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Attorneys for Plaintiffs RIA TILTON and TAYFUR INGALLS,
on behalf of themselves and all others similarly situated and the general public

(additional counsel listed on the continued caption)

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO – COMPLEX LITIGATION**

RIA TILTON and TAYFUR INGALLS, on
behalf of themselves and all others similarly
situated,

Plaintiffs,

v.

KAISER FOUNDATION HOSPITALS, a
California corporation; and DOES 1 to 100,
inclusive,

Defendants.

CLASS ACTION

Case No.: CIVDS1517937

**STIPULATION AND SETTLEMENT
OF CLASS, COLLECTIVE, AND
REPRESENTATIVE ACTION**

Honorable David S. Cohn
Department S26

Action filed: December 16, 2015
Trial Date: None Set

1 **Additional Counsel for Plaintiffs:**

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15 on behalf of themselves and all others similarly situated and the general public

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27 KAISER FOUNDATION HOSPITALS
28

1 Subject to final approval by the Court, which counsel and the Parties agree to diligently
2 pursue and recommend in good faith, Plaintiffs Ria Tilton and Tayfur Ingalls (“Plaintiffs”),
3 individually and on behalf of all others similarly situated persons and aggrieved employees, on
4 the one hand, and Defendant Kaiser Foundation Hospitals (“Defendant”), on the other hand
5 (collectively, the “Parties” and individually, a “Party”), hereby agree to the following binding
6 settlement of the class, collective, and representative action designated Tilton v. Kaiser
7 Foundation Hospitals (San Bernardino Case No. CIVDS 1517937), (the “Action”), pursuant to
8 the terms and conditions set forth below (the “Settlement,” “Settlement Agreement” or
9 “Agreement”). Upon the Effective Date, and the payment by Defendant of all monies due under
10 the Agreement, the Parties shall file a Satisfaction of Judgment with the Court.

11 **1. Definitions.**

12 The following definitions are applicable to this Settlement Agreement. Definitions
13 contained elsewhere in this Settlement Agreement will also be effective:

14 **A. “Action.”**

15 The case entitled Tilton v. Kaiser Foundation Hospitals, San Bernardino County Superior
16 Court Case No. CIVDS 1517937.

17 **B. “Amended Complaint.”**

18 The third amended complaint Plaintiffs will file, upon seeking and receiving Court
19 approval, to add causes of action under the Fair Labor Standards Act, 29 U.S.C. § 201, *et seq.*
20 (“FLSA”), to the extent the FLSA overlaps with the Released Claims. The amendment will also
21 add other claims and theories encompassed by the settlement to ensure that all included claims
22 and theories are clearly articulated and covered.

23 **C. “Attorneys’ Fees and Costs.”**

24 The attorneys’ fees agreed upon by the Parties and approved by the Court for Class
25 Counsel’s litigation and resolution of the Action, and all costs incurred and to be incurred by
26 Class Counsel in the Action, including, but not limited to, costs associated with documenting the
27 Settlement, providing any notices required as part of the Settlement or Court’s Order, securing
28 the Court’s approval of the Settlement, administering the Settlement, any expert expenses, and

1 securing dismissal of the Action. Class Counsel will request attorneys' fees not to exceed one-
2 third (1/3) of the Class Settlement Amount of \$20,000,000. which is a total of \$6,666,666. The
3 costs requested to be reimbursed will not exceed \$60,000. The attorneys' fees and costs awarded
4 are subject to the Court's approval. Defendant has agreed not to oppose Class Counsel's request
5 for attorneys' fees and reimbursement of costs and expenses as set forth above. Such Attorneys'
6 Fees and Costs shall be paid from the Class Settlement Amount. Defendant shall have no
7 liability for any other attorneys' fees or costs. To the extent that the Court approves less than the
8 amount of Attorneys' Fees and Costs that Class Counsel request, the difference between the
9 requested and awarded amounts will be distributed to Class Members on a proportional basis
10 relative to the size of their claims as set forth in Section III below. Class Counsel will be issued
11 an IRS Form 1099 for the Attorneys' Fees and Costs detailed in this Section and shall be solely
12 and legally responsible for paying all applicable taxes on the payment made pursuant to this
13 Section.

14 **D. "Class Counsel."**

15 The Law Offices of Kevin T. Barnes, the Law Office of Joseph Antonelli, the Law
16 Offices of Sahag Majarian II and United Employees Law Group, PC shall be appointed Class
17 Counsel upon approval by the Court.

18 **E. "Class List."**

19 A complete list of all Class Members that Defendant will diligently and in good faith
20 compile from their records and provide to the Settlement Administrator within fourteen (14)
21 calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in
22 a readable Microsoft Office Excel spreadsheet and will include each Class Member's full name,
23 most recent mailing address, telephone number, Social Security number, dates of employment
24 (*i.e.*, hire date and termination date, if applicable), approximate number of workweeks that a
25 Class Member worked a 10 or 12 hour shift, and any other relevant information needed to
26 calculate settlement payments.

27 **F. "Class Member(s)" or "Settlement Class."**

28 All non-exempt persons employed in California by Defendant in the state of California

1 during the Class Period who worked 10 or 12-hour shifts. It shall be an opt out class.

2 **G. "Class Period."**

3 The period from December 16, 2011 through the date of Preliminary Approval.

4 **H. "Class Representative Enhancement Payment."**

5 The amount to be paid to Plaintiffs in recognition of their effort and work in prosecuting
6 the Action on behalf of Class Members and for their general release of claims. Subject to the
7 Court granting Final Approval of this Settlement Agreement, Plaintiffs will request Court
8 approval of a Class Representative Enhancement Payment in the amount of \$20,000 for Ria
9 Tilton and in the amount of \$30,000 for Tayfur Ingalls. Plaintiffs will be issued an IRS Form
10 1099 in connection with their Class Representative Enhancement Payment. Plaintiffs shall be
11 solely and legally responsible for paying any and all applicable taxes on this payment and shall
12 hold Defendant harmless from any claim or liability for taxes, penalties or interest arising as a
13 result of the payment. The Class Representative Enhancement Payment will be paid from the
14 Class Settlement Amount and will be in addition to Plaintiffs' Individual Settlement Payment
15 paid pursuant to the Settlement and is conditioned on the execution of a stand-alone settlement
16 agreement and general release of claims. Defendant makes no representations as to the tax
17 treatment or legal effect of the payment called for herein, and Plaintiffs are not relying on any
18 statement or representation by Defendant or their counsel in this regard. To the extent that the
19 Court approves less than the amount of Class Representative Enhancement Payment that
20 Plaintiffs request, the difference between the requested and awarded amounts will be distributed
21 to Class Members on a proportional basis relative to the size of their claims as set forth in
22 Section IV below.

23 **I. "Class Settlement Amount."**

24 The sum of no more than a Gross Fund Value of \$20,000,000 to be paid by Defendant in
25 full satisfaction of all claims arising from the Action. The settlement will be on a common fund
26 basis, there will be no claim form or claims process and there will be no reversion to Defendant.
27 The Class Settlement Amount includes all Individual Settlement Payments to Class Members,
28 the Class Representative Enhancement Payment to Plaintiffs, Settlement Administration Costs to

1 the Settlement Administrator, the Labor and Workforce Development Agency Payment, and the
2 Attorneys' Fees and Costs. Defendant will be responsible for any employer payroll taxes
3 required by law, separate and in addition to the Class Settlement Amount, including the
4 employer FICA, FUTA, and SDI contributions on the wage portion of the Individual Settlement
5 Payments.

6 **J. "Effective Date."**

7 The date on which the Final Award becomes final. For purposes of this Section, the Final
8 Award "becomes final" only after the Court grants the Motion for Final Approval and upon the
9 latter of: (i) if no appeal is filed, the expiration date of the time for the filing or noticing of any
10 appeal from, or other challenge to, the Order Granting Final Approval (this time period shall not
11 be less than 60 calendar days after the Court's Order is entered); (ii) the date of affirmance of an
12 appeal of the Order Granting Final Approval becomes final under the California Rules of Court;
13 or (iii) the date of final dismissal of any appeal from the Order Granting Final Approval or the
14 final dismissal of any proceeding on review of any court of appeal decision relating to the Order
15 Granting Final Approval. If there are no objector(s) or intervenor(s), then the Parties agree that
16 there is no right to appeal and therefore this Settlement shall be deemed final and the Effective
17 Date shall be Twenty (20) days after the Court has entered a Final Approval Order and Judgment
18 which approves the Settlement; provided, however, in the event an appeal is filed, Plaintiffs will
19 file the appropriate motion to dismiss and if such appeal is filed before the settlement payments
20 are mailed, such mailing shall be stayed until the appeal has been dismissed. It is the intention of
21 the Parties that the Settlement shall not become effective until the Court's Final Order approving
22 the Settlement has become completely final, and no timely recourse remains for an appellant or
23 objector to contest the Settlement.

