and

1 efficient adjudication of the controversy.

2 20. Should, for whatever reason, the Settlement not become effective, the fact that the Parties were
3 willing to stipulate to class certification as part of the Settlement shall have no bearing on, and shall not be
4 admissible in connection with, the issue of whether the Class Members and/or the Class Claims should be
5 certified in a non-Settlement context in this Action or in any other lawsuit. Defendant expressly reserves
6 its right to oppose claim or class certification in this or any other action should this Settlement not become
7 effective.

8 21. Defendant denies any liability or wrongdoing of any kind whatsoever associated with the
9 claims alleged or which could have been alleged in the Complaint, and Defendant further denies that, for
10 any purpose other than settling this lawsuit, that the Action is appropriate for class or representative
11 treatment. With respect to Plaintiff's claims, Defendant contends, among other things, that Plaintiff and
12 the Class Members have been paid all wages, including minimum wages and overtime, have been
13 provided meal periods or they have been made available as required, have been provided rest periods or
14 they have been authorized and permitted as required, have been reimbursed for all necessary business
15 expenses, have been paid timely and proper wages upon separation of employment and during
16 employment, and have been provided with accurate and complete itemized wage statements. Defendant
17 contends, among other things, that it has complied at all times with the California Labor Code and the
18 applicable Wage Orders of the Industrial Welfare Commission. Furthermore, with respect to all claims,
19 Defendant contends that it has complied at all times with the California Business and Professions Code.

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

22 23. Class Counsel has conducted a thorough investigation into the facts of this Action, including
23 an extensive review of relevant documents, and has diligently pursued an investigation of the claims of the
24 Class against Defendant. Based on its own independent investigation and evaluation, Class Counsel is of
25 the opinion that the Settlement with Defendant for the consideration and on the terms set forth in this Joint
26 Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the Class in light of
27 all known facts and circumstances, including the risk of significant delay, the risk the Class will not be
28 certified by the Court, defenses asserted by Defendant, and numerous potential appellate issues.

Defendant and Defendant's Counsel also agree that the Settlement is fair, adequate and reasonable and in the best interest of the Class.

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

25. The Parties agree to stay all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Court.

PRIMARY TERMS OF SETTLEMENT

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

- (a) It is agreed by and among Plaintiff (on behalf of himself and the Class) and Defendant that this Action and any claims, damages, or causes of action arising out of the disputes which are the subject of this Action, be settled and compromised as between the Class and Defendant, subject to the terms and conditions set forth in this Settlement and the approval of the Court.
- (b) Effective Date: The terms of settlement embodied in this Settlement shall become effective when all of the following events have occurred: (i) this Joint Stipulation of Settlement has been executed by all Parties and their respective counsel; (ii) the Court has given preliminary approval to the Settlement; (iii) the Notice has been given to the Class, providing them with an opportunity to dispute information contained in the Notice, to opt out of the Settlement, or to object to the Settlement; (iv) the Court has held a final approval hearing and entered a final order and judgment certifying the Class and approving this Settlement; and (v) the later of the following events: (a) the day final approval is granted if there are no objections to the settlement; (b) sixty-five (65) days following notice of entry of the Court's final order approving the Settlement if there are any objections by any Class Member; (c) or if any appeal, writ or other appellate proceeding opposing this Settlement has been filed within sixty-five (65) days following notice of entry of the Court's final order approving the Settlement, then twenty (20) days after when any appeal, writ

1 or other appellate proceeding opposing the Settlement has been resolved finally
2 and conclusively with no right to pursue further remedies or relief. In this regard, it
3 is the intention of the Parties that the Settlement shall not become effective until the
4 Court's order approving the Settlement is completely final, and there is no further
5 recourse by an appellant or objector who seeks to contest the Settlement.

6 (c) Gross Settlement Amount: Defendant's maximum total payment under the
7 Settlement, including all attorney's fees and costs, the Service Payment to the
8 named Plaintiff, the costs of settlement administration, the PAGA Allocation, and
9 any other payments provided by this Settlement, is \$315,000.00 ("Gross Settlement
10 Amount"), subject to the Escalator Clause and except that, to the extent that any
11 portions of the Settlement Class Payments constitute wages, Defendant will be
12 separately responsible for any employer-side payroll taxes required by law,
13 including the employer FICA, FUTA, and SDI contributions.

14 (d) Escalator Clause: Defendant estimates that, as of March 28, 2023, the Class
15 Members worked 7,407 workweeks and that the figure will be approximately
16 8,063 through the Class Period, and the Parties agree that in the event the 7,407
17 estimate turns out to be understated by more than ten (10) percent, Defendant shall
18 increase the Gross Settlement Amount by the percentage that that actual number of
19 workweeks exceeds the original estimated amount (the "Escalator Clause").
20 Specifically, if the number of workweeks in the Class Period is 8,148 or more, the
21 gross settlement amount shall be increased by the percentage that the actual
22 number of workweeks exceeds 8,148.

23 (e) The Gross Settlement Amount will not be reduced for any reason.

24 (f) Non-reversionary Settlement: No portion of the Gross Settlement Amount will
25 revert to Defendant.

26 (g) No Claims Required: Class Members will not be required to submit a claim to
27 receive their Settlement payment.

28 (h) Net Settlement Amount: The Net Settlement Amount shall be calculated by

deducting from the Gross Settlement Amount (\$315,000.00) the following sums, subject to approval by the Court: (1) attorney's fees (not to exceed 33 1/3% of the Gross Settlement Amount, or \$105,000.00); (2) reasonable litigation costs (not to exceed \$15,000.00); (3) the Service Payment (not to exceed \$7,500.00 to the named Plaintiff); (4) the PAGA Allocation to the LWDA (\$18,750.00); and (5) costs of settlement administration (estimated not to exceed \$10,000.00).

