

1 **CLASS ACTION AND PAGA SETTLEMENT AGREEMENT**

2 This Class Action and PAGA Settlement Agreement is entered into by and between
3 Plaintiff Jathan Blake, individually and on behalf of all others similarly situated, and Defendant
4 PGP International, Inc., and is approved by their respective counsel of record, subject to the terms
5 and conditions hereof and the Court's approval.

6 **A. Definitions**

7 1. "Action" or "Lawsuit" means the First Amended Complaint filed by Plaintiff
8 Jathan Blakes entitled *Blakes v. PGP International, Inc.*, Case No. CV2022-1544, filed in Yolo
9 County Superior Court on May 3, 2023, which encompasses the claims included in the Plaintiff's
10 PAGA notices served on September 13, 2022 and February 14, 2023.

11 2. "Aggrieved Employees" for the PAGA claim include all non-exempt employees
12 who work or worked for Defendant in California from September 13, 2021 until April 10, 2023,
13 or the date that the Court grants preliminary approval of the settlement, whichever occurs first.

14 3. "Agreement," "Settlement Agreement," "Settlement," or "Stipulation" shall mean
15 this Class Action and PAGA Settlement Agreement, including any attached Exhibits.

16 4. "Class Claims" or "Released Class Claims" shall mean any and all claims and/or
17 causes of action under any state, local, or federal law or administrative agency order by Settlement
18 Class Members against the Released Parties that were or could have been pled based on the
19 allegations of the original and amended Complaints and the PAGA Notice Letters, including, but
20 not limited to, any claim for: (1) unpaid wages, including claims for minimum, overtime, and
21 double-time wages, the alleged failure to pay for all time worked, including allegations of
22 improper rounding of time, the alleged failure to pay for all hours worked at correct rates,
23 including overtime or double time at the correct regular rates; (2) unpaid sick time, including
24 allegations of failing to pay sick leave, the failure to pay sick leave at the regular rate, and the
25 failure to properly report paid sick leave accruals and payments in wage statements, and related
26 recordkeeping; (3) unpaid vacation time, including allegations of failing to pay accrued vacation
27 time, the failure to pay vacation time at the proper rate, the failure to report accrued and paid
28 vacation in wage statements, and related recordkeeping; (4) meal period violations, including

1 claims for late, short, interrupted and/or missed meal periods and/or the failure to pay premium
2 wages, including premiums at the correct regular rates, and the alleged failure to properly record
3 meal breaks; (5) rest break violations, including claims for late, short, interrupted, missed, on
4 premises, or otherwise improperly controlled or constrained rest breaks and/or the failure to pay
5 premium wages, including premiums at the correct regular rates; (6) improper or inaccurate
6 itemized wage statements, including any alleged violations of Labor Code sections 226(a)(1)-(9);
7 (7) untimely payment of final wages under Labor Code sections 201-203; (8) untimely wage
8 payments to current employees under Section 204; (9) Unlawful and Deceptive Business
9 Practices in Violation of Business & Professions Code §§ 17200, et seq. based on any of the facts
10 and violations alleged in the Action or the PAGA Notice Letters; and (10) any claims for statutory
11 or civil penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation and
12 other costs, expenses, restitution, and equitable and declaratory relief based on the same facts
13 alleged in the Action or the PAGA Notice Letters. The period of the Released Class Claims will
14 be the Class Settlement Period.

15 5. "Class Counsel" refers to Mehrdad Bokhour of Bokhour Law Group, P.C. and
16 Joshua Falakassa of Falakassa Law, P.C.

17 6. "Class Data" means information regarding Settlement Class Members compiled
18 from Defendant's records and provided to the Settlement Administrator in a Microsoft Excel
19 Spreadsheet, including each Settlement Class Member's full name; last known address; Social
20 Security Number; dates of employment; and additional information sufficient for the Settlement
21 Administrator to determine the number of Eligible Workweeks and Eligible Pay Periods worked
22 as non-exempt or hourly employees of Defendant during the Class Period and the PAGA Period
23 for each Settlement Class Member. At no time during the Settlement process will any Class
24 Member's address, Social Security number, or telephone number be filed with the Court, except
25 under seal as may be ordered.

26 7. "Class Period" and "Class Release Period" shall mean September 13, 2018, until
27 April 10, 2023, or the date that the Court grants preliminary approval of the settlement, whichever
28 occurs first.

1 8. “Class Representative” or “Plaintiff” means and refers to Jathan Blakes.

2 9. “Complaint” refers to the First Amended Complaint filed on May 3, 2023,
3 pursuant to Paragraph 49 below, to file in Yolo Costa County Superior Court action entitled
4 *Blakes v. PGP International, Inc.*, Case No. CV2022-1544.

5 10. “Court” means the California Superior Court, County of Yolo or any Court of
6 competent jurisdiction.

7 11. “Defendant” means and refers to PGP International, Inc.

8 12. “Defendant’s Counsel” or “Defense Counsel” means and refers to Michael J.
9 Nader and Elizabeth Rhodes of Ogletree Deakins.

10 13. “Effective Date” means the date on which this Settlement is deemed final. If no
11 objection is filed to the Settlement from a Class Member, or if an objection to the Settlement is
12 filed by a Class Member who lacks standing to object, then the Settlement is final on the date the
13 Court grants final approval of the Settlement. In the event a Class Member with standing to object
14 to the Settlement files a timely objection to the Settlement that is overruled by the Court, then the
15 Settlement is final once the time for the filing of any appeal from the Court's judgment approving
16 this Settlement expires, assuming no timely appeal is filed by that objecting Class Member. In the
17 event a Class Member with standing to object to the Settlement files a timely objection to the
18 Settlement that is overruled by the Court, and that Class Member files a timely appeal from the
19 judgment approving the Settlement, then the Settlement is final on the date the appeal is dismissed
20 or withdrawn; or is final after final affirmation of the judgment on appeal if the appeal is not
21 dismissed or withdrawn.

22 14. “Final Approval” refers to the order of the Court granting final approval of this
23 Settlement Agreement and entering a judgment approving this Settlement on substantially the
24 same terms provided herein or as may be modified by subsequent agreement of the Parties or
25 order of the Court.

26 15. “Final Settlement Class” means, collectively, all Participating Class Members
27 (defined in Paragraph 25, *infra*) and all Aggrieved Employees (defined in Paragraph 2, *supra*).

28 16. “First Amended Complaint” means the First Amended Complaint Plaintiff filed

on May 3, 2023.

17. “Individual Settlement Amount” shall have the meaning ascribed to it in Paragraph 50(d) below.

18. “Net Settlement Amount” shall have the meaning ascribed to it in Paragraph 50(c) below.

19. “Notice” means the notice of settlement of class action and PAGA Settlement that will be sent to the Settlement Class Members.

20. “Notice Response Deadline” is 45 calendar days from the date the Notice is mailed to the Settlement Class Members.

21. “Objecting Settlement Class Member” means a Settlement Class Member, other than Plaintiff, who submits a valid and timely objection to the terms of this Agreement with respect to the Class Claims pursuant to Paragraph 73(a) below.

22. “PAGA” shall refer to the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698–2699.5.

23. “PAGA Claims” or “Released PAGA Claims” shall include all claims and causes of action for PAGA penalties against the Released Parties that were alleged or that could have been alleged based on the facts asserted in the Action as well as in any and all of the PAGA Notice Letters for violations of Labor Code sections 201-204, 210, 221, 226, 226(a), 226(b), 226(e), 226.3, 226.7, 227.3, 246, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197.1, 1198, 1199, 2802-2804, 2698, and 2699 et seq., and all applicable sections of the applicable wage order, including sections 3, 4, 11, and 12, as well as any and all claims for attorneys’ fees, litigation costs, and interest allocated to those claims. The Released PAGA Claims include (1) unpaid wages, including claims for minimum, overtime, and double-time wages, the alleged failure to pay for all time worked, including allegations of improper rounding of time, the alleged failure to pay for all hours worked at correct rates, including overtime or double time at the correct regular rates; (2) unpaid sick time, including allegations of failing to pay sick leave, the failure to pay sick leave at the regular rate, and the failure to properly report paid sick leave accruals and payments in wage statements, and related recordkeeping; (3) unpaid vacation time, including allegations of

1 failing to pay accrued vacation time, the failure to pay vacation time at the proper rate, the failure
2 to report accrued and paid vacation in wage statements, and related recordkeeping; (4) meal period
3 violations, including claims for late, short, interrupted and/or missed meal periods and/or the
4 failure to pay premium wages, including premiums at the correct regular rates, and the alleged
5 failure to properly record meal breaks; (5) rest break violations, including claims for late, short,
6 interrupted, missed, on premises, or otherwise improperly controlled or constrained rest breaks
7 and/or the failure to pay premium wages, including premiums at the correct regular rates; (6)
8 improper or inaccurate itemized wage statements, including any alleged violations of Labor Code
9 sections 226(a)(1)-(9); (7) untimely payment of final wages under Labor Code sections 201-203;
10 (8) untimely wage payments to current employees under Section 204; (9) failure to reimburse
11 business expenses; and (10) any other claims and penalties under the wage and hour laws alleged
12 in the Action and in any and all of the PAGA Notice Letters.