24 **K. "Final Approval" or "Final Award."**

25 The Court entering an Order Granting Final Approval of the Settlement Agreement.

26 **L. "Individual Settlement Payment."**

27 Each Class Member's share of the Net Settlement Amount, which shall be distributed to
28 the Class Members, less employee portions of state and federal withholding taxes, including the

1 employee FICA, FUTA and SDI contributions and any other applicable payroll deductions
2 required by law as a result of the payment of the amount allocated to such Class Member as set
3 forth herein.

4 **M. "LWDA Notice."**

5 The Parties agree that Plaintiffs will submit Notice to the Labor and Workforce
6 Development Agency ("LWDA") of this Settlement along with a copy of this Settlement
7 Agreement within ten (10) calendar days of its execution by all Parties and Class Counsel, and
8 will thereafter submit a copy of any judgment or any other order (*e.g.*, the Final Award)
9 providing for an award of civil penalties in conformity with Labor Code Section 2699(l).

10 **N. "LWDA Payment."**

11 The amount that the Parties have agreed to pay to the LWDA in connection with
12 settlement of Plaintiffs' PAGA claims. The Parties have agreed that \$250,000 of the Class
13 Settlement Amount will be allocated to the resolution of any Class Members' claims arising
14 under the PAGA ("PAGA Settlement Amount"). Pursuant to the PAGA, \$187,500 (75%) of the
15 PAGA Settlement Amount will be paid to the LWDA and \$62,500 (25%) of the PAGA
16 Settlement Amount will be included in the Net Settlement Amount. Any change in the requested
17 LWDA Payment is not a material term of this Agreement. If the Court approves a lesser or
18 greater amount than that requested, the other terms of this Agreement shall still remain in effect.
19 However, some approval of an LWDA Payment is a material term of the Settlement and this
20 Agreement. If the Court does not approve an LWDA Payment, then the entire Agreement will
21 be, at Defendant's sole discretion, void and unenforceable. In such a case, the Parties shall be
22 returned to their respective statuses as of the date and time immediately prior to the execution of this
23 Settlement Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had
24 not been executed, except that the costs of administration shall be borne by Defendant.

25 **O. "Net Settlement Amount."**

26 The portion of the Class Settlement Amount remaining after deduction of the approved
27 Class Representative Enhancement Payment, Settlement Administration Costs, LWDA Payment,
28 and the Attorneys' Fees and Costs.

1 **P. “Notice of Class Action Settlement.”**

2 The document substantially in the form attached as Exhibit 1 that will be mailed to Class
3 Members’ last known addresses and which will provide Class Members with information
4 regarding the Action and information regarding the Settlement of the Action.

5 **Q. “Notice of Objection.”**

6 A Class Member’s valid and timely written objection to the Settlement Agreement. For
7 the Notice of Objection to be valid, it must include the objector’s full name, signature, address,
8 telephone number and a written statement of all grounds for the objection accompanied by legal
9 support, if any, for such objection. The Notice of Objection must be returned by mail or fax to
10 the Settlement Administrator at the specified address or facsimile number and postmarked or
11 faxed on or before the Response Deadline. The date of the postmark or fax receipt confirmation
12 will be the exclusive means to determine whether a Notice of Objection has been timely
13 submitted.

14 Class Members who fail to make objections in the manner specified above shall be
15 deemed to have waived any objections and shall be foreclosed from making any objection
16 (whether by appeal or otherwise) to the Settlement Agreement. Neither the Parties nor their
17 counsel will solicit or otherwise encourage Class Members to submit written objections to the
18 Settlement Agreement or appeal from the Order and Judgment. Class Counsel will not represent
19 any Class Members with respect to any such objections to this Settlement. The Settlement
20 Administrator shall provide counsel for the Parties with complete copies of all objections
21 received, including the date of postmark or fax receipt confirmation for each objection, within
22 five (5) business days of receipt. Class Counsel will provide copies of any objections and
23 supporting documents to the Court at least sixteen (16) court days before the Preliminary
24 Approval Hearing.

25 **R. “Notice Packet.”**

26 The Notice of Class Action Settlement and Individual Settlement Payment calculations,
27 to include workweek information.
28

1 **S. “Plaintiffs.”**

2 Plaintiffs Ria Tilton and Tayfur Ingalls, on behalf of themselves and all others similarly
3 situated and the general public.

4 **T. “Plaintiffs’ Released Claims.”**

5 Upon the Effective Date, and as a condition of receiving any portion of their Class
6 Representative Enhancement Payment, Plaintiffs shall fully and finally release the Released
7 Parties from any and all claims, known and unknown, under federal, state and/or local law,
8 statute, ordinance, regulation, common law, or other source of law, including but not limited to
9 claims arising from or related to their employment with Defendant and their compensation while
10 an employee of Defendant. Plaintiffs’ Released Claims include, but are not limited to, all claims
11 arising from or related to the Action. Plaintiffs’ Released Claims include all claims for unpaid
12 wages, including, but not limited to, failure to pay minimum wages, straight time compensation,
13 overtime compensation, double-time compensation, and interest; the calculation of the regular
14 rate of pay; wages related to alleged illegal time rounding; missed meal period and rest-period
15 wages; reimbursement for all necessary business expenses; payment for all hours worked,
16 including off-the-clock work; wage statements; deductions; failure to keep accurate records;
17 unfair business practices; penalties, including, but not limited to, recordkeeping penalties, wage
18 statement penalties, minimum-wage penalties, and waiting-time penalties; and attorneys’ fees
19 and costs. Plaintiffs’ Released Claims include all claims arising under the Labor Code
20 (including, but not limited to, sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 205.5, 206,
21 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.3, 226.7, 226.8,
22 227.3, 256, 450, 510, 511, 512, 516, 550, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2,
23 1197, 1197.1, 1197.2, 1198, 2698 *et seq.*, 2699 *et seq.*, and 2802); all claims arising under: the
24 Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys
25 General Act of 2004 (PAGA); California Business and Professions Code section 17200, *et seq.*;
26 the California Civil Code, to include sections 3287, 3336 and 3294; 12 CCR § 11040; 8 CCR §
27 11060; California Code of Civil Procedure § 1021.5; the California common law of contract; the
28 FLSA, 29 U.S.C. § 201, *et seq.* and all regulations implementing and interpreting the FLSA,

1 federal common law; and the Employee Retirement Income Security Act, 29 U.S.C. § 1001, *et*
2 *seq.* (ERISA). Plaintiffs' Released Claims also include all claims for lost wages and benefits,
3 emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under
4 federal, state, or local laws for discrimination, harassment, retaliation, and wrongful termination,
5 such as, by way of example only, (as amended) 42 U.S.C. § 1981, Title VII of the Civil Rights
6 Act of 1964, the Americans with Disabilities Act (ADA), the Age Discrimination in
7 Employment Act (ADEA), and the California Fair Employment and Housing Act (FEHA); and
8 the law of contract and tort. This release excludes the release of claims not permitted by law.

9 Plaintiffs' Released Claims include all claims, whether known or unknown. Even if
10 Plaintiffs discover facts in addition to or different from those that they now know or believe to be
11 true with respect to the subject matter of Plaintiffs' Released Claims, those claims will remain
12 released and forever barred. Thus, Plaintiffs expressly waive and relinquish the provisions,
13 rights and benefits of section 1542 of the California Civil Code, which reads:

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

18 **U. "Preliminary Approval."**

19 The Court's order granting preliminary approval of the Settlement Agreement.

20 **V. "Qualified Settlement Account."**

21 The fund established by the Settlement Administrator pursuant to Internal Revenue Code
22 Section 1.468B-1.

23 **W. "Released Claims."**

24 As of the date of the Order Granting Final Approval, Class Members who do not opt out
25 shall release Defendant and its present and former affiliates and all of their officers, directors,
26 employees, agents, servants, registered representatives, attorneys, insurers, successors and
27 assigns, and any other persons acting by through, under or in concert with any of them
28 ("Released Parties"), from any and all claims, debts, liabilities, demands, obligations, penalties,
premium pay, guarantees, costs, expenses, attorney's fees, damages, actions or causes of action