Settlement Class Payments will be calculated by the Settlement Administrator and paid out of the Net Settlement Amount as set forth below.

(i) Payroll Taxes and Required Withholdings: To the extent that any portions of the Settlement Class Payments constitute wages, Defendant will be separately responsible for any **employer-side** payroll taxes required by law, including the employer FICA, FUTA, and SDI contributions. The Settlement Administrator will calculate and submit the Defendant's employer share of payroll taxes after advising Defendant of the total amount owed, in aggregate, as employer-side payroll taxes and receiving a lump sum payment from Defendant in that amount when the Gross Settlement Amount is delivered to the Settlement Administrator.

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

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

17 (k) Settlement Class Payments (Excludes PAGA Payments): Settlement Class
18 Payments will be paid out of the Net Settlement Amount. Each Settlement Class
19 Member will be paid a pro-rata share of the Net Settlement Amount as calculated
20 by the Settlement Administrator. The pro-rata share will be determined by
21 comparing the individual Settlement Class Member's Covered Workweeks
22 employed during the Class Period in California to the total Covered Workweeks of
23 all the Settlement Class Members during the Class Period as follows: [Workweeks
24 worked by a Settlement Class Member] ÷ [Sum of all Covered Workweeks worked
25 by all Settlement Class Members] × [Net Settlement Amount] = individual
26 Settlement Payment for a Settlement Class Member. Settlement Class Payments in
27 the appropriate amounts will be distributed by the Settlement Administrator by
28 mail to the Settlement Class Members. Uncashed, unclaimed or abandoned

checks, shall be transmitted by the Settlement Administrator to the California Controller's Office, as set forth below.

- (l) PAGA Payments: PAGA Settlement Payments will be paid out of the PAGA Allocation deducted from the Gross Settlement Amount after the PAGA Penalty Amount (75 percent of the PAGA Allocation) is paid to the LWDA. Each PAGA Employee will be paid a pro-rata share of the PAGA Settlement Payment, as calculated by the Settlement Administrator. Class Members who are PAGA Employees will not be permitted to exclude themselves from this portion of the Settlement. Each PAGA Employee's pro-rata share will be determined by comparing the individual PAGA Employees' PAGA Pay Periods during the PAGA Period to the total PAGA Pay Periods of all the PAGA Employees during the PAGA Period as follows:
$$\frac{[\text{PAGA Pay Periods worked by a PAGA Employee}]}{[\text{Sum of all PAGA Pay Periods worked by all PAGA Employees}]} \times [\text{PAGA Settlement Payment}] = \text{individual PAGA Employee's portion of the PAGA Settlement Payment.}$$
 PAGA Settlement Payments to PAGA Employees in the appropriate amounts will be distributed by the Settlement Administrator by mail to the PAGA Employees at the same time Settlement Class Payments issue to the Settlement Class. Uncashed, unclaimed or abandoned checks, shall be transmitted by the Settlement Administrator to the California Controller's Office, as set forth below. The Settlement Administrator will send the PAGA Penalty Payment to the LWDA at the same time the Settlement Administrator send Settlement Payments to the Settlement Class and PAGA Settlement Payments to the PAGA Employees.
- (m) Allocation of Settlement Payments: The Parties have agreed that Settlement Class Payments will be allocated as follows: 80% to interest and penalties, and 20% to wages. The PAGA Settlement Payments will be entirely allocated to penalties. Appropriate federal, state and local withholding taxes will be taken out of the wage allocations, and each Settlement Class Member will receive an IRS Form W-2 with respect to this portion of the Settlement Class Payment. The Settlement Class

Member's share of payroll taxes and other required withholdings will be remitted by the Settlement Administrator to the appropriate taxing authorities as set forth above, along with Defendant's employer portion of FICA and FUTA contributions, based on the payment of claims to the Settlement Class Members. IRS Forms 1099 will be issued by the Settlement Administrator to each Settlement Class Member and/or PAGA Employee reflecting the payments for penalties and interest. Settlement Class Members and PAGA Employees are responsible to pay appropriate taxes due on the Settlement Class Payments and PAGA Settlement Payments they receive. To the extent required by law, IRS Forms 1099 and W-2 will be issued to each Settlement Class Member and PAGA Employee with respect to such payments.

(n) Settlement Payments Do Not Give Rise to Additional Benefits: All Settlement Payments to individual Settlement Class Members and PAGA Employees shall be deemed to be paid to such Settlement Class Member or PAGA Employee solely in the year in which such payments actually are received by the Settlement Class Member or PAGA Employee. It is expressly understood and agreed that the receipt of such Settlement Payments will not entitle any Settlement Class Member or PAGA Employee to additional wages, compensation or benefits under any company bonus, contest or other compensation or benefit plan or agreement in place during the period covered by the Settlement up to and including the date the Settlement becomes effective, nor will it entitle any Settlement Class Member or PAGA Employee to any increased retirement, 401(k) benefits or matching benefits or deferred compensation benefits. It is the intent of all Parties that the Settlement Payments provided for in this Settlement are the sole payments to be made by Defendant to the Settlement Class Members and PAGA Employees, and that the Settlement Class Members and PAGA Employees are not entitled to any new or additional compensation or benefits as a result of having received the Settlement Payments (notwithstanding any contrary language or agreement in any benefit or

1 compensation plan document that might have been in effect during the period
2 covered by this Settlement).

3 (o) Attorneys' Fees and Costs: Subject to approval by the Court, Defendant will not
4 object to Class Counsel's application for attorney's fees not to exceed 33 1/3% of
5 the Gross Settlement Amount (\$105,000.00) and reimbursement of litigation costs
6 and expenses not to exceed \$15,000.00.