13 24. "PAGA Pay Period" shall reflect any pay period in the PAGA Period where an
14 Aggrieved Employee worked at least one shift during that pay period.

15 25. "PAGA Notice" shall refer to the notices sent by Plaintiff, by and through counsel,
16 on or about September 13, 2022, and February 14, 2023, to the Labor Workforce Development
17 Agency ("LWDA") and to Defendant, alleging that Defendant engaged in violations of the
18 California Labor Code and California Wage Order(s).

19 26. "PAGA Period" and "PAGA Release Period" shall mean September 13, 2021,
20 until April 10, 2023, or the date that the Court grants preliminary approval of the settlement,
21 whichever occurs first.

22 27. "Participating Class Member" means any and all Settlement Class Members who
23 are deemed to participate and receive an Individual Settlement Amount for the Class Claims and
24 who do not opt-out of the settlement of the Class Claims by submitting timely valid Requests for
25 Exclusion.

26 28. "Parties" or "Settling Parties" mean Plaintiff, the Settlement Class Members, the
27 Aggrieved Employees, and Defendant, collectively.

28 29. "Preliminary Approval Date" means the date the Court preliminarily approves the

1 Settlement Agreement, and the exhibits thereto, and enters the Preliminary Approval Order.

2 30. "Preliminary Approval Order" means the judicial Order to be entered by the Court,
3 upon the application or motion of the Plaintiff, preliminarily approving this Settlement and
4 providing for the issuance of the Notice to the Settlement Class Members, an opportunity to opt
5 out of settlement of the Class Claims, an opportunity to submit timely objections to the terms of
6 this Settlement related to the Class Claims, and setting a hearing on the fairness of the terms of
7 Settlement, including approval of attorneys' fees and costs.

8 31. "QSF" means the Qualified Settlement Fund set up by the Settlement
9 Administrator for the benefit of the Final Settlement Class, and from which the settlement
10 payments shall be made, and which is intended to be a fund that qualifies under Internal Revenue
11 Code Section 468.

12 32. "Release" shall mean the release and discharge of the Class Claims by Plaintiff
13 and all of the Participating Class Members and the release and discharge of the PAGA Claims by
14 Plaintiff and all of the Aggrieved Employees.

15 33. "Released Parties" shall refer to Defendant and its past, present, and/or future,
16 direct, and/or indirect, owners, officers, directors, members, managers, agents, representatives,
17 attorneys, insurers, parent companies, subsidiaries, affiliates, successors, and assigns.

18 34. "Request for Exclusion" shall have the meaning ascribed to it in Paragraph 73(a)
19 below.

20 35. "Service Payment" or "Service Award" means the amount approved by the Court
21 to be paid to Class Representative of up to Ten Thousand Dollars (\$10,000), in addition to his
22 Individual Settlement Amount as a Participating Class Member.

23 36. "Settlement Administration Costs" means the costs payable from the Maximum
24 Settlement Amount to the Settlement Administrator for administering this Settlement, including,
25 but not limited to, printing, distributing, and tracking documents for this Settlement, tax reporting,
26 due diligence, reporting and remittance obligations, distributing the Maximum Settlement
27 Amount, and providing necessary reports and declarations, as requested by the Parties. The
28 Settlement Administration Costs shall be paid from the Maximum Settlement Amount.

1 37. “Settlement Administrator” means and refers to ILYM Group, Inc., which the
2 Parties have mutually agreed will provide the Notice to the Class Members and distribute the
3 settlement amounts as described in this Agreement.

4 38. “Maximum Settlement Amount” shall have the meaning ascribed to it in Paragraph
5 50(a) below.

6 39. “Settlement Class Member” or “Class Member” refers to individual members of
7 the Settlement Class.

8 40. “Settlement Class” and “Settlement Class Members” refers to all persons who are
9 or were previously employed by Defendant in California classified as a non-exempt employee
10 during the Class Period.

11 41. “Work Weeks” or “Weeks Worked” for each Settlement Class Member means any
12 and all weeks during the Class Period in which the Settlement Class Member was employed by
13 Defendant as a non-exempt employee in California and worked at least one shift during the
14 workweek for or on behalf of Defendant for which a prior release of claims has not been signed.
15 Work Weeks shall not include weeks where a Settlement Class Member only had sick time,
16 vacation time, was on leave, or otherwise did not record any actual work time in Defendant’s
17 timekeeping system. Workweeks will be calculated by the Settlement Administrator based on
18 Defendant’s business records. Defendant and their Counsel shall have no responsibility for
19 validating or ensuring the accuracy of the Settlement Administrator’s work. Defendant and
20 Defendant’s Counsel shall not bear any responsibility for any errors or omissions in the
21 calculation or distribution of the Individual Settlement Payments, Individual PAGA Payments, or
22 any other distribution of monies contemplated by this Settlement Agreement.

23 **B. General Terms**

24 42. On or about September 13, 2022, Plaintiff filed a class action complaint in the
25 Court against Defendant, including allegations of: (1) failure to pay overtime wages, (2) failure
26 to pay sick time wages, (3) failure to pay all vacation wages, (4) meal period violations, (5) rest
27 period violations, (6) wage statement violations, (7) waiting time penalties, and (8) unfair
28 competition.

1 43. On May 3, 2023, Plaintiff filed a First Amended Complaint to add class claims
2 and predicate violations to the PAGA claim for alleged failure to pay all minimum and overtime
3 wages based on Defendant's rounding practice and/or policy and to add a cause of action for
4 PAGA penalties based on the underlying Labor Code violations asserted in the PAGA Notice.

5 44. Defendant denies Plaintiff's claims and allegations and contends that the Action
6 is not suitable for class certification and/or representative treatment.

7 45. Class Representative believes he can proceed with his class and representative
8 claims, that the Action is meritorious, and that class certification is appropriate.

9 46. The Parties have conducted a thorough investigation into the facts of the Action.
10 This includes conducting extensive exchange of informal discovery, including Defendant's
11 written policies and practices and the production of payroll and timekeeping records for
12 Settlement Class Members and Aggrieved Employees. Class Counsel is both knowledgeable
13 about and has done extensive research with respect to the applicable law and potential defenses
14 to the claims of the Settlement Class Members and Aggrieved Employees. Class Counsel has
15 diligently pursued an investigation of the Class Members' claims against Defendant. Based on
16 the foregoing data and on their own independent investigation and evaluation, Class Counsel is
17 of the opinion that the settlement with Defendant for the consideration and on the terms set forth
18 in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the
19 Settlement Class Members and Aggrieved Employees in light of all known facts and
20 circumstances, including the risk of significant delay and uncertainty associated with litigation,
21 various defenses asserted by Defendant , and numerous potential appellate issues.

22 47. On February 10, 2023, the Parties participated in mediation before David Phillips,
23 Esq., a highly experienced class action mediator. After a full-day mediation, the Parties reached
24 a settlement and entered into a Settlement Term Sheet. The Parties agree that the terms and
25 conditions of this Agreement are the result of lengthy, intensive, arms-length negotiations
26 between the Parties supervised by a highly experienced class action mediator. This Agreement
27 represents a compromise and settlement of highly disputed claims, and is intended to settle,
28 compromise and discharge the Released Claims against the Released Parties fully, finally, and

1 forever.