1 of whatever kind or nature, whether known or unknown, contingent or accrued, under any legal
2 theory under federal and state law for any alleged failure to pay all wages due (including
3 minimum wage and overtime wages), failure to pay for all hours worked (including off-the clock
4 work), failure to provide meal and rest periods, failure to timely pay wages and final wages,
5 failure to properly calculate the regular rate of pay, donning and doffing, failure to furnish
6 accurate wage statements including claims derivative and/or related to these claims, liquidated
7 damages, conversion of wages, that the Labor Code Section 514 exemption does not apply to
8 Defendant's 10 or 12 hour employees, pre and post shift work and record-keeping violations, up
9 to and including the date of preliminary approval by the Court. This Release shall include
10 claims that were raised, or that reasonably could have been raised based on the facts and
11 allegations in cases brought in the *Caudill*, *Rodriguez* or *Osilla* matters (as noted below) as they
12 relate to 10 and 12 hour employees only. This Release shall include all claims arising under the
13 applicable regulations, Wage Orders and Labor Code, including sections 201, 202, 203, 204,
14 206, 218, 218.5, 226, 226.3, 226.7, 227, 510, 511, 512, 515, 517, 551, 552, 558, 1174, 1175,
15 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, as well as claims under Business and
16 Professions Code section 17200 et seq., and/or Labor Code section 2698 et seq. based on alleged
17 violations of the above Labor Code provisions, and the Fair Labor Standards Act, 29 U.S.C.
18 section 201, et seq. as alleged in the lawsuits.

17 Limitation on release of claims in connection with *Jose F. Andino v. Kaiser Foundation*
18 *Hospitals* (California First Appellate District Court of Appeal Case No. A153962; Alameda
19 County Superior Court Case No. RD11580548) shift tolerance or "rounding" claims: For
20 purposes of this Settlement the class release shall include one half of the value of any Labor
21 Code 203 penalties, one half of the value of any Labor Code 226 penalties, one half of the value
22 of any Labor Code 2698, et seq. PAGA penalties, and none of the underlying wages or overtime
23 or interest thereon that is allegedly owed as a result of the operation of KFH's shift tolerance or
24 "rounding" practice as alleged in the *Andino* matter provided however, that if there is a judgment
25 or settlement in the *Andino* matter, these carved out liabilities also shall be extinguished. Labor
26 Code 203 penalties, Labor Code 226 penalties, and PAGA penalties for any and all claims other
27 than claims based on KFH's shift tolerance or "rounding" practice as alleged in the *Andino*
28 matter are released as set forth above. It is the intent of the parties to extinguish all identified
claims that could be brought by any class member for the Class Period with the very limited
exception that if class members are also in the *Andino* class they are retaining the carved out

1 claims herein only for the purposes of potential recovery in the *Andino* case and not for any other
2 case.

3 The parties also agree that to the extent employees in the putative class as alleged in the
4 *Monica Smith v Kaiser Foundation Hospitals* (SDCA Case No. 3:18-CV-00780-DMS-KSC)
5 matter worked 10 or 12 hour shifts they shall be included in the release as to all shifts that they
6 worked 10 or 12 hours; provided however that they shall not be releasing off the clock/overtime
7 claims for alleged pre- or post-shift off the clock work or pre- or post-meal period off the clock
8 work due to the operation of the computer log-in system or Labor Code 203 or 226 claims
9 arising out of that theory or PAGA claims related to that theory.

10 This release is intended to extinguish and satisfy all claims, including but not limited to
11 PAGA claims, in the pending *Ricky Caudill v. Kaiser Foundation Hospitals* (Santa Clara County
12 Superior Court Case No. 18CV327308), *Catherine Osilla v. Kaiser Foundation Hospitals*
13 (Alameda County Superior Court Case No. RG17873923), and *Yadira Rodriguez v. Kaiser*
14 *Foundation Hospitals* (San Bernardino County Superior Court Case No. CIVDS1818367) cases
15 as they relate to 10 or 12 hour employees. The parties agree to work in good faith to secure
16 dismissal of the claims in those cases released by this case, and any such approval or dismissal,
17 to the extent required by law, and such effective approval and/or dismissal shall be a condition of
18 this agreement.

19 Class Members who timely cash or otherwise negotiate their Settlement Payment Check
20 will be deemed to have opted into the Action for purposes of the FLSA and, as to those Class
21 Members, the Released Claims include any and all claims the Class Members may have under
22 the FLSA arising under or related to the alleged claims during the Class Period. Only those
23 Class Members who timely cash or otherwise negotiate their Settlement Payment Check will be
24 deemed to have opted into the Action for purposes of the FLSA and thereby release and waive
25 any of their claims under the FLSA arising under or relating to the alleged claims. This release
26 excludes the release of claims not permitted by law. The following language will be printed on
27 the reverse of each Settlement Payment Check, or words to this effect: "By endorsing or
28 otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms
set forth in the Notice of Class Action Settlement and I consent to join in the Fair Labor

Standards Act ("FLSA") portion of the [Action], elect to participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the Settlement."

As to the Released Claims only, each Class Member waives all rights provided by California Civil Code section 1542, which states:

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.

This Agreement is contingent upon the releases by the Plaintiffs and the Class Members as described herein, and upon covenants by the Plaintiffs and Class Members that they will not participate in any actions, lawsuits, proceedings, complaints or charges in any court or before any administrative body related to any claims they have released under this Agreement.

X. "Released Parties."

Defendant and each of its present and former affiliates and all of their officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors, and assigns and any other persons acting by, through, under or in concert with any of them.

Y. "Request for Exclusion."

A notice submitted by a Class Member requesting to be excluded from the Settlement. For the Request for Exclusion to be valid, it must include the Class Member's full name, signature, address, telephone number and a written statement requesting to be excluded from this Settlement. The Request for Exclusion must be returned by mail or fax to the Settlement Administrator at the specified address or facsimile number and postmarked or faxed on or before the Response Deadline. The date of the postmark or fax receipt confirmation will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. A Class Member who does not submit a timely and valid Request for Exclusion from the Settlement will be deemed a Class Member and will be bound by all terms of the Settlement Agreement if the Settlement is granted Final Approval by the Court.

1 **Z. "Response Deadline."**

2 The deadline by which Class Members must mail or fax to the Settlement Administrator
3 valid Requests for Exclusion, Notices of Objection to the Settlement, or workweek disputes. The
4 Response Deadline will be forty-five (45) calendar days from the initial mailing of the Notice
5 Packet by the Settlement Administrator, unless the 45th day falls on a Sunday or Federal holiday,
6 in which case the Response Deadline will be extended to the next day on which the U.S. Postal
7 Service is open. The Response Deadline for Requests for Exclusion, Notices of Objection, or
8 workweek disputes will be extended fifteen (15) calendar days for any Class Member who is re-
9 mailed a Notice Packet by the Settlement Administrator, unless the 15th day falls on a Sunday or
10 Federal holiday, in which case the Response Deadline will be extended to the next day on which
11 the U.S. Postal Service is open. The Response Deadline may also be extended by express
12 agreement between Class Counsel and Defendant. Under no circumstances, however, will the
13 Settlement Administrator have the authority to unilaterally extend the deadline for Class
14 Members to submit a Request for Exclusion, Notice of Objection to the Settlement, or workweek
15 disputes.

16 **AA. "Settlement Administrator."**

17 Rust Consulting shall be the third-party class action settlement administrator as agreed to
18 by the Parties and approved by the Court for the purposes of administering this Settlement and
19 will issue to class members a form W-2 and 1099 for all amounts paid under this settlement,
20 making all deductions and withholdings required under law. The Parties each represent that they
21 do not have any financial interest in the Settlement Administrator or otherwise have a
22 relationship with the Settlement Administrator that could create a conflict of interest.

23 **BB. "Settlement Administration Costs."**

24 The costs payable from the Class Settlement Amount to the Settlement Administrator are
25 for administering this Settlement, including, but not limited to, printing, distributing, and
26 tracking documents for this Settlement, calculating estimated amounts per Class Member, tax
27 reporting, distributing the Class Settlement Amount, and providing necessary reports and
28 declarations, and other duties and responsibilities set forth herein to process this Settlement

1 Agreement, and as requested by the Parties. The Settlement Administration Costs will be paid
2 from the Class Settlement Amount, including, if necessary, any such costs in excess of the
3 amount represented by the Settlement Administrator as being the maximum costs necessary to
4 administer the Settlement. The Settlement Administration Costs are currently estimated to be
5 approximately \$75,000. To the extent actual Settlement Administration Costs are greater than
6 \$75,000 such excess amount will be deducted from the Class Settlement Amount, subject to the
7 Court's approval. The Settlement Administration Costs will be paid no sooner than fifteen (15)
8 calendar days following the Effective Date.