7 (p) Service Payment: Subject to Court approval, and in exchange for a general release,
8 Defendant will not object to Class Counsel's application for an additional payment
9 of up to \$7,500.00 to Plaintiff for service as a Class Representative ("Service
10 Payment"). It is understood that the Service Payment is in addition to the individual
11 Settlement Payment to which the Plaintiff and Class Representative is entitled
12 along with the other Settlement Class Members.

13 (q) The Settlement Administrator will issue an IRS Form 1099 for the Service
14 Payment to the Plaintiff. The Plaintiff will be individually responsible for correctly
15 characterizing this compensation on personal income tax returns for tax purposes
16 and for paying any taxes on the amounts received. Should the Court approve a
17 Service Payment in an amount less than that set forth above, the difference
18 between the lesser amount(s) approved by the Court and the Service Payment
19 amount(s) set forth above shall be added to the Net Settlement Amount. Plaintiff
20 agrees not to opt out or object to the Service Payment as the Class Representative.

21 (r) Settlement Administrator: The Settlement Administrator will be Phoenix
22 Settlement Administrators, or such Settlement Administrator as may be mutually
23 agreeable to the Parties and approved by the Court. Settlement Administration
24 Costs are estimated not to exceed \$10,000. The costs of the Settlement
25 Administrator for work done shall be paid regardless of the outcome of this
26 Settlement. If the Settlement does not become final and effective, the cost of the
27 Settlement Administrator will be shared equally by Plaintiff and Defendant.

28 (s) Funding of Settlement Account: Defendant will fund the settlement account

fourteen (14) days after the Effective Date.

- (t) Mailing of Settlement Payments: The Settlement Administrator shall cause the Settlement Payments to be mailed to the Class Members within fourteen (14) calendar days of the receipt of funding.
- (u) Notice of Settlement: Each Class Member will be mailed a notice setting forth the material terms of the proposed Settlement, along with instructions about how to object or request exclusion from the proposed class action Settlement (“Notice”). For each Class Member, there will be pre-printed information on the mailed Notice, based on Defendant’s records, stating the Class Member’s Covered Workweeks during the Class Period, PAGA Workweeks during the PAGA Period, and the estimated total Settlement Payment under the Settlement, including the Settlement Class Payment and the PAGA Settlement Payment. As discussed below, the PAGA Settlement Payment will be distributed irrespective of any exclusion request. The pre-printed information based on Defendant’s records shall be presumed to be correct. A Class Member may dispute the pre-printed information on the Notice as to his or her Covered Workweeks during the Class Period or PAGA Workweeks during the PAGA Period. Class Members must submit any dispute regarding the information on the Notice as to his or her Covered Workweeks or PAGA Workweeks within the Response Deadline. Unless a disputing Class Member submits documentary evidence in support of his or her dispute, the records of the Defendant will be determinative.
- (v) Settlement Notice Language: The Notice will issue in English and Spanish. If there is any ambiguity between the English and Spanish translation, the English version will be controlling.
- (w) Class Members Cannot Exclude Themselves from the Released PAGA Claims: Class Members submitting a Request for Exclusion will nevertheless receive their pro-rata share of the PAGA Settlement Payment. If the Court approves the compromise of the PAGA Claim, all Class Members are bound by the Court’s

1 resolution of that Claim. Plaintiff shall serve a notice of settlement on the
2 California Labor and Workforce Development Agency at or before the time
3 Plaintiff files the motion for preliminary approval.

4 (x) Resolution of Workweek Disputes: If a Class Member disputes the accuracy of
5 Defendant's records used to calculate Covered Workweeks or PAGA Workweeks,
6 and the Parties' counsel cannot resolve the dispute informally, the matter will be
7 referred to the Settlement Administrator. The Settlement Administrator will
8 review Defendant's records and any information or documents submitted by the
9 Class Member and issue a non-appealable decision regarding the dispute. The
10 Class Member must submit information or documents supporting his or her
11 position to the Settlement Administrator prior to the expiration of the Response
12 Deadline. Information or documents submitted after the expiration of the
13 Response Deadline will not be considered by the Settlement Administrator, unless
14 otherwise agreed to by the Parties.

15 (y) Right of Class Member to Request Exclusion from the Settlement: Any Class
16 Member may request to be excluded from the Settlement Class by mailing a
17 "Request for Exclusion" from the Settlement within the Response Deadline,
18 stating, as follows or in substantially similar terms:

19 "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS
20 IN THE *TERRELL V. INDUSTRIAL THREADED PRODUCTS, INC.*
21 CLASS ACTION LAWSUIT, SAN BERNARDINO COUNTY
22 SUPERIOR COURT CASE NO. CIVDS2221053. I UNDERSTAND
23 THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT
24 CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE
25 SETTLEMENT OTHER THAN MY SHARE OF THE PAGA
26 PAYMENT."

27 Any Request for Exclusion must include the name, address, telephone number, last
28 four digits of the Class Member's Social Security Number, and the signature of the
Class Member requesting exclusion. Any such request must be made in
accordance with the terms of the Notice, and the Notice will advise Class Members
of these requirements. Any Class Member who timely requests exclusion in

1 compliance with these requirements (i) shall not have any rights under this
2 Settlement other than a right to receive a pro-rata share of the PAGA Settlement
3 Payment if the Class Member is also PAGA Employee; (ii) shall not be entitled to
4 receive any Settlement Payments under this Settlement other than as stated herein;
5 and (iii) shall not be bound by this Settlement or the Court's Order and Final
6 Judgment other than as it applies to the PAGA Claim.