2 48. The Parties agree that neither the Parties' Settlement, this Agreement, nor the acts
3 to be performed or judgments to be entered pursuant to the terms of the Settlement and
4 Agreement, shall be construed as an admission by Defendant of any wrongdoing or violation of
5 any statute or law or liability on the claims or allegations in the Action. The Parties further agree
6 that this Settlement Agreement cannot be used to support any claim to subsequent violation
7 penalties under the PAGA.

8 49. Stipulation for Class Certification and Representative Treatment. For settlement
9 purposes only, Defendant will stipulate that the Settlement Class Members described herein who
10 do not Request Exclusion from the Settlement Class may be conditionally certified as a settlement
11 class and that the Aggrieved Employees are appropriate for representative treatment for purposes
12 of settlement. This stipulation to certification and representative treatment is in no way an
13 admission that class action certification and/or representative treatment is proper and shall not be
14 admissible in this or in any other action except for the sole purposes of enforcing this Agreement.
15 Should, for whatever reason, the Court fail to issue Final Approval, the Parties' stipulation to
16 class certification and representative treatment as part of the Settlement shall become null and
17 void *ab initio* and shall have no bearing on, and shall not be admissible in connection with, the
18 issue of whether or not class certification and/or representative treatment would be appropriate in
19 a non-settlement context. Defendant expressly reserves its rights and declares that it will continue
20 to oppose class certification, representative treatment, and the substantive merits of the case
21 should the Court fail to issue Final Approval. Plaintiff expressly reserves his rights and declares
22 that he will continue to pursue class certification and representative treatment and a trial should
23 the Court fail to issue Final Approval.

24 **C. Terms of Settlement**

25 50. First Amended Complaint: On May 3, 2023, Plaintiff filed a First Amended
26 Complaint, adding all the claims asserted in the PAGA Notice not already included in Plaintiff's
27 First Amended Complaint, including claims for class claims and predicate violations to the PAGA
28 claim for alleged failure to pay all minimum and overtime wages based on Defendant's alleged

1 rounding practice and/or policy and to add a cause of action for PAGA penalties based on the
2 foregoing Labor Code violations. Plaintiff agrees that Defendant will have no obligation to file
3 a responsive pleading to the First Amended Complaint, and that Plaintiff will not seek entry of a
4 default judgment in the event Defendant does not file a responsive pleading by the applicable
5 deadline.

6 51. The financial terms of the Settlement are as follows:

7 (a) Maximum Settlement Amount: Subject to the modification provision set forth in
8 subsection (b) herein, the Parties agree to settle this Action for One Million Dollars (\$1,000,000)
9 (the "Maximum Settlement Amount" "MSA"). The Maximum Settlement Amount is the
10 maximum amount that will be paid by Defendant, and includes Individual Settlement Amounts
11 (as defined below in subparagraph (d) to this Paragraph), attorneys' fees of Class Counsel of up
12 to one third of the SA, Plaintiff's reasonable litigation costs and expenses not to exceed Twenty
13 Thousand Dollars (\$20,000), the Service Payment to Class Representative of up to Ten Thousand
14 Dollars (\$10,000), all Settlement Administration Costs, and payment to the PAGA Penalty Fund
15 of Twenty-Eight Thousand Dollars (\$28,000) allocated with 75% to LWDA for PAGA penalties
16 and the remaining 25% to eligible Aggrieved Employees. Defendant shall separately pay the
17 employers' share of applicable payroll taxes.

18 (b) The Settlement is based on Defendant's representation at the mediation that the
19 extrapolated number of the Workweeks was 26,150 from September 13, 2018 to February 10,
20 2023 (the "Mediation Period"). The Parties agree that if, once the data covering the Mediation
21 Period is reviewed by the Settlement Administrator and the actual number of Workweeks during
22 the Mediation Period is more than ten percent (10%) greater than 26,150 (or greater than 28,765
23 Workweeks) then the MSA shall increase by \$38.24 for each additional Workweek. For example,
24 if the actual number of Workweeks during the Mediation Period is 28,775, then the MSA will
25 increase in the amount of \$382.40.

26 (c) Net Settlement Amount: The "Net Settlement Amount" is defined as the
27 Maximum Settlement Amount less attorneys' fees and litigation costs as approved and awarded
28 by the Court the Service Payment to Class Representative as approved and awarded by the Court,

the Settlement Administration Costs, as approved and awarded by the Court, and the Twenty-Eight Thousand Dollars (\$28,000) allocated to payment for PAGA penalties as described in paragraph 50(d) below. In the event that the Court reduces the attorneys' fees and litigation costs or Service Awards, Settlement Administration Costs, or either increases or decreases the amount allocated to PAGA penalties, the Net Settlement Sum shall be increased or decreased accordingly.

(d) Individual Settlement Amounts for the Settlement Class: The Settlement Administrator will use the Class Data provided by Defendant to calculate each Participating Class Member's and Aggrieved Employee's Individual Settlement Amounts based on the following formula:

i. PAGA Amount: Twenty-Eight Thousand Dollars (\$28,000) of the Maximum Settlement Amount has been designated to the PAGA claims. Twenty-five percent (25%) or Seven Thousand Dollars (\$7,000), shall be paid out to Aggrieved Employees, while seventy-five percent (75%) or Twenty-One Thousand Dollars (\$21,000), will be paid to the LWDA. Each Aggrieved Employee shall receive a portion of the Seven Thousand Dollars (\$7,000) proportionate to the number of Pay Periods worked by the Aggrieved Employees during the PAGA Period compared to the total number of Pay Periods Worked by all Aggrieved Employees during the PAGA Period. Aggrieved Employees shall have their settlement amount for the Released PAGA claims paid one hundred percent (100%) as civil penalties for which no taxes will be withheld and for which a Form 1099 will be issued by the Settlement Administrator.

ii. Class Amount: The Net Settlement Amount shall be allocated to each Participating Class Member based on his/her/their proportionate Work Weeks during the Class Period. This is determined by multiplying the Net Settlement Amount by a fraction, the numerator of which is the Participating Class Member's total Workweeks Worked during the Class Period, and the denominator of which is the total Work Weeks Worked by all Participating Class Members during the Class Period. If there are any timely submitted Requests for Exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Amounts for each Participating Class Member so that the amount actually distributed to Participating Class Members equals 100% of the Net Settlement Amount allocated toward Released Class Claims.

1 (e) Allocation of Individual Settlement Amounts: The Individual Settlement Amounts
2 will be allocated for tax purposes based on the allegations in the Action as follows: twenty percent
3 (20%) will be paid as wages subject to withholding of all applicable local, state, and federal taxes;
4 and eighty percent (80%) will be paid as interest and as civil penalties (pursuant to, *e.g.*, California
5 Labor Code sections 203, 226) from which no taxes will be withheld. The Settlement
6 Administrator will issue to each Participating Class Member an Internal Revenue Service Form
7 W-2 and comparable state forms with respect to the wage allocation and a Form 1099 with respect
8 to the civil penalties and interest allocations.

9 (f) Service Payment to Class Representative: The amount awarded to Class
10 Representative as a Service Payment will be set by the Court in its discretion, not to exceed Ten
11 Thousand Dollars (\$10,000). Defendant agrees not to oppose this request. The Service Payment
12 to Class Representative will be paid out of the Maximum Settlement Amount. Class
13 Representative will be issued IRS Form 1099 in connection with this payment. Plaintiff shall be
14 solely and legally responsible to pay any and all applicable taxes on this payment. The Parties
15 agree that any amount awarded by the Court as the Service Payment to Plaintiff less than the
16 requested amount shall not be a basis for Plaintiff or Class Counsel to void this Stipulation. Should
17 the Court approve a lesser amount for the Service Payment, the difference shall be added to the
18 Net Settlement Amount to be distributed to the Participating Class Members. In the event of any
19 appeal of the amount of the service awards (if any) approved by the Court after the exhaustion of
20 any such appellate review, additional amounts not awarded to Class Representative shall be added
21 to the Net Settlement Amount to be distributed to the Participating Class Members.