9 **CC. "Settlement Payment Check."**

10 The payment to Class Members. The back of the Settlement Payment Check shall state,
11 immediately below the space where the check is to be endorsed by the payee: "By endorsing or
12 otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms
13 set forth in the Notice of Class Action Settlement and I consent to join in the Fair Labor
14 Standards Act ("FLSA") portion of the [Action], elect to participate in the settlement of the
15 FLSA claims, and agree to release all of my FLSA claims that are covered by the Settlement."

16 **II. Funding of the Class Settlement Amount.**

17 Within fourteen (14) calendar days after the Effective Date of the Settlement, Defendant will
18 make a one-time deposit of all approved and claimed amounts from the Class Settlement Amount into a
19 Qualified Settlement Account to be established by the Settlement Administrator. Within fourteen (14)
20 calendar days of the funding of the Settlement, the Settlement Administrator will issue payments to: (a)
21 Class Members; (b) the Labor and Workforce Development Agency (LWDA); (c) Plaintiffs; and (d)
22 Class Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved
23 services performed in connection with the Settlement. Defendant has no obligation to deposit such funds
24 prior to the deadline set forth herein.

25 **III. Attorneys' Fees and Costs.**

26 Defendant agrees not to oppose any application by Class Counsel for attorneys' fees of not more
27 than \$6,666,666 and the reimbursement of costs and expenses associated with Class Counsel's litigation
28 and settlement of the Action not to exceed \$60,000.

1 Subject to Court approval, Class Counsel will decide the allocation of attorneys' fees and costs
2 among Class Counsel. No counsel shall be entitled to attorneys' fees or costs for work performed in the
3 Action other than as provided in this Settlement Agreement. The instant Settlement Agreement is the
4 exclusive means for recovery of attorneys' fees and costs incurred in the Action by any attorney, law firm
5 and/or other legal services provider.

6 **IV. Class Representative Enhancement Payment.**

7 In exchange for a general release and in recognition of their effort and work in prosecuting the
8 Action on behalf of Class Members, Defendant agrees not to oppose or impede any application or motion
9 for a Class Representative Enhancement Payment to Plaintiff Tayfur Ingalls in the amount of \$30,000
10 and to Plaintiff Ria Tilton in the amount of \$20,000. These Class Representative Enhancement Payments
11 will be paid from the Class Settlement Amount and will be in addition to Plaintiffs' Individual Settlement
12 Payments paid pursuant to the Settlement, and are conditioned on the execution of a stand-alone
13 settlement agreement and general release of claims. Plaintiffs will be solely and legally responsible to pay
14 any and all applicable taxes on the payment made pursuant to this Section.

15 **V. Settlement Administration Costs.**

16 The Settlement Administrator will be paid for the reasonable costs of administration of the
17 Settlement and distribution of payments from the Class Settlement Amount, which are currently
18 estimated to be \$75,000.

19 The Parties hereby acknowledge that the Settlement Administration Costs may increase above
20 the current estimate of \$75,000 and that any such additional Settlement Administration Costs that are
21 approved by the Parties' counsel and the Court shall be taken out of the Class Settlement Amount.

22 **VI. Labor and Workforce Development Agency Payment.**

23 Subject to Court approval, the Parties agree that \$250,000 of the Class Settlement Amount will be
24 designated for satisfaction of Plaintiffs' and Class Members' PAGA claims (the "PAGA Settlement
25 Amount"). Pursuant to the PAGA, \$187,500 (75%) of the PAGA Settlement Amount will be paid to the
26 LWDA and \$62,500 (25%) of the PAGA Settlement Amount will be included in the Net Settlement
27 Amount.
28

1 **VII. Net Settlement Amount.**

2 The Net Settlement Amount will be used to satisfy Individual Settlement Payments to Class
3 Members from the Settlement Class in accordance with the terms of this Settlement.

4 **VIII. Individual Settlement Payment Calculations.**

5 Individual Settlement Payments will be calculated and apportioned from the Net Settlement
6 Amount based on the number of workweeks that a Class Member worked a 10 or 12 hour shift
7 during the Class Period. Specific calculations of Individual Settlement Payments will be made as
8 follows:

9 The Settlement Administrator will calculate the total number of weeks worked by each Class
10 Member that a Class Member worked a 10 or 12 hour shift ("Individual Workweeks") and
11 the total number of weeks worked by all Class Members that worked a 10 or 12 hour shift
12 ("Class Workweeks") during the Class Period.

13 To determine each Class Member's Individual Settlement Payment, the Settlement Administrator
14 will use the following formula: Individual Settlement Payment = (Individual Workweeks ÷ Class
15 Workweeks) × Net Settlement Amount.

16 The Individual Settlement Payment will be reduced by any required deductions for each Class
17 Member as set forth herein, including employee-side tax withholdings or deductions.

18 The Individual Settlement Payments made to Class Members under this Settlement, and any
19 other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits
20 under any benefit plans to which any Class Members may be eligible, including, but not limited to, profit-
21 sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO
22 plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will
23 not affect any rights, contributions, or amounts to which any Class Members may be entitled under any
24 benefit plans.

25 **IX. Settlement Administration Process.**

26 1. The Parties agree to cooperate in the administration of the Settlement and to make all
27 reasonable efforts to control and minimize the costs and expenses incurred in administration of the
28 Settlement. The Settlement Administrator will provide the following services:

- a. Establish and maintain a Qualified Settlement Account.
 - b. Calculate the Individual Settlement Payment each Class Member is eligible to receive.
 - c. Translate the Notice Packet into Spanish by request of Class Members.
 - d. Print and mail the Notice Packet.
 - e. Establish and maintain a toll-free information telephone support line to assist Class Members who have questions regarding the Notice Packet.
 - f. Conduct additional address searches for mailed Notice Packets that are returned as undeliverable.
 - g. Process Requests for Exclusion, calculate Class Members' Individual Settlement Payment, field inquiries from Class Members, and administer any Requests for Exclusion. This service will include settlement proceeds calculation, printing and issuance of Settlement Payment Checks, and preparation of IRS W-2 and 1099 Tax Forms. Basic accounting for and payment of employee tax withholdings and forwarding all payroll taxes and penalties to the appropriate government authorities will also be included as part of this service.
 - h. Issuing to Plaintiffs, Class Members, and Plaintiffs' Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement.
 - i. Provide declarations and/or other information to the Court as requested by the Parties and/or the Court.
 - j. Provide weekly status reports to counsel for the Parties.
2. Within fourteen (14) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator.
 3. Within fourteen (14) calendar days after receiving the Class List from Defendant, the Settlement Administrator will mail a Notice Packet to all Class Members via regular First-Class U.S. Mail, using the last known mailing addresses identified in the Class List.
 4. Prior to mailing, the Settlement Administrator will perform a search based on the

1 National Change of Address Database for information to update and correct any known or identifiable
2 address changes. Any Notice Packets returned to the Settlement Administrator as non-deliverable on or
3 before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding
4 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the
5 Notice Packet. If no forwarding address is provided, the Settlement Administrator will promptly attempt
6 to determine the correct address using a skip-trace, or other search using the name, address and/or Social
7 Security number of the Class Member involved, and will then perform a single re-mailing. Those Class
8 Members who receive a re-mailed Notice Packet, whether by skip-trace or by request, will have between
9 the later of (a) an additional fifteen (15) calendar days or (b) the Response Deadline to postmark or fax a
10 Request for Exclusion or Notice of Objection to the Settlement.

11 5. All Class Members will be mailed a Notice Packet containing the forms attached as
12 Exhibit 1 as approved by the Court.

13 6. Class Members will have an opportunity to dispute the information provided in their
14 Notice Packets. To the extent Class Members dispute the number of workweeks to which they have been
15 credited or the amount of their Individual Settlement Payment, Class Members may produce evidence to
16 the Settlement Administrator showing that such information is inaccurate. Absent evidence rebutting
17 Defendant's records, Defendant's records will be presumed determinative. However, if a Class Member
18 produces evidence to the contrary, the Settlement Administrator will evaluate the evidence submitted by
19 the Class Member and will make the final decision as to the number of eligible workweeks that should be
20 applied and/or the Individual Settlement Payment to which the Class Member may be entitled. The
21 workweek dispute must be returned by mail or fax to the Settlement Administrator at the specified
22 address or facsimile number and postmarked or faxed on or before the Response Deadline. The date of
23 the postmark or fax receipt confirmation will be the exclusive means to determine whether a workweek
24 dispute has been timely submitted. All such disputes are to be resolved not later than fourteen (14)
25 calendar days after the Response Deadline.