7 (z) Right of Settlement Class Member to Object to The Settlement: Any Settlement
8 Class Member may object to the Settlement. To object, the Settlement Class
9 Member may (1) appear at the Final Approval Hearing, remotely or in person, to
10 explain any objection, (2) have an attorney object for the Settlement Class
11 Member, or (3) submit a simple written brief or statement of objection to the
12 Settlement Administrator. If any Settlement Class Member chooses to submit a
13 written objection, the written objection should contain sufficient information to
14 confirm the identity of the objector and the basis of the objection, including (1) the
15 full name of the Settlement Class Member; (2) the signature of the Settlement
16 Class Member; (3) the grounds for the objection; and (4) be postmarked within the
17 Response Deadline to permit adequate time for processing and review by the
18 Parties of the written statement or objection. Class Counsel shall ensure that any
19 written objections are transmitted to the Court for the Court's review (either by
20 Class Counsel or as an attachment to a declaration from the Settlement
21 Administrator). Regardless of the form, an objection alone will not satisfy the
22 requirement that a Settlement Class Member must either make a timely complaint
23 in intervention before final judgment or by filing a motion to set aside and vacate
24 the class judgment under Code of Civil Procedure §663, to have standing to appeal
25 entry of judgment approving this Settlement, as is required under the California
26 Supreme Court decision of *Hernandez v. Restoration Hardware*, 4 Cal. 5th 260
27 (2018). A Settlement Class Member who does not object prior to or at the Final
28 Approval Hearing, will be deemed to have waived any objections and will be

1 foreclosed from making any objections (whether at the Final Approval Hearing, by
2 appeal, or otherwise) to the Settlement. If the objecting Settlement Class Member
3 does not formally intervene in the action or move to set aside any judgment and/or
4 the Court rejects the Settlement Class Member's objection, the Settlement Class
5 Member will still be bound by the terms of this Agreement and the Settlement.
6 Class Counsel and Defendant's Counsel may, at least five (5) calendar days (or
7 some other number of days as the Court shall specify) before the final approval
8 hearing, file responses to any written objections submitted to the Court. Class
9 counsel will not represent any Class Members with respect to any objections to the
10 Settlement.

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

12 27. Subject to the Court's approval, and subject to reconsideration by the Parties after a
13 competitive bidding process, the Parties have agreed to appoint Phoenix Settlement Administrators to
14 perform the customary duties of Settlement Administrator. The Settlement Administrator will mail the
15 Notice, both in English and Spanish, to the Class Members.

16 28. The Settlement Administrator will independently review the Covered Workweeks and PAGA
17 Workweeks attributed to each Class Member and PAGA Employee and will calculate the estimated
18 amounts due to each Class Member and the actual amounts due to each Settlement Class Member and
19 PAGA Employee in accordance with this Settlement. The Settlement Administrator shall report, in
20 summary or narrative form, the substance of its findings. The Settlement Administrator shall be granted
21 reasonable access to Defendant's records in order to perform its duties. The Settlement Administrator will
22 provide Defendant's counsel and Class Counsel a weekly report which certifies: (i) the number of Class
23 Members who have submitted valid Requests for Exclusion; (ii) the number of any deficient Requests for
24 Exclusion and (iii) whether a Class Member has submitted a challenge to information contained in their
25 Notice Packet. Additionally, the Settlement Administrator will provide to counsel for both Parties any
26 updated reports regarding the administration of the Settlement Agreement as needed or requested.

27 29. In accordance with the terms of this Settlement, and upon receipt of Gross Settlement Amount
28 from Defendant, the Settlement Administrator will issue and send out the Settlement Payment checks to

1 the Settlement Class Members and the PAGA Settlement Payments to the PAGA Employees. Tax
2 treatment of the Class Settlement Payments and PAGA Settlement Payments will be as set forth herein,
3 and in accordance with state and federal tax laws. The Settlement Administrator will also issue a payment
4 to Class Counsel and itself for Court-approved services performed in connection with the settlement.

5 30. All disputes relating to the Settlement Administrator's performance of its duties shall be
6 referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of
7 this Settlement until all payments and obligations contemplated by this Settlement have been fully carried
8 out.

9 **ATTORNEY'S FEES AND COSTS**

10 31. In consideration for resolving this matter and in exchange for the release of all claims by the
11 Settlement Class Members, including Plaintiff, and subject to approval by the Court, Defendant will not
12 object to Class Counsel's application for attorney's fees not to exceed 33 1/3% of the Gross Settlement
13 Amount (\$105,000.00 of \$315,000.00) and litigation costs not to exceed \$15,000.00. The amounts set
14 forth above will cover all work performed and all fees and costs incurred to date, and all work to be
15 performed and all fees and costs to be incurred in connection with the approval by the Court of this
16 Settlement and administration of the Settlement. Should Class Counsel request a lesser amount and/or the
17 Court approve a lesser amount(s) of attorney's fees and/or attorneys' costs, the difference between the
18 lesser amount(s) and the maximum amount set forth above shall be added to the Net Settlement Amount.
19 The Parties agree that there is no prevailing party, and the Class and Class Counsel shall not be entitled to
20 any fees or costs other than those awarded out of and deducted from the Gross Settlement Amount. As
21 with the Class Settlement Payments to the Settlement Class, the attorney's fees and costs approved by the
22 Court shall be distributed by the Settlement Administrator to Class Counsel within fourteen (14) calendar
23 days of the receipt of settlement funds by the Settlement Administrator. In the event that the Court awards
24 less than 25% of the Gross Settlement Amount for attorney's fees, Class Counsel shall retain the right to
25 appeal that portion of any Final Approval Order and Judgment.

26 **THE NOTICE PROCESS**

27 32. A Notice in approximately the form attached hereto as Exhibit "A," and as approved by the
28 Court, shall be sent by the Settlement Administrator to the Class Members by first class mail. The Notice

1 shall be translated into Spanish so that Spanish and English language versions of the Notice are included in
2 the mailing.