22 (g) Attorneys' Fees and Costs: Defendant agrees not to oppose a request by Class
23 Counsel to the Court for an award of attorneys' fees of up to one-third (33.33%) of the Maximum
24 Settlement Amount (approximately Three Hundred Thirty-Three Thousand Three Hundred Thirty
25 Three Dollars and Thirty-Three Cents (\$333,333.33), plus reasonable litigation costs not to
26 exceed Twenty Thousand Dollars (\$20,000) ("Attorneys' Fees and Cost Award"). The Attorneys'
27 Fee and Cost Award shall be paid from the Maximum Settlement Amount, and except for this
28 award, Defendant shall have no further obligation to pay any attorneys' fees, costs, or expenses

1 to Class Counsel. Should the Court approve a lesser amount than what is sought by Class Counsel,
2 the difference shall be added to the Net Settlement Amount to be distributed to the Participating
3 Class Members. Any Court order awarding less than the amount sought by Class Counsel shall
4 not be grounds to rescind the Settlement Agreement or otherwise void the Settlement. In the event
5 of any appeal of the amount of the awards of attorneys' fees and costs (if any) approved by the
6 Court, final funding and administration of the portion of the attorneys' fees and/or costs award in
7 dispute will be segregated and stayed pending the exhaustion of appellate review. If, after the
8 exhaustion of any such appellate review, additional amounts not awarded as attorneys' fees and
9 costs shall be added to the Net Settlement Amount to be distributed to the Participating Class
10 Members and/or Aggrieved Employees. The Settlement Administrator shall issue to Class
11 Counsel an IRS Form 1099 reflecting the amount of attorneys' fees and costs awarded by the
12 Court. Class Counsel agrees that any allocation of fees between or among Class Counsel and any
13 other attorney representing or claiming to represent the Class Members shall be the sole
14 responsibility of Class Counsel.

15 (h) Settlement Administration Costs: The fees and other charges of the Settlement
16 Administrator will be paid from the Maximum Settlement Amount, not to exceed \$6,000 subject
17 to Court approval, unless approved by all Parties and the Court.

18 (j) Tax Liability: Class Counsel, Defendant, and Defendant's Counsel make no
19 representations as to the tax treatment or legal effect of Maximum Settlement Amounts called for
20 hereunder, and Plaintiff and the Settlement Class Members are not relying on any statement or
21 representation by Class Counsel, Defendant, or Defendant's Counsel in this regard. Plaintiff and
22 Final Settlement Class Members understand and agree that they will be solely responsible for the
23 payment of any taxes and penalties assessed on their respective Maximum Settlement Amounts
24 described herein. Income tax withholding will also be made pursuant to applicable federal, state,
25 and/or local withholding codes or regulations. Forms W-2 and/or Forms 1099 will be distributed
26 at times and in the manner required by the Internal Revenue Code of 1986 (the "Code") and
27 consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other
28 applicable tax law, are changed after the date of this Agreement, the processes set forth in this

1 Section may be modified in a manner to bring Defendant into compliance with any such changes.

2 (k) No Tax Advice: Neither Plaintiff, Class Counsel, Defendant, nor Defense Counsel
3 are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be
4 relied upon as such within the meaning of United States Treasury Department Circular 230 (31
5 CFR Part 10, as amended) or otherwise.

6 52. No Credit Towards Benefit Plans: The Individual Settlement Payments and
7 Individual PAGA Payments made to Participating Class Members and/or Aggrieved Employees
8 under this Settlement, as well as any other payment made pursuant to this Settlement, will not be
9 utilized to calculate any additional benefits under any benefit plans to which any Class Members
10 and/or Aggrieved Employees may be eligible, including but not limited to: profit-sharing plans,
11 bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and
12 any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not
13 affect in any manner the rights, contributions, or amounts to which any Class Member and/or
14 Aggrieved Employees may be entitled under benefit plans.

15 53. "Non-Reversionary" Settlement. This is a "non-reversionary" settlement. Under
16 no circumstances will any portion of the Maximum Settlement Amount revert to Defendant. Final
17 Settlement Class Members will not have to make a claim to receive an Individual Settlement
18 Amount. Distributions, in the form of Individual Settlement Amounts, will be made directly to
19 each Final Settlement Class Member. The Settlement Administrator shall be responsible for
20 accurately and timely reporting any remittance obligations with respect to unclaimed funds as a
21 result of a Final Settlement Class Member not cashing an Individual Settlement Amount by the
22 check cashing deadline, as set forth herein. All funds remaining from uncashed checks after
23 distribution of the Net Settlement Amount to Participating Class Members shall be distributed to
24 the Controller of the State of California to be held pursuant to the Unclaimed Property Law,
25 California Civil Code § 1500, et seq., for the benefit of those Class Members who did not cash
26 their checks until such time that they claim their property. The Parties agree that this disposition
27 results in no "unpaid residue" under California Civil Procedure Code § 384, as all payments to
28 the Participating Class Members will be paid out, whether or not these individuals cash their

1 Settlement Checks. Therefore, Defendant will not be required to pay any interest on such
2 amounts.

3 54. Class Counsel and Plaintiff believe that the Settlement is fair and reasonable, and
4 adequate, and will so represent same to the Court.

5 **D. Release by Plaintiff and the Final Settlement Class**

6 55. Upon the Effective Date of this Settlement, Plaintiff and each Participating Class
7 Member, for themselves and for their respective spouses, domestic partners, marital community,
8 children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors,
9 administrators, trustees, conservators, guardians, assigns, and representatives, will forever
10 completely release and discharge the Released Parties from the Released Class Claims for the
11 Class Release Period.

12 56. Each Participating Class Member will be deemed to have made the foregoing
13 Release as if by manually signing it.

14 57. Upon the Effective Date of this Settlement, Plaintiff, the LWDA, and each
15 Aggrieved Employee, for themselves and for their respective spouses, domestic partners, marital
16 community, children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees,
17 executors, administrators, trustees, conservators, guardians, assigns, and representatives, will
18 forever completely release and discharge the Released Parties from the Released PAGA Claims
19 for the PAGA Release Period.

20 58. Each Aggrieved Employee and the LWDA will be deemed to have made the
21 foregoing Release as if by manually signing it.

22 59. Plaintiff and Defendant intend that the Settlement described in this Agreement will
23 release and preclude any further claim, whether by lawsuit, administrative claim or action,
24 arbitration, demand, or other action of any kind, by each and all of the Participating Class
25 Members to obtain a recovery based on, arising out of, and/or related to any and all of the Released
26 Class Claims. The Settlement Class Members shall be so notified in the Notice. This paragraph
27 does not apply to any Settlement Class Member who timely and validly opt out of the Settlement
28 for purposes of Class Claims.

1 60. Plaintiff and Defendant intend that the Settlement described in this Agreement will
2 release and preclude any further claim, whether by lawsuit, administrative claim or action,
3 arbitration, demand, or other action of any kind, by each and all of the Aggrieved Employees and
4 the LWDA to obtain a recovery based on, arising out of, and/or related to any and all of the
5 Released PAGA Claims. The Aggrieved Employees and the LWDA shall be so notified in the
6 Notice.

7 61. Class Representative, on behalf of himself and the Participating Settlement Class
8 Members, acknowledges and agrees that the Class Claims or Released Class Claims are disputed,
9 and that the payments set forth herein constitute payment of all sums allegedly due to him. Class
10 Representative, on behalf of himself and the Participating Settlement Class Members,
11 acknowledges and agrees that California Labor Code Section 206.5 is not applicable to the Parties
12 hereto. Section 206.5 provides in pertinent part as follows:

13 An employer shall not require the execution of any release of any claim or right on
14 account of wages due, or to become due, or made as an advance on wages to be
15 earned, unless payment of those wages has been made.

16 **E. Release by Class Representative**

17 62. As a material inducement to Defendant to enter into this Settlement Agreement, in
18 addition to Class Representative's release of the Released Class Claims and Released PAGA
19 Claims, as discussed in Paragraphs 54 and 56 above, Class Representative does hereby, for
20 himself and for his respective spouses, domestic partners, marital community, children, estates,
21 trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors, administrators,
22 trustees, conservators, guardians, assigns, and representatives, forever completely release and
23 discharge the Released Parties from any and all charges, complaints, claims, liabilities,
24 obligations, promises, agreements, contracts, controversies, damages, actions, causes of action,
25 suits, rights, demands, costs, losses, debts, and expenses (including for back wages, statutory
26 penalties, civil penalties, liquidated damages, exemplary damages, interest, attorneys' fees, and
27 costs) of any nature whatsoever, from the beginning of time through the execution of this
28 Stipulation, whether known or unknown, suspected or unsuspected, concealed or hidden,

1 including but not limited to all claims arising out of, based upon, or relating to Class
2 Representative's employment with Defendant or the remuneration for or termination of such
3 employment (collectively, the "Class Representative's Claims").