26 7. Defective Submissions. If a Class Member's Request for Exclusion is defective as to the
27 requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The
28 Settlement Administrator will mail the Class Member a cure letter within three (3) business days of

1 receiving the defective submission to advise the Class Member that his or her submission is defective and
2 that the defect must be cured to render the Request for Exclusion valid. The Class Member will have
3 until the later of (a) the Response Deadline or (b) fifteen (15) calendar days from the date of the cure
4 letter, whichever date is later, to postmark or fax a revised Request for Exclusion.

5 8. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
6 Settlement Agreement must sign and postmark or fax a written Request for Exclusion to the Settlement
7 Administrator within the Response Deadline. The date of the postmark on the return mailing envelope or
8 the fax receipt confirmation will be the exclusive means to determine whether a Request for Exclusion
9 has been timely submitted. All Requests for Exclusion will be submitted to the Settlement Administrator,
10 who will certify jointly to Class Counsel and Defendant's Counsel the Requests for Exclusion that were
11 timely submitted. Any Class Member who does not timely seek exclusion will be bound by the terms of
12 this Settlement Agreement.

13 **X. NULLIFICATION OF THE SETTLEMENT AGREEMENT.**

14 1. Defendant's Option to Nullify the Settlement Agreement. If five percent (5%) or more of
15 the Class Members opt out of the Settlement (or are otherwise excluded), Defendant, in its sole discretion,
16 shall have the option of nullifying the Settlement Agreement. Defendant shall give written notice to Class
17 Counsel within five (5) calendar days after the Settlement Administrator informs the Parties that the opt
18 out rate exceeds five percent (5%). In such a case, the Parties and any funds to be awarded under this
19 Settlement Agreement shall be returned to their respective statuses as of the date and time immediately
20 prior to the execution of this Agreement, and the Parties shall proceed in all respects as if this Settlement
21 Agreement had not been executed, except that any fees already incurred by the Settlement Administrator
22 shall be paid by Defendant.

23 2. Nullification of the Settlement Agreement. In the event: (i) the Court does not enter the
24 Preliminary Approval Order and approve the Released Settlement specified herein; (ii) the Court does not
25 finally approve the Settlement as provided herein; (iii) Defendant exercises their option to nullify the
26 Settlement Agreement based on an excessive number of opt-outs, as described in the above Section; or
27 (iv) the Settlement does not become final for any other reason (*e.g.*, an objection by the LWDA), this
28 Settlement Agreement shall be null and void. Any order or judgment entered by the Court in furtherance

of this Settlement Agreement shall be treated as void from the beginning, and the Stipulations and Recitals contained herein shall be of no force or effect, and shall not be treated as an admission by the Parties or their counsel. In such a case, the Parties and any funds to be awarded under this Settlement Agreement shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Settlement Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed, except that any fees already incurred by the Settlement Administrator shall be paid by shared equally.

3. Settlement Terms Bind All Class Members Who Do Not Opt Out. Any Class Member who does not affirmatively opt out of the Settlement Agreement by submitting a timely and valid Request for Exclusion will be bound by all its terms, including those pertaining to the Released Settlement.

XI. Certification Reports Regarding Individual Settlement Payment Calculations.

1. The Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report which certifies: (a) the number of Class Members who have submitted valid Requests for Exclusion; (b) any objections submitted to the Settlement along with a copy of any such objection; and (c) whether any Class Member has submitted a challenge to any information contained in his/her Notice Packet. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested.

2. Uncashed Settlement Checks. Any checks issued by the Settlement Administrator to Class Members will be negotiable for one-hundred eighty (180) calendar days. After one-hundred eighty (180) calendar days from the date of mailing, the checks shall become null and void, and any monies remaining in the distribution account shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 et seq., for the benefit of those Settlement Class members who did not cash their checks until such time that they claim their property. The Settling Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire Settlement Payment will be paid out to Settlement Class members, whether or not they all cash their Settlement Checks. Therefore, Defendant will not be required to pay any interest on said amount.

3. Certification of Completion. Upon completion of administration of the Settlement, the

1 Settlement Administrator will provide a written declaration under oath to certify such completion to the
2 Court and counsel for all Parties.

3 **XII. Tax Treatment of Individual Settlement Payments.**

4 All Individual Settlement Payments will be allocated as follows: one-third (1/3) wages,
5 one-third (1/3) interest and one-third (1/3) penalties.

6 The portion allocated to wages will be reported on an IRS Form W-2 and the portions
7 allocated to non-wages will be reported on an IRS Form-1099 by the Settlement Administrator.
8 The Gross Individual Settlement Payments will be reduced by any required legal deductions for
9 each Class Member. All standard employee payroll deductions will be made for state and federal
10 withholding taxes, including any other applicable payroll deductions owed by the Class
11 Members as a result of the Wage Component, resulting in a net wage component. The
12 Settlement Administrator will issue a check and W-2 Form to each Class Member for the wage
13 component. No withholding shall be made on the penalty portions of the Gross Individual
14 Settlement Payment. The Settlement Administrator will issue a second check and IRS Form-
15 1099 for the remaining penalty component. The Settlement Administrator shall be responsible
16 for issuing the payments and calculating and withholding all required state and federal taxes.
17 The Settlement Administrator shall determine the eligibility for, and the amounts of, any
18 Individual Settlement Payments under the terms of this Settlement Agreement. Any disputes not
19 resolved by the Settlement Administrator concerning the administration of the Settlement will be
20 resolved by the Court, under the laws of the State of California. Prior to any such involvement
21 of the Court, counsel for the Parties will confer in good faith to resolve the dispute without the
22 necessity of involving the Court.

23 **XIII. Administration of Taxes by the Settlement Administrator.**

24 1. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect
25 of the payments called for hereunder, and Plaintiffs and Class Members are not relying on any statement,
26 representation, or calculation by Defendant or by the Settlement Administrator in this regard. Plaintiffs
27 and Class Members understand and agree they will be solely responsible for the payment of their share of
28 any taxes and penalties assessed on the payments described herein.

2. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT 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 WILL 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 EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

XIV. Release by Class Members.

1. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

2. It is the desire of Plaintiffs, Class Members (except those who exclude themselves from the Settlement), and Defendant to fully, finally, and forever settle, compromise, and discharge the Released Claims. Upon the Final Approval by the Court of this Settlement Agreement, and except as to such rights or claims as may be created by this Settlement Agreement, the Class Members shall fully release and discharge the Released Parties from any and all Released Claims for the entire Class Period. This release shall be binding on all Class Members who have not timely submitted a valid and complete Request for Exclusion, including each of their respective attorneys, agents, spouses, executors, representatives, guardians ad litem, heirs, successors, and assigns, and shall inure to the benefit of the Released Parties, who shall have no further or other liability or obligation to any Class Member with respect to the Released Settlement, except as expressly provided herein.

XV. Materiality of Terms.

1. The Court's approval of Class Representative Enhancement Payments, Attorneys' Fees and Costs, and the LWDA Payment are not material terms of this Agreement. If the Court approves only a lesser amount of these payments, then the other terms of this Agreement shall still remain in effect and the difference will remain part of the Net Settlement Amount.

2. Except as otherwise stated herein, each substantive term of this Agreement is material and has been relied upon by the Parties in entering into this Agreement. Any failure by the Court to fully and completely approve the material terms of this Settlement Agreement will result in this Settlement Agreement entered into by the Parties, and all obligations under this Settlement Agreement, being nullified and voided. Upon such failure, any order or judgment entered by the Court in furtherance of this Settlement Agreement shall be treated as void from the beginning, and the Stipulations and Recitals contained herein shall be of no force or effect and shall not be treated as an admission by the Parties or their counsel. In such a case, the Parties and any funds to be awarded under this Settlement Agreement shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Settlement Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed, except that any fees already incurred by the Settlement Administrator shall be paid equally by both Parties.

1 **XVI. Preliminary Approval Hearing.**

2 1. Plaintiffs will obtain a hearing before the Court to request Preliminary Approval of the
3 Settlement Agreement and the entry of a Preliminary Approval Order for: (a) conditional certification of
4 the Settlement Class for settlement purposes only, (b) Preliminary Approval of the proposed
5 Settlement Agreement, and (c) setting a date for a Final Approval/Settlement Fairness Hearing.

6 2. The Preliminary Approval Order will provide for the Notice Packet to be sent to
7 all Class Members as specified herein. In conjunction with the Preliminary Approval Hearing,
8 Plaintiffs will submit this Settlement Agreement and will include the proposed Notice Packet.

9 3. Class Counsel will be responsible for drafting all documents necessary to obtain
10 Preliminary Approval.