3 (a) Within seven (7) calendar days from the date of preliminary approval of this
4 Settlement by the Court, Defendant shall provide to the Settlement Administrator a
5 class database containing the following information for each Class Member: (1)
6 name; (2) last known address; (3) last four digits of his, her, or their social security
7 number; and (4) dates of employment at Defendant's locations in California. This
8 database shall be based on Defendant's payroll and other business records and shall
9 be provided in a reasonable format to the Settlement Administrator. Defendant
10 agrees to consult with the Settlement Administrator prior to the production date to
11 ensure that the format will be acceptable to the Settlement Administrator. The
12 Settlement Administrator will run a check of the Class Members' addresses against
13 those on file with the U.S. Postal Service's National Change of Address List; this
14 check will be performed only once per Class Member by the Settlement
15 Administrator. Absent mutual written agreement of counsel for the Parties or
16 Court order, the Settlement Administrator will keep this database confidential and
17 secure and use it only for the purposes described herein and will return this
18 database to Defendant upon final approval of the settlement or destroy electronic
19 records containing the database after the Settlement is final and all payments are
20 distributed as required under this Agreement.

21 (b) Within fourteen (14) calendar days after the Class database is provided to the
22 Settlement Administrator, the Settlement Administrator will mail the Notices to the
23 Class Members by First Class United States mail.

24 (c) Notices returned to the Settlement Administrator as non-deliverable on or before
25 the initial Response Deadline shall be resent to the forwarding address, if any, on
26 the returned envelope. A returned Notice will be forwarded by the Settlement
27 Administrator any time that a forwarding address is provided with the returned
28 mail. If there is no forwarding address, the Settlement Administrator will do a

1 computer search for a new address using the last four digits of the Class Member's
2 social security number or other information. In any instance where a Notice is re-
3 mailed, that Class Member will have until the extended Response Deadline as
4 described above to submit objections or request exclusion. A letter prepared by the
5 Settlement Administrator will be included in the re-mailed Notice in that instance,
6 stating the extended Response Deadline. Upon completion of these steps by the
7 Settlement Administrator, Defendant and the Settlement Administrator shall be
8 deemed to have satisfied their obligations to provide the Notice to the affected
9 Class Member. The affected Class Member shall remain a member of the
10 Settlement Class and shall be bound by all the terms of the Settlement and the
11 Court's Order and Final Judgment.

- 12 (d) Class Counsel shall provide to the Court, at least five (5) calendar days prior to the
13 final approval hearing, or such other date as set by the Court, a declaration by the
14 Settlement Administrator of due diligence and confirming mailing of the Notices.

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

16 33. As set forth above, each Settlement Class Member will have until the expiration of the
17 applicable Response Deadline to submit to the Settlement Administrator any challenge or dispute to the
18 Settlement Class Member's Covered Workweek information on the Notice. No disputes will be honored
19 if they are submitted after the Response Deadline unless the Parties mutually agree to accept the untimely
20 dispute. Each Settlement Class Member is responsible to maintain a copy of any documents sent to the
21 Settlement Administrator and a record of proof of mailing.

22 34. The Settlement Administrator shall cause the Settlement Payments to be mailed to the
23 Settlement Class Members and PAGA Employees as provided herein. Settlement Class Payments and
24 PAGA Settlement Payments may be combined into one check. Settlement Payment checks shall remain
25 valid and negotiable for 180 calendar days from the date of their issuance. Settlement Payment checks
26 will automatically be cancelled by the Settlement Administrator if they are not cashed by the Settlement
27 Class Member within that time, and the Settlement Class Member's relevant claims will remain released
28 by the Settlement. Settlement Payment checks which have expired will not be reissued.

35. Funds from uncashed or abandoned Settlement Class Payment checks or PAGA Settlement Checks, based on a 180-day void date, shall be transmitted by the Settlement Administrator to the California State Controller's Office for Unclaimed Property in the name of each Settlement Class Member and/or PAGA Employee who failed to cash their Settlement Payment check prior to the void date.

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

RELEASE BY THE PLAINTIFF AND BY THE CLASS AND PAGA EMPLOYEES

37. Release by Class and PAGA Employees. Upon the final approval by the Court of this Settlement and Defendant's payment of all sums due pursuant to this Settlement, and except as to such rights or claims as may be created by this Settlement, the Class Representatives, the Class and each Class Member who has not submitted a valid and timely request for exclusion as to claims other than the PAGA claim, and each PAGA Employee, regardless of whether they have requested exclusion from the Settlement of Class claims, will release claims as follows:

(a) **Identity of Released Parties.** The released parties are Defendant, and each of its former and present direct and/or indirect owners, dba's, affiliates, parents, subsidiaries, co-employers, brother and sister corporations, divisions, related companies, successors and predecessors, and current and former employees, officers, directors, shareholders, members, owners, trustees, attorneys, accountants, consultants, fiduciaries, beneficiaries, subrogees, executors, partners, privies, agents, employees, servants, stockholders, insurers, co-insurers, representatives, administrators, employee benefit plans, and assigns of said entities (collectively "Releasees").

(b) **Date Release Becomes Active.** The Released Claims and Released PAGA Claims will be released upon the later of (1) the Settlement's Effective Date, or (2) the satisfaction of Defendant's obligation to provide to the Settlement Administrator a

1 sum in the amount required to satisfy all required payments and distributions
2 pursuant to this Settlement and the Order and Judgment of final approval. Class
3 Members will not release the Released Claims or Released PAGA Claims until
4 both the Effective Date of the Settlement has occurred, **and** Defendant has paid all
5 amounts owing under the Settlement.