4 63. Without limiting the generality of the foregoing, Class Representative also
5 expressly releases any and all claims or rights whatsoever against Released Parties, including, but
6 not limited to, all claims arising out of or relating to alleged violations of any contracts, express
7 or implied (including but not limited to any contract of employment); any contract or covenant of
8 good faith and fair dealing (express or implied); any tort, including but not limited to, negligence,
9 fraud, misrepresentation and violation of California Labor Code Section 970, negligent infliction
10 of emotional distress, intentional infliction of emotional distress, defamation, "retaliation" claims
11 and claims for violation of public policy, any claim for improper or unauthorized wage
12 deductions, failure to pay the applicable wage, unpaid wages, unpaid vacation benefits, penalties,
13 liquidated damages, other damages, overtime, and alleged "off the clock" work under federal and
14 state law, including, but not limited to, California Labor Code Sections 204 and 558, waiting time
15 penalties pursuant to California Labor Section 203, damages, or penalties pursuant to California
16 Labor Code Section 226, meal period and rest break payments and penalties pursuant to California
17 Labor Code Sections 226.7 and 512, failure to provide itemized wage statements pursuant to
18 California Labor Code Section 226, statutory or civil penalties pursuant to California Labor Code
19 Sections 210, failure to indemnify for business expenses pursuant to Labor Code Section 2802,
20 failure to provide one day of rest in seven pursuant to California Labor Code Sections 551 and
21 552, unfair competition and unfair business practices pursuant to Business and Professions Code
22 Section 17200 *et seq.*, interest and costs pursuant to California Civil Code Section 3287 and
23 California Labor Code Section 218.6, statutory or common law rights to attorneys' fees and costs,
24 including those pursuant to California Labor Code Section 1194 *et seq.*; claims under the Private
25 Attorneys General Act of 2004, Labor Code Section 2699 *et seq.*, and the alleged violation or
26 breach of any other state or federal statute, rule, and or regulation; including all applicable
27 Industrial Welfare Commission Wage Orders, and all similar causes of action, including but not
28 limited to, any claim for restitution, equitable relief, interest, penalties, costs, or attorneys' fees

1 in connection with any of the foregoing, negligent infliction of emotional distress, intentional
2 infliction of emotional distress, and defamation; any “wrongful discharge,” “constructive
3 discharge,” and “retaliation” claims; any claims relating to any breach of public policy; any legal
4 restrictions on Defendant’s right to discharge employees; and any federal, state, or other
5 governmental statute, regulation, or ordinance, including, without limitation: (1) Title VII of the
6 Civil Rights Act of 1964 (race, color, religion, sex, and national origin discrimination or
7 harassment, including retaliation for reporting discrimination or harassment); (2) 42 U.S.C. §
8 1981 (discrimination); (3) Equal Pay Act, 29 U.S.C. § 209(d)(1) and California Labor Code
9 1197.5 (equal pay); (4) Americans with Disabilities Act, 42 U.S.C. § 12100 et seq. (disability
10 discrimination); (5) Family and Medical Leave Act, 29 U.S.C. § 2601 et seq.(family/medical
11 leave); (6) California Fair Employment and Housing Act, Cal. Government Code § 12900 *et seq.*
12 (discrimination or harassment in employment and/or housing, including discrimination or
13 harassment based on race, religious creed, color, national origin, ancestry, disability, marital
14 status, sex (including pregnancy), or age, including retaliation for reporting discrimination or
15 harassment); (7) California Family Rights Act, Cal. Government Code § 12945.1 et seq.
16 (family/medical leave); (8) California Labor Code, including Section 1720 et seq., or any
17 Industrial Welfare Commission Wage Order; (9) Executive Order 11246 (race, color, religion,
18 sex, and national origin discrimination or harassment); (10) Executive Order 11141 (age
19 discrimination); (11) Sections 503 and 504 of the Rehabilitation Act of 1973 (handicap
20 discrimination); (12) the Fair Labor Standards Act; (13) Employee Retirement Income Security
21 Act, 29 U.S.C. § 1000 *et seq.* (employee benefits); (14) the California Civil Code; (15) the
22 California Labor Code; (16) the California Constitution; (17) the National Labor Relations Act;
23 and (18) any other federal, state, or local statute or legislation.

24 64. Class Representative expressly waives and relinquishes all rights and benefits
25 afforded by Section 1542 of the Civil Code of the State of California and does so understanding
26 and acknowledging the significance of the waiver of Section 1542. Section 1542 of the Civil Code
27 of the State of California states:
28

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

7 Notwithstanding the provisions of Section 1542, and for the purpose of implementing a
8 full and complete release and discharge of all parties, Class Representative, and Class Counsel
9 expressly acknowledge that this Settlement Agreement is intended to include in its effect, without
10 limitation, all claims that Class Representatives knew of, as well as all claims that they do not
11 know or suspect to exist in their favor against the Released Parties, or any of them, for the time
12 period from the beginning of time to the execution of this Settlement Agreement, and that this
13 Settlement Agreement contemplates the extinguishment of any such Class Representative's
14 claims.

15 **F. Interim Stay of Proceedings**

16 65. Pending completion of all of the prerequisites necessary to effectuate this
17 Settlement, including amending the operative complaint, the Parties agree, subject to Court
18 approval, to a stay of all proceedings in the Action except such as are necessary to effectuate the
19 Settlement, including amending the Complaint as discussed in Paragraph 49 above.

20 **G. Notice Process**

21 66. Appointment of Settlement Administrator. The Parties have agreed to the
22 appointment of the Settlement Administrator to perform the duties of a settlement administrator,
23 including mailing the Notice, using standard devices to obtain forwarding addresses,
24 independently reviewing and verifying documentation associated with any claims or opt-out
25 requests, resolving any disputes regarding the calculation or application of the formula for
26 determining the Individual Settlement Amounts, drafting and mailing the settlement checks to
27 Final Settlement Class Members, issuing Forms W-2 and 1099, reporting to taxing authorities,
28 due diligence, reporting and remittance obligations, and performing such other tasks as set forth
herein or as the Parties mutually agree or that the Court orders.

1 67. Disputes Regarding Settlement Administration. Any and all disputes relating to
2 administration of the Settlement by the Settlement Administrator (except for disputes regarding
3 Class Data) shall be referred to the Court, if necessary, which will have continuing jurisdiction
4 over the terms and conditions of this Settlement Agreement, until Plaintiff and Defendant notify
5 the Court that all payments and obligations contemplated by this Settlement Agreement have been
6 fully carried out. Prior to presenting any issue to the Court, counsel for the Parties will confer in
7 good faith to resolve the dispute without the necessity of Court intervention. The Settlement
8 Administrator shall also be responsible for issuing to Plaintiff, Final Settlement Class Members,
9 and Class Counsel any Forms W-2, Forms 1099, or other Tax Forms as may be required by law
10 for all amounts paid pursuant to this Agreement. The Settlement Administrator shall also be
11 responsible for setting up all necessary tax accounts and forwarding all payroll taxes and penalties
12 to the appropriate government authorities.

13 68. Class Data. Within fourteen (14) days after entry of the Preliminary Approval
14 Order, Defendant shall provide the Class Data to the Settlement Administrator. The Settlement
15 Administrator will run a check of the Class Members' addresses against those on file with the
16 U.S. Postal Service's National Change of Address List. The Class Data provided to the Settlement
17 Administrator will not be provided to Class Counsel and it will remain confidential, it shall be
18 used solely to administer the Settlement, and it will not be used or disclosed to anyone, except as
19 required by applicable tax authorities, pursuant to Defendant's express written consent, or by
20 order of the Court.

21 69. Notice. The Notice, as approved by the Court, shall be sent by the Settlement
22 Administrator to the Settlement Class Members, by first class mail, in English and Spanish, within
23 seven (7) calendar days following the Settlement Administrator's receipt of the Class Data. The
24 Settlement Administrator shall use standard devices, including a skip trace, to obtain forwarding
25 addresses of Settlement Class Members if any envelopes are returned.