11 **XVII. Final Settlement Approval Hearing and Entry of Judgment.**

12 1. Upon expiration of the Response Deadline, and with the Court's permission, a Final
13 Approval/Settlement Fairness Hearing will be conducted to determine the Final Approval of the
14 Settlement Agreement along with the amounts properly payable for: (a) Individual Settlement Payments;
15 (b) the LWDA Payment; (c) the Attorneys' Fees and Costs; (d) the Class Representative Enhancement
16 Payment; and (e) all Settlement Administration Costs.

17 2. The Final Approval/Settlement Fairness Hearing will be held no later than forty-five (45)
18 calendar days after the Response Deadline.

19 3. Class Counsel will be responsible for drafting all documents necessary to obtain Final
20 Approval. Class Counsel will also be responsible for drafting the Attorneys' Fees and Costs application
21 to be heard at the Final Approval/Settlement Fairness Hearing.

22 **XVIII. Judgment and Continued Jurisdiction.**

23 1. The Court shall retain jurisdiction with respect to the interpretation, implementation, and
24 enforcement of the terms of this Settlement Agreement and all orders and judgments entered in
25 connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for
26 purposes of interpreting, implementing, and enforcing the Settlement embodied in this Settlement
27 Agreement and all orders and judgments entered in connection therewith.

1 **XIX. Other Provisions.**

2 1. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set
3 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein.

4 Any Exhibits to this Settlement are an integral part of the Settlement.

5 2. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the
6 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements
7 may be deemed binding on the Parties.

8 3. Amendment or Modification. This Settlement Agreement may be amended or modified
9 only by a written instrument signed by counsel for all Parties or their successors-in-interest and approved
10 by the Court.

11 4. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
12 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
13 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to
14 this Settlement Agreement to effectuate its terms and to execute any other documents required to
15 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each
16 other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to
17 reach agreement on the form or content of any document needed to implement the Settlement, or on any
18 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
19 may seek the assistance of David Rotman to resolve such disagreement.

20 5. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
21 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

22 6. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto
23 will be governed by and interpreted according to the laws of the State of California.

24 7. Execution and Counterparts. This Settlement Agreement is subject only to the execution
25 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
26 executed counterparts and each of them, including facsimile and scanned copies of the signature page,
27 will be deemed to be one and the same instrument.

28 8. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this

Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

9. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

10. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only; except, however, that either Party may appeal any Court order that materially alters the Settlement Agreement's terms.

11. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to class certification only for purposes of the Settlement. If, for any reason, the Settlement is not approved, the stipulation to certification will be void. The Parties further agree that certification for purposes of the Settlement is not an admission that class action certification is proper under the standards applied to contested certification motions and that this Settlement Agreement will not be admissible in this or any other proceeding as evidence that either: (a) a class action should be certified or (b) Defendant is liable to Plaintiffs or any Class Member, other than according to the Settlement's terms.

12. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies, that it has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to their employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as

1 necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement
2 and its terms and provisions shall not be offered or received as evidence in any action or proceeding to
3 establish any liability or admission on the part of Defendant or to establish the existence of any condition
4 constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

5 13. Captions. The captions and section numbers in this Settlement Agreement are inserted
6 for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
7 provisions of this Settlement Agreement.

8 14. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement
9 or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
10 constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

11 15. Enforcement Action. If one or more of the Parties institutes any legal action or other
12 proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare
13 rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover
14 from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees
15 incurred in connection with any enforcement actions.

16 16. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
17 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed
18 more strictly against one Party than another merely by virtue of the fact that it may have been prepared by
19 counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between
20 the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

21 17. Representation by Counsel. The Parties acknowledge that they have been represented by
22 counsel throughout all negotiations that preceded the execution of this Settlement Agreement and that this
23 Settlement Agreement has been executed with the consent and advice of counsel and reviewed in full.
24 Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the Settlement
25 Agreement.

26 18. All Terms Subject to Final Court Approval. All amounts and procedures described in
27 this Settlement Agreement herein will be subject to final Court approval.

28 19. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good

1 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
2 Settlement Agreement.

3 20. Binding Agreement. The Parties warrant that they understand and have full authority to
4 enter into this Settlement, intend that this Settlement Agreement will be fully enforceable and binding on
5 all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its
6 terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal
7 or state law. Plaintiffs, and not their respective representative(s), must personally execute this Settlement
8 Agreement.

9 21. No Prior Assignments or Undisclosed Liens. Each Class Representative and the Class
10 Counsel represent that they have not assigned, transferred, conveyed, or otherwise disposed of any
11 Released Claim or claim to attorneys' fees and costs award to be paid under this Agreement. Each Class
12 Representative and the Class Counsel further represent and warrant that there are not any liens or claims
13 against any amount that Defendant is to pay under this Agreement. Each Class Representatives and Class
14 Counsel agree to defend, to indemnify, and to hold Defendant harmless from any liability, losses, claims,
15 damages, costs, or expenses, including reasonable attorneys' fees, resulting from a breach of these
16 representations or from any lien or assignment.

17 22. Confidential Information. Class Counsel will destroy all confidential documents and
18 information provided by Defendant within 60 calendar days after the completion of the administration of
19 this Agreement. Class Counsel further agree that none of the information provided by Defendant shall be
20 used for any purpose other than prosecution of this Action.

21 23. Publicity. Neither Plaintiffs nor Class Counsel will publicize the Settlement in any way
22 prior to preliminary approval. Nothing in this Stipulation shall preclude Class Counsel from
23 communicating with members of the Settlement Class after preliminary approval, and after preliminary
24 approval Class Counsel are permitted to post court-filed documents on their website for viewing by the
25 Settlement Class.
26
27
28

Ria Tilton

3/28/2019

1 Dated: _____

Plaintiff Ria Tilton

3 Dated: _____

Plaintiff Tayfur Ingalls

KAISER FOUNDATION HOSPITALS

6 Dated: _____

Please Print Name of Authorized Signatory

11 **APPROVED AS TO FORM**

LAW OFFICES OF KEVIN T. BARNES

14 Dated: _____

Kevin T. Barnes
Gregg Lander
Attorneys for Plaintiffs Ria Tilton and Tayfur
Ingalls

LAW OFFICE OF JOSEPH ANTONELLI

19 Dated: _____

Joseph Antonelli
Attorneys for Plaintiffs Ria Tilton and Tayfur
Ingalls

LAW OFFICES OF SAHAG MAJARIAN II

24 Dated: _____

Sahag Majarian, II
Attorneys for Plaintiffs Ria Tilton and Tayfur
Ingalls

1 Dated: _____

Plaintiff Ria Tilton

2

3 Dated: _____

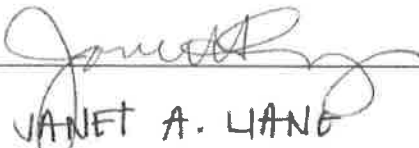
Plaintiff Tayfur Ingalls

4

5

KAISER FOUNDATION HOSPITALS

6 Dated: 4/8/19


JANET A. LIANG

7

8

Please Print Name of Authorized Signatory

9

10

11 **APPROVED AS TO FORM**

12

LAW OFFICES OF KEVIN T. BARNES

13

14 Dated: _____

Kevin T. Barnes
Gregg Lander
Attorneys for Plaintiffs Ria Tilton and Tayfur
Ingalls

15

16

17

18

LAW OFFICE OF JOSEPH ANTONELLI

19

20 Dated: _____

Joseph Antonelli
Attorneys for Plaintiffs Ria Tilton and Tayfur
Ingalls

21

22

LAW OFFICES OF SAHAG MAJARIAN II

23

24

25 Dated: _____

Sahag Majarian, II
Attorneys for Plaintiffs Ria Tilton and Tayfur
Ingalls

26

27

28

1 Dated: _____

Plaintiff Ria Tilton

3 Dated: _____

Plaintiff Tayfur Ingalls

KAISER FOUNDATION HOSPITALS

6 Dated: _____

9 Please Print Name of Authorized Signatory

11 **APPROVED AS TO FORM**

LAW OFFICES OF KEVIN T. BARNES

14 Dated: _____

Kevin T. Barnes
Gregg Lander
Attorneys for Plaintiffs Ria Tilton and Tayfur
Ingalls

LAW OFFICE OF JOSEPH ANTONELLI

19 Dated: April 3, 2019



Joseph Antonelli
Attorneys for Plaintiffs Ria Tilton and Tayfur
Ingalls

LAW OFFICES OF SAHAG MAJARIAN II

24 Dated: _____

Sahag Majarian, II
Attorneys for Plaintiffs Ria Tilton and Tayfur
Ingalls

3/28/2019

Dated:

Plaintiff Ria Tilton

Dated:

Plaintiff Tayfur Ingalls

KAISER FOUNDATION HOSPITALS

Dated:

Please Print Name of Authorized Signatory

APPROVED AS TO FORM

LAW OFFICES OF KEVIN T. BARNES

Dated:

Kevin T. Barnes
Gregg Lander
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Dated:

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Dated:

4/3/19

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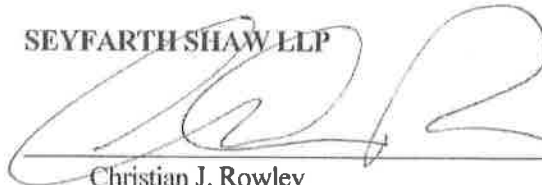
UNITED EMPLOYEES LAW GROUP, PC



Walter L. Haines
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Ingalls

Dated: Apr 23. 2019

SEYFARTH SHAW LLP



Christian J. Rowley
Kerry Friedrichs
Attorneys for Defendant Kaiser Foundation
Hospitals

Dated: 4/15/19

EXHIBIT 1

LEGAL NOTICE:

If you worked for Kaiser Foundation Hospitals as a non-exempt 10 or 12-hour employee in California during the class period from December 16, 2011 through <<date>>, this class action settlement will affect your rights

A court authorized this Notice.

Tilton, et al. v. Kaiser Foundation Hospitals, Inc., et al., Case No. CIVDS1517937

Notice is hereby given that a proposed settlement (the “Settlement”) of the above-referenced class action lawsuit has been reached by the named plaintiffs Ria Tilton and Tayfur Ingalls (“Plaintiffs”) and Kaiser Foundation Hospitals (“Defendant”). The proposed Settlement has been granted preliminary approval by the San Bernardino County Superior Court.

The proposed Settlement will resolve all claims against Defendant in the above-referenced lawsuit (the “Action”). A final approval hearing addressing the fairness, adequacy, and reasonableness of the Settlement will be held on [date of Final Approval Hearing] to determine whether the Settlement should receive the Court’s final approval. The location of the final fairness hearing is in Department S26 of the California Superior Court for the County of San Bernardino, 247 West Third Street, San Bernardino, California 92415-0210.

As a Class Member, your legal rights are affected whether you act or do not act. This Notice explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them and how to obtain them. **Read this Notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	You will be paid your Claim Amount (set forth in Sections 6-8 of this Notice) and you will give up any rights to sue for the Released Claims (defined below).
SUBMIT A DATA DISPUTE	Dispute the number of workweeks listed in your Notice. Receive a settlement share and give up any rights to sue for the Released Claims.
EXCLUDE YOURSELF	Waive all rights, including money, from the settlement. Retain all rights you may have against Defendant, explained below.
OBJECT	Write to the Court about why you do not agree with the settlement. The Court may or may not agree with your objection.

1. Why Did I Get This Notice Package?

You are not being sued. Plaintiffs filed a class, collective, and representative action against Kaiser Foundation Hospitals on behalf of similarly situated 10 and 12-hour employees, like you. The Settlement Class is defined to include 10 and 12-hour employees that were employed by Defendant during the time period covered by Plaintiffs’ lawsuit (December 16, 2011 through <<date>>).

Receipt of this Notice means that you are in the Settlement Class and that you are entitled to share in the proceeds from the proposed Settlement. The purpose of this Notice is to: (a) provide a brief description of the Action; (b) inform you of the proposed Settlement; and (c) discuss your rights and options with respect to the Action and the Settlement.

2. What Is This Lawsuit About?

Plaintiffs were employed in California by Kaiser Foundation Hospitals as non-exempt 10 or 12-hour employees during all or part of the period covered by the lawsuit (from December 16, 2011 through <<date>>). The Court

has approved Plaintiffs to represent the Class. Plaintiffs allege that Kaiser Foundation Hospitals engaged in practices that violate California's labor and unfair competition laws and the federal Fair Labor Standards Act by failing to pay all wages due (including minimum wage and overtime wages) for all hours worked, failing to provide meal and rest periods, failing to timely pay final wages, failing to furnish accurate itemized wage statements, and engaging in unfair business practices. Kaiser Foundation Hospitals denies any liability or wrongdoing whatsoever and denies that wages, damages, or penalties are owed, or that it acted contrary to California law or Federal law.

3. Do I Need to Hire an Attorney?

You do not need to hire your own attorney. You are already represented by Class Counsel (see Section 14 for contact information). However, you may hire your own attorney at your own expense if you choose to do so.

4. What Is Kaiser Foundation Hospitals' Position?

Kaiser Foundation Hospitals denies and continues to deny each of the claims and contentions. However, it has concluded that any further defense of this litigation would be protracted and expensive for all Parties. Kaiser Foundation Hospitals has already spent substantial amounts of time, energy and resources defending this case and, unless this settlement is agreed to, will have to continue to devote time, energy and resources to the defense of the claims asserted by the Class. Kaiser Foundation Hospitals has, therefore, agreed to settle in the manner and upon the terms set forth in the Settlement Agreement to put to rest the claims as set forth in the Action.

5. What Does the Settlement Provide?

Class Members who do not timely submit a signed and valid request for exclusion will receive payments from the Net Settlement Amount. The Net Settlement Amount is the portion of the Class Settlement available for distribution to Class Members who do not timely submit a signed and valid request for exclusion after deduction of the Court-approved Class Representative Enhancement Payments, Class Counsel's Attorneys' Fees and Costs, Settlement Administration Costs, and the State of California's portion of the PAGA Payment.

Deductions for Class Representatives Enhancement Payments, Class Counsel's Attorneys' Fees and Costs, Settlement Administration Costs, and the PAGA Payment. Class Counsel will ask the Court to award attorneys' fees in the amount of up to \$6,666,666, which represents one-third (1/3) of the Class Settlement Amount, and litigation costs estimated at \$60,000 from the Class Settlement Amount. In addition, Class Counsel will ask the Court to authorize a Representative Enhancement Payment from the Class Settlement Amount in the amount of \$30,000 to Plaintiff Tayfur Ingalls and in the amount of \$20,000 to Plaintiff Ria Tilton to compensate for them for the risks, time and expense of their involvement in this Action. This payment is in addition to whatever payment Plaintiffs are otherwise entitled to as a Class Members. The Settlement Administrator will also be reimbursed for the expense of notifying the Class Members of the settlement, processing claims and requests for exclusions submitted by Class Members and distributing Individual Settlement Payments. Settlement Administration Costs are estimated at \$75,000. Finally, Class Counsel will ask the Court to approve a PAGA Payment in the amount of \$250,000 for claims under the Private Attorneys General Act of 2004, Labor Code §§2698, *et seq.*, of which \$187,500 will be awarded to the State of California, and \$62,500 will be awarded to Class Members by adding this amount to the Net Settlement Amount.

6. What Can I Get From the Settlement?

Kaiser Foundation Hospitals' records indicate that you worked approximately [REDACTED] workweeks as a 10 or 12-hour employee between December 16, 2011 and (Date of Preliminary Approval). Based on these records, your estimated payment as a Class Member would be \$XXXXX.

Class Members who do not opt-out will be paid out of the Net Settlement Amount. One-third (1/3) of each Individual Settlement Payment will be designated for alleged unpaid wages, for which an IRS Form W-2 shall

be issued. One-third (1/3) will be designated for interest and (1/3) for penalties, for which portions an IRS Form 1099 shall be issued.

If you do not timely submit a valid request for exclusion by the Response Deadline, you will receive your share of the Net Settlement Amount after the Court approves the settlement.

7. How Was My Share Calculated?

To determine the amount of the Net Settlement Amount to which each Class Member is entitled, the Settlement Administrator used the workweek information provided by Kaiser Foundation Hospitals to calculate the total number of weeks worked by the Class Member as a 10 or 12-hour Kaiser Foundation Hospitals employee (“Individual Workweeks”) during the Class Period and the total number of weeks worked by all Class Members as 10 or 12-hour employees (“Class Workweeks”) during the Class Period. To determine each Class Member’s Individual Settlement Payment, the Settlement Administrator used the following formula: Individual Settlement Payment = (Individual Workweeks ÷ Class Workweeks) × Net Settlement Amount.

Individual Settlement Payments are net of employee and employer portions of state and federal withholding taxes.