6 (c) **Claims Released by Settlement Class Members.** Each and every Class Member,
7 on behalf of himself or herself and his or her heirs and assigns, unless he or she has
8 submitted a timely and valid Request for Exclusion (which will not effectuate an
9 opt-out from the release of Released PAGA Claims), hereby releases Releasees
10 from the following claims for the entire Class Period:

11 1) any and all claims, demands, rights, liabilities, and/or causes of action of
12 any nature and description whatsoever, known or unknown, in law or
13 equity, stated in the Complaint, or that could have been stated in the Action
14 based on the facts, theories, and/or claims alleged therein, including but not
15 limited to all wage and hour claims (including all claims under the
16 California Labor Code and federal law) for unpaid wages, minimum wage,
17 overtime, off-the-clock work, meal periods, rest periods, unreimbursed
18 business expenses, wage statement violations, interest, civil or statutory
19 penalties, and attorneys' fees and costs, waiting time penalties, expense
20 reimbursements, withholding from wages and the related provisions of the
21 Labor Code including but limited to Labor Code §§ 201-204, 210, 216,
22 218.6, 2802, 226, 226.2, 226.3, 226.7, 510, 512, 512.5, 558, 1174, 1194,
23 1194.2, 1197, 1198, 2699, derivative claims under California Business &
24 Professions Code §§ 17200 et seq., and all claims under the applicable
25 Industrial Welfare Commission Wage Order ("Released Claims");

26 (d) **Claims Released by the Class, Including PAGA Employees.** All Class
27 Members, including all PAGA Employees, release the Released PAGA Claims,
28 regardless of whether they have requested exclusion from the Settlement as to

1 Class claims.

2 (e) **PAGA Release.** Upon Court approval of the Settlement, Defendant shall be
3 entitled to a release from the State of California and the Labor and Workforce
4 Development Agency, as well as from the Aggrieved Employees, of all claims for
5 Civil Penalties pursuant to Labor Code section 2698 et seq. (PAGA), that were
6 pled or reasonably could have been pled based on the factual allegations in
7 operative Complaint in the Action and the LWDA letter, including specifically,
8 claims for PAGA penalties arising out of or based on alleged: failure to pay
9 minimum wages, failure to pay overtime wages, failure to pay for off-the-clock
10 work, failure to provide compliant meal periods, failure to provide compliant rest
11 periods, failure to provide timely wages, failure to provide timely wages upon
12 separation, failure to provide accurate itemized wage statements, failure to
13 reimburse for business expenses, and/or failure to maintain accurate payroll
14 records. This release includes all claims for civil penalties arising under the
15 California Labor Code, including but not limited to Labor Code sections 200, 201,
16 202, 203, 204, 210, 218.5, 218.6, 226, 226.2, 226.3, 226.7, 432, 510, 512, 558,
17 1102.5, 1174, 1174(3), 1174.5, 1194, 1197, 1197.1, 1197.5, 1198, 1198.5, 1199,
18 2802 and the applicable Wage Orders of the Industrial Welfare Commission. The
19 release shall include the Defendant and all of its parent, subsidiary, affiliated and
20 related companies and entities, as well as its/their officers, directors, investors,
21 owners, shareholders, employees, partners, members, agents, and attorneys, and
22 any entities or partnerships with which they are affiliated, past or present.

23 1) **Date PAGA Release becomes Active.** The Parties agree that upon the
24 Effective Date, the LWDA, the Aggrieved Employees, and Plaintiff shall
25 be deemed to have, and by operation of the court's Approval Order and
26 Judgment shall have, released the Defendant and any Releasees, as further
27 defined in this long form settlement agreement, from any claim for civil
28 penalties arising out of the Released Claims or specifically enumerated

herein.

- (f) The Class and PAGA Employees, including Plaintiff and Class Representative, acknowledge and agree that: (1) Class Claims for overtime compensation, minimum wages, wages for all hours worked, statutory and civil penalties, and/or any other payments and/or penalties in the Action are disputed; and (2) the payments set forth herein constitute full payment of any amounts allegedly due. The Class and PAGA Employees, including Plaintiff and Class Representative, thus shall be deemed to have acknowledged and agreed that California Labor Code Section 206.5 is not applicable to the Parties hereto. That section provides in pertinent part as follows: An employer shall not require the execution of any release of a claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made.

38. Release by Plaintiff and Class Representative. Upon the final approval by the Court of this Settlement and Defendant's payment of all sums due pursuant to this Settlement, and except as to such rights or claims as may be created by this Settlement, the Plaintiff and Class Representative, will release claims as follows:

- (a) The Plaintiff and Class Representative hereby fully and finally releases and discharges the Releasees (defined above) from any and all of the released claims (defined above) and from any and all other claims, charges, complaints, liens, demands, agreements, contracts, covenants, actions, suits, causes of action, penalties, wages, obligations, debts, expenses, damages, attorneys' fees, costs, judgments, orders, and liabilities of whatever kind or nature in law, equity, or otherwise, known or unknown, suspected or unsuspected, that the Plaintiff and Class Representative had, now has, or may hereafter claim to have against the Released Parties arising out of, or relating in any way to, the Plaintiff and Class Representative's hiring by, employment with, separation of employment with, or any other transactions, occurrences, acts or omissions or any loss, damage or injury whatsoever, known or unknown, suspected or unsuspected, resulting from any act

or omission by or on the part of any Released Party (the “Class Representative’s Released Claims”), arising or accruing from the beginning of time up through the Final Approval Order Date (“Class Representative’s Released Period”). The Class Representative’s Released Claims include, but are not limited to, claims arising from or dependent on the California Labor Code; the Wage Orders of the California Industrial Welfare Commission; California Business and Professions Code section 17200 et seq.; the California Fair Employment and Housing Act, Cal. Gov’t Code § 12900 et seq.; the California Healthy Workplaces, Healthy Families Act, Cal. Labor Code § 245 et seq., the California common law of contract and tort; Title VII of the Civil Rights Act of 1964; the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq.; the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.; the Fair Labor Standards Act, 29 U.S.C. § 201 et seq., the Portal to Portal Act, 29 U.S.C. § 251 et seq., and the Families First Coronavirus Response Act.