26 70. Returned Notices. The Settlement Administrator will take steps to ensure that the
27 Notice is received by all Settlement Class Members, including utilization of the National Change
28 of Address Database maintained by the United States Postal Service to review the accuracy of

and, if possible, update a mailing address. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address, and/or Social Security number of the Class Member involved and will then perform a single re-mailing. In the event the procedures in this Paragraph are followed and the intended recipient of a Notice Packet still does not receive the Notice Packet, the Class Member shall be bound by all terms of the Settlement and any Judgment entered by the Court if the Settlement is approved by the Court. Notices will be re-mailed to any Settlement Class Member for whom an updated address is located within ten (10) calendar days following both the Settlement Administrator learning of the failed mailing and its receipt of the updated address. The Notice shall be identical to the original Notice, except that it shall notify the Settlement Class Member that the exclusion (opt-out) request or objection must be returned by the later of the Notice Response Deadline or fifteen (15) days after the remailing of the Notice.

71. Presumption Regarding Receipt of Notice. It will be conclusively presumed that if an envelope has not been returned within thirty (30) days of the mailing that the Settlement Class Member received the Notice.

72. Disputes Regarding Class Data. Settlement Class Members are deemed to participate in the Settlement unless they opt-out. The Notice will inform Settlement Class Members of his/her/their estimated Individual Settlement Amount and the number of Workweeks Worked during the Class Period and Pay Periods Worked during the PAGA Period. Settlement Class Members may dispute their Workweeks or Pay Periods Worked if they feel they were employed more workweeks in the Class Period or more pay periods in the PAGA Period in California than Defendant's records show by timely submitting evidence to the Settlement Administrator. Defendant's records will be presumed determinative absent reliable evidence to rebut Defendant's records, but the Settlement Administrator will evaluate the evidence submitted by the Settlement Class Member and provide the evidence submitted to Class Counsel and Defense Counsel who agree to meet and confer in good faith about the evidence to determine the Class Member's actual number of Workweeks and Pay Periods Worked and estimated Individual Settlement Amount. If Class Counsel and Defense Counsel are unable to agree, they agree to

1 submit the dispute to the Settlement Administrator to render a final decision. All disputes will be
2 decided within ten (10) business days of the Notice Response Deadline. Settlement Class
3 Members will have until the Notice Response Deadline to dispute Workweeks Worked, object,
4 or opt out, unless extended by the Court. In the event that the Settlement Administrator increases
5 the number of Workweeks Worked for any Settlement Class Member, then the Settlement
6 Administrator will recalculate the Participating Class Members' Individual Settlement Amounts;
7 accordingly, in no event will Defendant be required to increase the Maximum Settlement Amount.

8 73. Declaration of Due Diligence. The Settlement Administrator shall provide counsel
9 for the Parties, at least twenty-five (25) days prior to the final approval hearing, a declaration of
10 due diligence and proof of mailing with regard to the mailing of the Notice.

11 74. Settlement Class Members' Rights. Each Settlement Class Member will be fully
12 advised of the Settlement, the ability to object to the provisions in the Settlement related to the
13 Class Claims, and the ability to opt out or request exclusion from the Class Claims provisions of
14 the Settlement. The Notice will inform the Settlement Class Members of the Court-established
15 deadlines for filing objections or requesting exclusion from the Class Claims provisions of the
16 Settlement in accordance with the following guidelines:

17 (a) Requests for Exclusion from Participating Settlement Class. Any
18 Settlement Class Member, other than Plaintiff, may request to be excluded from the Participating
19 Settlement Class by submitting their written "Request for Exclusion" to the Settlement
20 Administrator, postmarked on or before the Notice Response Deadline. The Request for
21 Exclusion should state in words to this effect: "I wish to be excluded from the settlement class in
22 the Blakes v. PGP International, Inc. lawsuit. I understand that if I ask to be excluded from the
23 settlement class, I will not receive any money from the settlement of the class claims in this
24 lawsuit."

25 Any Request for Exclusion must include the full name, address, telephone number, last
26 four digits of the social security number or date of birth, and signature of the Settlement Class
27 Member requesting exclusion. The Request for Exclusion must be returned by mail to the
28 Settlement Administrator at the specified address. Any such Request must be made in accordance

1 with the terms set forth in the Notice. A Request for Exclusion will be timely only if postmarked
2 by the Notice Response Deadline. Any Settlement Class Member who timely requests exclusion
3 in compliance with these requirements: (i) will not have any rights under this Agreement with
4 respect to the Class Claims, including the right to object, appeal, or comment on the Settlement;
5 (ii) will not be entitled to receive any payments under this Agreement with respect to Class
6 Claims; and (iii) will not be bound by this Agreement, or the Judgment, with respect to the Class
7 Claims.

8 (b) Binding Effect on Final Settlement Class Members. Except for those
9 Settlement Class Members who exclude themselves in compliance with the procedures set forth
10 above, all Settlement Class Members will: (i) be deemed to be Final Settlement Class Members
11 for all purposes under this Agreement; (ii) will be bound by the terms and conditions of this
12 Agreement, the Judgment, and the releases set forth herein; and (iii) except as otherwise provided
13 herein, will be deemed to have waived all objections and oppositions to the fairness,
14 reasonableness, and adequacy of the Settlement.

15 (c) Objections to Settlement of Class Claims. Any Settlement Class Member,
16 other than Plaintiff, may object to the terms of this Agreement with respect to the Class Claims
17 and may appear at the Final Approval Hearing and object whether or not they have filed a written
18 objection as outlined herein. To object, a Settlement Class Member shall inform the Settlement
19 Administrator, in writing, of his/her/their objection, which must be postmarked by the Notice
20 Response Deadline at the address set forth in the Notice. Such objection shall include the full
21 name, address, telephone number, dates of employment with Defendant of the Objecting
22 Settlement Class Member, the case name and number, the basis for the objection, including any
23 legal support and each specific reason in support of the objection, as well as any documentation
24 or evidence in support thereof, and, if the Objecting Settlement Class Member is represented by
25 counsel, the name and address of his/her/their counsel. If any Objecting Settlement Class Member
26 wishes to speak at the Final Approval Hearing with respect to the Class Claims, that Objecting
27 Settlement Class Member's written submission should include a request to be heard, and the Court
28 will determine whether Objecting Settlement Class Members will be permitted to speak. The

1 Settlement Administrator shall provide objections, if any, to Class Counsel and Defense Counsel
2 within three (3) days of receipt, and the Settlement Administrator shall attach the same to its
3 declaration of due diligence and file it with the Court prior to the Final Approval Hearing. Any
4 Participating Class Member who files an objection remains eligible to receive monetary
5 compensation from the Settlement. Plaintiff and Defendant shall not be responsible for any fees,
6 costs, or expenses incurred by any Class Member and/or his/her/their counsel related to any
7 objections to the Settlement. Submitting an objection does not preserve the right to appeal a final
8 judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and
9 properly intervening or filing a motion to vacate the judgment under Code of Civil Procedure
10 Section 663. Settlement Class Members and Aggrieved Employees may not object to or opt out
11 of the Settlement with respect to the PAGA Claims. At no time will any of the Parties or their
12 counsel seek to solicit or otherwise encourage Class Members to submit written objections to the
13 Settlement or appeal from the Judgment. To the extent a timely Notice of Objection is withdrawn
14 before final approval, such an objection shall be treated as though no objection has been made.

15 (d) Failure to Object. Any Settlement Class Member who desires to object
16 with respect to the Class Claims but fails to timely submit a written objection waives any right to
17 object will be foreclosed from making any objection to this Settlement. Any Settlement Class
18 Member who does not timely and properly become a party of record by intervening or filing a
19 motion to vacate the judgment waives any and all rights to appeal from the Judgment, including
20 all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate
21 judgment, motion for new trial, a motion under California Code of Civil Procedure Section 473,
22 and extraordinary writs.

23 (e) Responses to Objections. Counsel for the Parties may file a response to any
24 objections submitted by Objecting Settlement Class Members at least five (5) court days before
25 the date of the Final Approval Hearing.

26 75. Settlement Class Members will have until the Notice Response Deadline to object
27 or submit a Request for Exclusion to the Settlement Administrator by U.S. Mail. The Settlement
28 Administrator shall disclose jointly to Class Counsel and Defendant's counsel what objections or

1 Requests for Exclusion were timely submitted on a weekly basis, and upon the request of Class
2 Counsel or Defense Counsel.