8. How Can I Get Payment?

You do not need to take any action to qualify for payment. However, if you dispute the number of workweeks to which you have been credited, as provided in this Notice, or the amount of your Individual Settlement Payment, you must contact the Settlement Administrator to register your dispute. You must mail or fax the Settlement Administrator with the details of your dispute and documentary evidence (for example, W-2s or paystubs). The deadline for this is <<Response Deadline>>. If you do nothing, you will receive your Individual Settlement Payment and be bound by the terms of the settlement (including the Released Claims described in Section 12 below).

California law protects Class Members from retaliation based on their decision to participate in a class action settlement.

9. When Would I Get My Payment?

The Court will hold the Final Approval Hearing on or about <<date>> in Department S26 of the California Superior Court for the County of San Bernardino, 247 West Third Street, San Bernardino, California 92415-0210, to decide whether to approve the settlement.

If the Court approves the settlement, your settlement share will be mailed to you within approximately 90 days from the date of final judgment, unless there are objections, appeals, or other challenges to the final judgment. It is always uncertain when these issues can be resolved and resolving them can take time.

10. What Rights Do I Give Up If I Participate or Do Nothing?

Unless you exclude yourself, you will remain a Class Member, and you will be bound by the terms of the settlement, including releasing the Released Claims described below. That means that you will be unable to sue, or to continue to sue, or be part of any other lawsuit or administrative claim asserting the Released Claims. It also means that all of the Court’s orders will apply to you and legally bind you.

Released Claims

As of the date of the Order Granting Final Approval, Class Members who do not opt out shall release Defendant and its present and former affiliates and all of their officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by through, under or in

concert with any of them (“Released Parties”), from any and all claims, debts, liabilities, demands, obligations, penalties, premium pay, guarantees, costs, expenses, attorney’s fees, damages, actions or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, under any legal theory under federal and state law for any alleged failure to pay all wages due (including minimum wage and overtime wages), failure to pay for all hours worked (including off-the clock work), failure to provide meal and rest periods, failure to timely pay wages and final wages, failure to properly calculate the regular rate of pay, donning and doffing, failure to furnish accurate wage statements including claims derivative and/or related to these claims, liquidated damages, conversion of wages, that the Labor Code Section 514 exemption does not apply to Defendant’s 10 or 12 hour employees, pre and post shift work and record-keeping violations, up to and including the date of preliminary approval by the Court. This Release shall include, claims that were raised, or that reasonably could have been raised based on the facts and allegations in cases brought in the Caudill, Rodriguez or Osilla matters (as noted below) as they relate to 10 and 12 hour employees only. This Release shall include all claims arising under the applicable regulations, Wage Orders and Labor Code, including sections 201, 202, 203, 204, 206, 218, 218.5, 226, 226.3, 226.7, 227, 510, 511, 512, 515, 517, 551, 552, 558, 1174, 1175, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, as well as claims under Business and Professions Code section 17200 et seq., and/or Labor Code section 2698 et seq. based on alleged violations of the above Labor Code provisions, and the Fair Labor Standards Act, 29 U.S.C. section 201, et seq. as alleged in the lawsuits.

Limitation on release of claims in connection with *Jose F. Andino v. Kaiser Foundation Hospitals* (California First Appellate District Court of Appeal Case No. A153962; Alameda County Superior Court Case No. RD11580548) shift tolerance or “rounding” claims: For purposes of this Settlement the class release shall include one half of the value of any Labor Code 203 penalties, one half of the value of any Labor Code 226 penalties, one half of the value of any Labor Code 2698, et seq. PAGA penalties, and none of the underlying wages or overtime or interest thereon that is allegedly owed as a result of the operation of KFH’s shift tolerance or “rounding” practice as alleged in the Andino matter provided however, that if there is a judgment or settlement in the Andino matter, these carved out liabilities also shall be extinguished. Labor Code 203 penalties, Labor Code 226 penalties, and PAGA penalties for any and all claims other than claims based on KFH’s shift tolerance or “rounding” practice as alleged in the Andino matter are released as set forth above. It is the intent of the parties to extinguish all identified claims that could be brought by any class member for the Class Period with the very limited exception that if class members are also in the Andino class they are retaining the carved out claims herein only for the purposes of potential recovery in the Andino case and not for any other case.

The parties also agree that to the extent employees in the putative class as alleged in the *Monica Smith v Kaiser Foundation Hospitals* (SDCA Case No. 3:18-CV-00780-DMS-KSC) matter worked 10 or 12 hour shifts they shall be included in the release as to all shifts that they worked 10 or 12 hours; provided however that they shall not be releasing off the clock/overtime claims for alleged pre- or post-shift off the clock work or pre- or post-meal period off the clock work due to the operation of the computer log-in system or Labor Code 203 or 226 claims arising out of that theory or PAGA claims related to that theory.

In addition to the claims enumerated above, each member of the Settlement Class who endorses his or her Individual Settlement Payment check by signing the back of the check and depositing or cashing the check shall release and forever waive any and all claims the Settlement Class member may have under the Fair Labor Standards Act (FLSA), including restitution, back pay, attorneys’ fees and costs, interest, and liquidated damages.

11. How Do I Exclude Myself from the Settlement?

If you do not wish to participate in the settlement, you may exclude yourself (generally called “opting out”) by submitting a written opt-out request to the Settlement Administrator. In order to opt-out, you must (1) fax or mail a written signed statement that “I wish to opt out from the Tilton v. Kaiser Foundation Hospitals Settlement.”; (2) state your name (and former names, if any), current address, telephone number and the last four digits of your Social Security number; and (3) ensure that your signed statement is faxed or postmarked no later than << Response Deadline >> (“Response Deadline”).

You must sign the request for exclusion personally and may not have someone sign for you, nor may you submit a request for exclusion on behalf of a group. Your request for exclusion must be signed and returned via fax or United States first class mail postmarked no later than << Response Deadline >> to:

Rust Consulting
625 Marquette Ave, Suite 900,
Minneapolis, MN 55402
(612) 359-2988.
Facsimile: (612) 359-2050

If you submit a timely and valid request for exclusion, then upon its receipt you shall no longer be a member of the Class, you shall be barred from participating in any portion of the settlement, meaning you may not object and you shall receive no benefits from the settlement. If you wish, you may pursue, at your own expense, any claims you may have against Defendant. If you do not submit a complete and timely written request for exclusion, you will be included in the Class, and be bound by the terms of the settlement (including the Released Claims described in Section 12 herein).

Do not submit both an objection and request for exclusion. If you submit both, the request for exclusion will be valid, and you will be excluded from the Class.

12. When Is the Final Approval and Fairness Hearing?

The Court will hold a Final Approval Hearing in Department S26 of the California Superior Court for the County of San Bernardino, 247 West Third Street, San Bernardino, California 92415-0210, on <<date and time>>, to determine whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also be asked to approve Plaintiffs’ Class Representative Enhancement Payments, Class Counsels’ request for Attorneys’ Fees and Costs, the Settlement Administration Costs, and the PAGA Payment.

The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at this hearing unless you have timely filed an objection or notice of intention to appear with the Court. Notice of the final judgment will be posted on the Settlement Administrator’s website at www.RustConsulting.com.

13. How Do I Object to the Settlement and Appear at the Final Approval and Fairness Hearing?

You may object to the terms of the settlement before the Final Approval Hearing. However, if the Court rejects your objection, you will still be bound by the terms of the settlement. To object, you must mail a written objection to the Settlement Administrator (at the address in Section 13 herein). Any written objection must contain a statement of your objection to this settlement, accompanied by legal support, if any. Your objection must also contain your full name, address, telephone number, and signature. To be valid and effective, any objections to approval of the settlement must be faxed or postmarked no later than << Response Deadline >>.

Class Members who fail to make objections in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether by appeal or otherwise) to the settlement.

You do not have to attend the hearing, but you may do so at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

If the Court approves the settlement despite any objections, you will receive your settlement proceeds and will be bound by the terms of the settlement (including the Released Claims described in section 12 herein).

14. How Do I Get Additional Information?

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you should consult the detailed Stipulation And Settlement Of Class, Collective, And Representative Action (“Settlement Agreement”) between Plaintiffs and Defendant, which is on file with the Clerk of the Court, case number CIVDS1517937. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined at any time during regular business hours at the Office of the Clerk of the California Superior Court for the County of San Bernardino.

CLASS COUNSEL	DEFENDANT’S COUNSEL
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PLEASE DO NOT WRITE OR TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS.

If you have any questions, you can call the Settlement Administrator at (612) 359-2000 or Class Counsel Kevin T. Barnes at (323) 549-9100 or Joseph Antonelli at (909) 393-0223.

BY ORDER OF THE CALIFORNIA SUPERIOR COURT