(b) The Plaintiff and Class Representative also acknowledges that he has read Section 1542 of the Civil Code of the State of California, which provides as follows:

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

39. The Plaintiff and Class Representative further warrants that he understands that Section 1542 gives him the right not to release existing claims of which he is not now aware unless he voluntarily chooses to waive this right. Having been so apprised, Plaintiff and Class Representative shall nevertheless voluntarily waive the rights described in Section 1542 and elects to assume all risks and to release the claims set forth herein, that now exist in his favor, whether known or unknown.

EMPLOYMENT BY DEFENDANT

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

DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

41. The Parties shall submit this Joint Stipulation of Class Action Settlement to the Court in support of Plaintiff's unopposed motion for preliminary approval for determination by the Court as to its fairness, adequacy, and reasonableness. Upon execution of this Joint Stipulation of Class Action and PAGA Settlement, the Parties shall apply to the Court for the entry of an order:

- (a) Scheduling a preliminary approval hearing and later final approval and fairness hearing on the question of whether the proposed Settlement, including payment of attorney's fees and costs, and the Class Representatives' service payment, should be finally approved as fair, reasonable, and adequate as to the members of the Class;
- (b) Conditionally certifying a Class for settlement purposes only;
- (c) Approving as to form and content the proposed Notice;
- (d) Directing the mailing of the Notice by the Settlement Administrator;
- (e) Preliminarily approving the Settlement subject only to the objections of Class Members and final review by the Court;
- (f) Conditionally appointing Plaintiff and Class Counsel as representatives of the proposed Class Members; and,
- (g) Appointing Phoenix Settlement Administrators. as the Settlement Administrator.

DUTIES OF THE PARTIES FOLLOWING FINAL COURT APPROVAL

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

- (a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;
- (b) Approving Class Counsel's application for an award of attorney's fees and costs;
- (c) Approving the Service Payment to the Class Representatives;
- (d) Adjudging the Settlement Administrator has fulfilled its initial notice and reporting duties under the Settlement.
- (e) Adjudging Plaintiff and Class Counsel may adequately represent the Final

1 Settlement Class for the purpose of entering into and implementing the Agreement;

2 (f) Entering a final judgment in the action;

3 (g) Adjudging that notwithstanding the submission of a timely request for exclusion,
4 Class Members are still bound by the settlement and release of the Released PAGA
5 Claims or remedies under the Judgment pursuant to *Arias v. Superior Court*, 46
6 Cal. 4th 969 (2009), as requests to be excluded from the Settlement do not apply to
7 the Released PAGA Claims, and further affirming that the State's claims for civil
8 penalties pursuant to PAGA are also extinguished;

9 **NULLIFICATION AND TERMINATION**

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

16 44. If 20% or more of the Class Members opt out of this Settlement, then Defendant in its sole
17 discretion may terminate, nullify and void this Settlement. The Settlement Administrator shall provide
18 Defendant's Counsel with the information necessary to effectuate this provision on a regular basis, but no
19 less frequently than on a weekly basis. To terminate this Settlement under this paragraph, Defendant's
20 Counsel must give Plaintiff's Counsel written notice, by facsimile, e-mail, or mail, no later than 30
21 calendar days after the Response Deadline. If this option is exercised by Defendant, Defendant shall be
22 solely responsible for the costs incurred by the Settlement Administrator for the settlement administration.

23 45. In the event this Settlement is nullified or terminated as provided above: (i) this Settlement
24 shall be considered null and void, (ii) neither this Settlement nor any of the related negotiations or
25 proceedings shall have any force or effect and no Party shall be bound by any of its terms, and (iii) all
26 Parties to this Settlement shall stand in the same position, without prejudice, as if the Settlement had been
27 neither entered into nor filed with the Court.
28

1 **PARTIES' AUTHORITY**

2 46. The signatories hereto hereby represent that they are fully authorized to enter into this
3 Settlement and bind the Parties hereto to the terms and conditions thereof.

4 **MUTUAL FULL COOPERATION**

5 47. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement
6 including, but not limited to, execution of such documents and taking such other action as reasonably may
7 be necessary to implement the terms of this Settlement. The Parties to this Settlement shall use their best
8 efforts, including all efforts contemplated by this Settlement and any other efforts that may become
9 necessary by order of the Court, or otherwise, to effectuate this Settlement and the terms set forth herein.
10 As soon as practicable after execution of this Settlement, Class Counsel shall, with the assistance and
11 cooperation of Defendant and Defendant's Counsel, take all necessary steps to secure the Court's
12 preliminary and final approval of this Settlement.

13 **NO PRIOR ASSIGNMENTS**

14 48. The Parties and their respective counsel represent, covenant, and warrant that they have not
15 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
16 any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein
17 released and discharged except as set forth herein, and that they are not on notice of any liens as to the
18 Gross Settlement Amount or any right to attorneys' fees or costs.