3 76. Funding of the Maximum Settlement Amount. Defendant shall make a one-time
4 deposit into the QSF of the Maximum Settlement Amount, as described in Paragraph 50(a) that
5 is necessary to make all payments required under this Settlement, within twenty-one (21) days
6 after the Effective Date, plus Defendant shall separately pay its share of employer payroll taxes
7 as calculated and directed by the Settlement Administrator.

8 77. Distribution of Funds. No later than seven (7) calendar days after deposit of the
9 payment into the QSF, the Settlement Administrator will mail the payments to the Participating
10 Class Members, the payment for the attorneys' fees and costs to Class Counsel, any Service
11 Payment to the Class Representatives, the payment to the LWDA for PAGA penalties, and will
12 pay itself the Settlement Administration Costs.

13 78. Deadline for Cashing Settlement Checks. Final Settlement Class Members shall
14 have 180 calendar days after mailing by the Settlement Administrator to cash their settlement
15 checks. If any Final Settlement Class Member's check is not cashed within that period, the check
16 will be void and a stop-payment will be issued. As stated more fully in Paragraph 52, above, all
17 unclaimed funds shall be sent to the California Unclaimed Property Fund in the name of the class
18 member. The release will be binding upon all Final Settlement Class Members who do not cash
19 their checks within the 180-day period. In the event that any settlement check is returned to the
20 Settlement Administrator within 180 days of mailing, the Settlement Administrator will, within
21 five (5) business days of receipt of the returned settlement check, perform a skip trace to locate
22 the individual. If a new address is located by these means, the Administrator will have ten (10)
23 business days to re-issue the check and will notify Defense Counsel and Class Counsel that a re-
24 issued check has been sent. Neither Defendant, Defense Counsel, Class Counsel, Plaintiff, nor the
25 Settlement Administrator will have any liability for lost or stolen settlement checks, forged
26 signatures on settlement checks, or unauthorized negotiation of settlement checks. Without
27 limiting the foregoing, in the event a Final Settlement Class Member notifies the Settlement
28 Administrator that he/she/they believe that a settlement check has been lost or stolen, the

1 Settlement Administrator shall immediately stop payment on such check. If the check in question
2 has not been negotiated prior to the stop payment order, the Settlement Administrator will issue
3 a replacement check.

4 79. No person shall have any claim against Defendant, Defendant's Counsel, Plaintiff,
5 Class Counsel, or the Settlement Administrator based on mailings, distributions, payments, or
6 reports made in accordance with or pursuant to this Agreement. This provision does not, however,
7 prevent a Party from seeking enforcement of this Agreement.

8 80. Without prejudice to any other remedies, the Settlement Administrator shall agree
9 to be responsible for any breach of its obligations (whether committed by the Settlement
10 Administrator or its agents) and to indemnify and hold the Parties and their counsel harmless from
11 and against all liabilities, claims, causes of action, costs and expenses (including legal fees and
12 expenses) arising out of any breach committed by the Settlement Administrator or its agents.

13 **H. Duties of the Parties Prior to the Court's Approval**

14 81. Within 30 days of execution of this Agreement, Plaintiff will move the Court for
15 Preliminary Approval of this Settlement and entry of the Preliminary Approval Order
16 accomplishing the following:

17 (a) Scheduling the Final Approval Hearing on the issue of whether this
18 Settlement should be finally approved as fair, reasonable, and adequate as to the Class Members
19 and a hearing on fees, costs, and the Service Payment;

20 (b) Approving as to form and content the proposed Notice;

21 (c) Directing the mailing of the Notice by first class mail to the Settlement
22 Class Members;

23 (d) Preliminarily approving this Settlement; and

24 (e) Preliminarily certifying the class for purposes of this Settlement.

25 82. In conjunction with the Preliminary Approval Hearing, Plaintiff will submit this
26 Settlement Agreement, and will include the proposed Notice Packet, which will include the
27 Notice of Class Action Settlement document and proposed Mailing Envelope.

28 83. In accordance with Section 2699(1)(2) of the California Labor Code, Plaintiff shall

1 provide a copy of this Settlement Agreement to the LWDA on the same day that Plaintiff files his
2 motion for Preliminary Approval of this Settlement with the Court.

3 84. Reallocation of Settlement Proceeds. In the event the Court fails, on its first
4 hearing, to approve this Agreement because the amount of the PAGA penalties is not adequate,
5 then the Parties shall cooperate in good faith to reallocate the total settlement proceeds, within
6 this Agreement, to try to achieve Final Approval of the Agreement upon any subsequent Court
7 hearings.

8 **I. Duties of the Parties Following Court's Final Approval**

9 85. In connection with the Final Approval Hearing provided for in this Settlement
10 Agreement, Class Counsel shall submit a proposed Final Approval Order:

11 (a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable, and
12 adequate, and directing consummation of its terms and provisions;

13 (b) Approving Class Counsel's application for an award of attorneys' fees and
14 reimbursement of litigation costs and expenses, the Service Payment to the Class Representative,
15 and the payment to the Settlement Administrator for costs of administering the settlement; and

16 (c) Entering judgment approving settlement, thereby permanently barring all
17 Participating Class Members from prosecuting any Released Class Claims against any of the
18 Released Parties and permanently barring all Aggrieved Employees and the LWDA from
19 prosecuting any Released PAGA Claims against any of the Released Parties.

20 **J. Voiding the Agreement**

21 86. If the Court fails or refuses to issue the Final Approval Order or fails to approve
22 any material condition of this Settlement Agreement which effects a fundamental change of the
23 Settlement, the entire Settlement Agreement shall be rendered void and unenforceable as to all
24 Parties herein at the option of either Party.

25 87. If ten percent (10%) or more of the Settlement Class Members timely submit a
26 Request for Exclusion, Defendant shall have the option of terminating or modifying this
27 Agreement without prejudice to its pre-settlement positions and defenses in the Action. If
28 Defendant exercise such option under this paragraph, it shall be relieved of any obligation to pay

1 the Maximum Settlement Amount or any other obligations from the Settlement by giving notice
2 to Plaintiff's Counsel and the Settlement Administrator within ten (10) days following
3 Defendant's receipt of notice from the Settlement Administrator confirming that 10% or more of
4 the Settlement Class Members have opted out. If Defendant exercise its option under this
5 paragraph, Defendant shall be solely responsible for all Settlement Administration Costs incurred.

6 88. If the Settlement is voided or fails for any reason, Plaintiff and Defendant will
7 have no further obligations under the Settlement, including any obligation by Defendant to pay
8 the Maximum Settlement Amount, or any amounts that otherwise would have been owed under
9 this Settlement.

10 89. If the Settlement is voided or fails for any reason, any costs incurred by the
11 Settlement Administrator shall be borne equally by Defendant and Plaintiff, unless otherwise
12 specified in this Agreement.

13 **K. Other Terms**

14 90. Full and Complete Defense. This Agreement may be pleaded by any Released
15 Party as a full and complete defense to and may be used as the basis for an injunction against, any
16 action, suit, or other proceeding that has been or may be instituted, prosecuted, or attempted,
17 asserting any Released Claim.

18 91. Waiver. The waiver by one Party of any breach of this Agreement by another Party
19 shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

20 92. Parties' Authority. The signatories hereto represent that they are fully authorized
21 to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions
22 hereof.

23 93. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to
24 accomplish the terms of this Settlement Agreement, including but not limited to, execution of
25 such documents and to take such other action as may reasonably be necessary to implement the
26 terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best
27 efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that
28 may become necessary by order of the Court, or otherwise, to effectuate this Settlement

1 Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement
2 Agreement, Class Counsel shall, with the assistance and cooperation of Defendant and
3 Defendant's Counsel, take all necessary steps to secure the Court's preliminary and final approval
4 of the settlement and the final entry of judgment.

5 94. No Prior Assignments. The Parties hereto represent, covenant, and warrant that
6 they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign,
7 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action,
8 cause of action, or rights released and discharged by this Settlement Agreement.

9 95. No Admission. Defendant denies any and all liability to Plaintiff and/or any
10 Settlement Class Member in this Action, as to any and all causes of action that were asserted or
11 that might have been asserted in this Action. Nonetheless, Defendant wishes to settle and
12 compromise to avoid further substantial expense and the inconvenience and distraction of
13 protracted litigation. Defendant also has taken into account the uncertainty and risks inherent in
14 litigation, and without conceding any infirmity in the defenses that they have asserted or could
15 assert against Plaintiff, have determined that it is desirable and beneficial that Plaintiff's claims
16 be settled in the manner and upon the terms and conditions set forth in this Agreement.

17 96. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval
18 Order, nothing contained herein, nor the consummation of this Settlement Agreement, is to be
19 construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part
20 of Defendant or any of the other Released Parties. Each of the Parties hereto has entered into this
21 Settlement Agreement with the intention of avoiding further disputes and litigation with the
22 attendant inconvenience and expenses. This Settlement Agreement is a settlement document, and
23 it, along with all related documents such as the notices, and motions for preliminary and final
24 approval, shall, pursuant to California Evidence Code Section 1152 and/or Federal Rule of
25 Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to
26 approve the settlement, and/or interpret or enforce this Settlement Agreement. The stipulation for
27 class certification as part of this Settlement Agreement is for settlement purposes only and if, for
28 any reason the settlement is not approved, the stipulation will be of no force or effect.

1 97. Representation. Class Counsel represent that they do not represent any current or
2 former employee of Defendant, other than Plaintiff.

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

7 To the Settlement Class Members and Aggrieved Employees:

Mehrdad Bokhour <i>mehrdad@bokhourlaw.com</i> 1901 Avenue of the Stars, Suite 450 Los Angeles, California 90067 Tel: (310) 975-1493; Fax: (310) 675-0861	Joshua Falakassa <i>josh@falakassalaw.com</i> 1901 Avenue of the Stars, Suite 450 Los Angeles, California 90067 Tel: (818) 456-6168; Fax: (888) 505-0868
--	--

12 To Defendant:

Michael J. Nader <i>Michael.nader@ogletree.com</i> Elizabeth Rhodes <i>elizabeth.rhodes@ogletree.com</i> 500 Capitol Mall, Suite 2500 Sacramento, California 95814 Tel: (916) 840-3150; Fax: (916) 840-3159

19 99. Construction. The Parties hereto agree that the terms and conditions of this
20 Settlement Agreement are the result of lengthy, intensive arms' length negotiations between the
21 Parties and that this Settlement Agreement shall not be construed in favor of or against any Party
22 by reason of the extent to which any Party or their counsel participated in the drafting of this
23 Settlement Agreement. Plaintiff and Defendant expressly waive the common-law and statutory
24 rule of construction that ambiguities should be construed against the drafter of an agreement and
25 further agree, covenant, and represent that the language in all parts of this Agreement shall be in
26 all cases construed as a whole, according to its fair meaning.

27 100. Captions and Interpretations. Paragraph titles or captions contained herein are
28 inserted as a matter of convenience and for reference, and in no way define, limit, extend, or

1 describe the scope of this Settlement Agreement or any provision hereof. Each term of this
2 Settlement Agreement is contractual and not merely a recital.

3 101. Modification. This Settlement Agreement may not be changed, altered, or
4 modified, except in writing and signed by the Parties hereto, and approved by the Court. This
5 Settlement Agreement may not be discharged except by performance in accordance with its terms
6 or by a writing signed by all of the Parties hereto.

7 102. Dispute Resolution. Prior to instituting legal action to enforce the provisions of
8 this Agreement or to declare rights and/or obligations under this Agreement, a Party shall provide
9 written notice to the other Party and allow an opportunity to cure the alleged deficiencies, and
10 Plaintiff and Defendant agree to seek the help of the mediator identified in this Agreement to
11 resolve any dispute they are unable to resolve informally. During this period, the Parties shall
12 bear their own attorneys' fees and costs. This provision shall not apply to any legal action or other
13 proceeding instituted by any person or entity other than Plaintiff or Defendant.

14 103. Court Retains Jurisdiction. The Parties agree that upon the entry of judgment of
15 dismissal pursuant to the terms of this Agreement, that, pursuant to Code of Civil Procedure
16 Section 664.6, the Court shall retain exclusive and continuing equity jurisdiction of this Action
17 over all Parties to interpret, enforce, and effectuate the terms, conditions, intents, and obligations
18 of this Agreement.

19 104. Enforceability. Pursuant to California Evidence Code Section 1123(a) and (b), this
20 Agreement is intended by the Parties to be, and shall be, enforceable, binding and admissible in
21 a court of law.

22 105. Choice of Law. This Settlement Agreement shall be governed by and construed,
23 enforced, and administered in accordance with the laws of the State of California, without regard
24 to its conflicts-of-law rules.

25 106. Integration Clause. This Settlement Agreement contains the entire agreement
26 between the Parties relating to the settlement and transaction contemplated hereby, and all prior
27 or contemporaneous agreements, understandings, representations, and statements, whether oral
28 or written and whether by a Party or such Party's legal counsel, are merged herein. No rights

1 hereunder may be waived except in writing.

2 107. Binding On Assigns. This Settlement Agreement shall be binding upon and insure
3 to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators,
4 successors, and assigns.

5 108. Signatures of All Class Members Unnecessary to be Binding. It is agreed that,
6 because the members of the Settlement Class are numerous, it is impossible or impractical to have
7 each Final Class Member execute this Settlement Agreement. The Notice will advise all
8 Settlement Class Members of the binding nature of the releases provided herein and such shall
9 have the same force and effect as if this Settlement Agreement were executed by each Final
10 Settlement Class Member.

11 109. Plaintiff and Class Counsel agree that they will not issue any press releases or
12 initiate any contact with the media about the fact, amount, or terms of the Agreement. Unless
13 required by applicable law, neither Plaintiff nor his Counsel shall publicize the terms of this
14 Agreement in any medium or initiate or issue any press release or have any communications with
15 the press or media concerning the settlement prior to approval of the settlement. If counsel
16 receives an inquiry about the settlement from the media prior to final approval of the settlement,
17 counsel may respond only after the motion for final approval of the settlement has been filed and
18 only by confirming the terms of the settlement that are publicly available.

19 110. Counterparts. This Settlement Agreement may be executed in counterparts, and
20 when each Party has signed and delivered at least one such counterpart, each counterpart shall be
21 deemed an original, and, when taken together with other signed counterparts, shall constitute one
22 fully signed Settlement Agreement, which shall be binding upon and effective as to all Parties.
23 Electronic signatures shall have the same force and effect as an original.

24
25 **APPROVAL AND EXECUTION BY PARTIES:**
26
27
28

1 Dated: May __, 2023

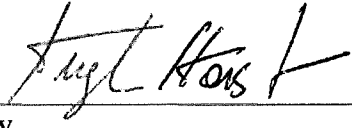
CLASS REPRESENTATIVE:

2
3
4 Jathan Blakes

5
6 Dated: May 9th, 2023

DEFENDANT:

7 **PGP INTERNATIONAL, INC.**

8
9 
10 By
11 Its CEO

Dated: May ___, 2023
5/12/2023

CLASS REPRESENTATIVE:

DocuSigned by:

Jathan Blakes

18F8DE7C9AE644C...

Jathan Blakes

Dated: May ___, 2023

DEFENDANT:

PGP INTERNATIONAL, INC.

By
Its

APPROVED AS TO FORM:

CLASS COUNSEL

Dated: May ___, 2023
5/5/2023

FALAKASSA LAW, P.C.

DocuSigned by:
Joshua Falakassa
15A628B2C5A149C...
Joshua Falakassa
Attorneys for Plaintiff

Dated: May ___, 2023
5/5/2023

BOKHOUR LAW GROUP, P.C.

DocuSigned by:
Mehrdad Bokhour
D8D3643F271940F...
Mehrdad Bokhour
Attorneys for Plaintiff

Dated: May ___, 2023

DEFENDANT'S COUNSEL:

OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.

Michael J. Nader
Elizabeth Rhodes
Attorneys for Defendant,
PGP International, Inc.

1 **APPROVED AS TO FORM:**

2 **CLASS COUNSEL**

3 Dated: May ___, 2023

FALAKASSA LAW, P.C.

4
5
6 _____
Joshua Falakassa
Attorneys for Plaintiff

7
8 Dated: May ___, 2023

BOKHOUR LAW GROUP, P.C.

9
10 _____
Mehrdad Bokhour
Attorneys for Plaintiff

11
12
13 Dated: May 7, 2023

DEFENDANT'S COUNSEL:

14 **OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.**

15
16 
17 _____
Michael J. Nader
Elizabeth Rhodes
Attorneys for Defendant,
PGP International, Inc.