19 **NO ADMISSION OF LIABILITY**

20 49. Nothing contained herein, nor the consummation of this Settlement, is to be construed or
21 deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant.
22 Defendant denies all the claims and contentions alleged by the Plaintiff in this case. Defendant does not
23 admit, and specifically denies, that it has violated any federal, state, or local law; violated any regulations
24 or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal
25 requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or
26 deception; or engaged in any other unlawful conduct with respect to its current or former employees.
27 Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations
28 connected with it, will be construed as an admission or concession by Defendant of any such violations or

failures to comply with any applicable law. Defendant has entered into this Settlement solely with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its terms and provisions will not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

ENFORCEMENT ACTIONS

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

NOTICES

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

Class Counsel:

Kane Moon
Enzo Nabiev
MOON & YANG, APC
1055 W. Seventh St., Suite 1880
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125
kane.moon@moonyanglaw.com
enzo.nabiev@moonyanglaw.com

Counsel for Defendant:

KRISTA L. DIMERCURIO
krista@magarianlaw.com
MARK D. MAGARIAN
mark@magarianlaw.com
MAGARIAN & DIMERCURIO,
APLC
20 Corporate Park, Suite 255
Irvine, CALIFORNIA 92606
TEL (714) 415-3412

CONSTRUCTION

52. The Parties hereto agree that the terms and conditions of this Settlement are the result of lengthy, intensive arms-length negotiations between the Parties, including, but not limited to, an all-day mediation on March 28, 2023, with experienced neutral mediator Lynn Frank, Esq., and this Settlement

1 shall not be construed in favor of or against any Party by reason of the extent to which any Party or his, her
2 or its counsel participated in the drafting of this Settlement.

3 **CAPTIONS AND INTERPRETATIONS**

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

7 **MODIFICATION**

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

11 **CONFIDENTIALITY**

12 55. Confidentiality Agreement. The Parties and their counsel agree that none of them will issue
13 any marketing materials, press release, social media post, internet or website announcement, or otherwise
14 initiate any contact with the press, respond to any press inquiry or have any communication with the press
15 regarding the Settlement or the terms of this settlement. Class Counsel will not communicate with other
16 wage-hour plaintiffs' counsel about this settlement, nor utilize it in any way in their marketing or
17 advertising materials or website, prior to Preliminary Approval. Plaintiff will not discuss the Settlement
18 with anyone other than his counsel, tax advisors or spouses, except as required or authorized by law.
19 Additionally, Class Counsel agree that the fact that the Actions were filed and/or settled will not be
20 included in any filing or court submission in any other case or controversy unless required to do so by
21 applicable law or done in submissions to courts or arbitrators in connection with establishing adequacy as
22 class counsel or relevant experience in wage and hour lawsuits.

23 **INTEGRATION CLAUSE**

24 56. This Settlement contains the entire agreement between the Parties relating to the Settlement
25 and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings,
26 representations, and statements, whether oral or written and whether by a Party or such Party's legal
27 counsel, are merged herein. No rights hereunder may be waived except in writing. The Parties expressly
28 recognize California Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a),

1 which provide that a written agreement is to be construed according to its terms and may not be varied or
2 contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written
3 representations or terms will modify, vary or contradict the terms of this Agreement.

4 **AMENDMENT**

5 57. Amendment or Modification. This Settlement Agreement may be amended or modified only
6 by a written instrument mutually signed by counsel for all Parties or their successors-in-interest.

7 **WAIVER OF APPEALS**

8 58. The Parties agree to waive appeals and to stipulate to class certification for purposes of
9 implementing this Settlement only, with the exception that Class Counsel retains the right to appeal the
10 amount awarded as attorney's fees in the event that the Court awards less than twenty-five percent of the
11 Gross Settlement Amount as attorney's fees.

12 **BINDING ON ASSIGNS**

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

15 **CLASS COUNSEL SIGNATORIES**

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

20 **COUNTERPARTS**

21 61. This Settlement may be executed in counterparts and by electronic or facsimile signatures, and
22 when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed
23 an original, and, when taken together with other signed counterparts, shall constitute one Settlement,
24 which shall be binding upon and effective as to all Parties.

25 **FINAL JUDGMENT**

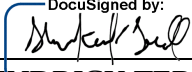
26 62. The Parties agree that, upon final approval of the Settlement, final judgment of this Action will
27 be made and entered in its entirety at or following the final approval hearing. The final judgment may be
28 included in the Order granting Final Approval of the Settlement.

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

IT IS SO STIPULATED.

Plaintiff & Class Representative:

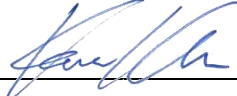
Dated: 6/13/2023

By: 
SHON KENDRICK TERRELL

Plaintiff's Counsel:

Dated: 6/13/2023

MOON & YANG, APC

By: 
Kane Moon
Enzo Nabiev
Attorneys for Plaintiff

Defendant:

Dated: INDUSTRIAL THREADED PRODUCTS, INC.

By: _____
Garrett Futrell, President

Defendant's Counsel:

Dated: MAGARIAN & DIMERCURIO, APLC

By: _____
Krista L. DiMercurio
Attorney for Defendant

1 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint
2 Stipulation of Class Action Settlement between Plaintiff and Defendant as set forth below:

3 IT IS SO STIPULATED.

4 **Plaintiff & Class Representative:**

5 Dated: By: _____
6 SHONKENDRICK TERRELL

7 **Plaintiff's Counsel:**

8 Dated: MOON & YANG, APC
9
10 By: _____
11 Kane Moon
12 Enzo Nabiev
13 Attorneys for Plaintiff
14
15
16

17 **Defendant:**

18 Dated: 6.5.23 INDUSTRIAL THREADED PRODUCTS, INC.

19 By: 
20 Garrett Futrell, President

21 **Defendant's Counsel:**

22 Dated: 6.14.23 MAGARIAN & DIMERCURIO, APLC

23
24 By: 
25 Krista L. DiMercurio
26 Attorney for Defendant
27
28