

SETTLEMENT AND RELEASE AGREEMENT

RECITALS

1. This Joint Stipulation of Settlement and Release ("Settlement Agreement") is made and entered into by and between plaintiffs Efrain Sanchez, Alejandro Ruiz and Luis Franco (collectively "Sanchez") on behalf of themselves and all others similarly situated individuals ("Plaintiffs"), and defendants Grupo Deco California Corporation, a California Corporation, Grupo Deco America Corporation, a Delaware Corporation and Deco California Insurance Agency, a California Corporation (hereafter collectively "Defendants" or "Grupo Deco") and their respective counsel of record. Pursuant to this Settlement Agreement, Deco California Insurance Agency, a California Corporation, will be added as a Defendant in this action. This Settlement Agreement is subject to court approval.
2. The Plaintiffs and Defendants are collectively referred to as "the Parties."
3. As used hereafter, "Settlement Class Counsel" refers to James Hawkins APLC (by James Hawkins and Christina Lucio).
4. "Defendants' Counsel" refers collectively to The Law Office of David J. Hamilton (by David J. Hamilton) and the Law Office of Joseph D. Tuchmayer (by Joseph D. Tuchmayer).
5. On November 6, 2013, Sanchez filed a Complaint in Superior Court for the County of Los Angeles, Case No. BC526934, on behalf of himself and all others similarly situated naming Grupo Deco as defendant. The case was assigned to Judge Kenneth R. Freeman. Sanchez filed a First Amended Complaint on or about May 28, 2015 (hereafter the "First Amended Complaint") and purported to allege therein class action and Private Attorney General Act ("PAGA") claims for (1) breach of contract and the implied covenant of good faith and fair dealing, (2) failure

to pay overtime wages, (3) failure to pay minimum wages, (4) failure to reimburse necessary expenditures, (5) failure to provide meal periods, (6) failure to authorize and permit rest periods, (7) failure to provide with accurate itemized wage statements, (8) failure to pay wages owed upon separation from employment, (9) unfair competition, and, (10) violation of Labor Code Section 2698, *et seq.*

6. The Parties convened a day-long mediation on March 7, 2017, with Michelle Reinglass as Mediator. The Parties were unable to resolve the matter at that time but with the continued involvement of the mediator were able to come to an agreement.

7. Grupo Deco denied and continues to deny any liability and/or wrongdoing alleged in the First Amended Complaint and further asserts that, for any purpose other than settlement, this action is not appropriate for class treatment.

8. Plaintiffs believe they have filed a meritorious action based on alleged violations of California's wage and hour laws and that class certification is appropriate because the requisites for class certification can be satisfied in this case.

9. It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge all disputes and claims arising from or related to the First Amended Complaint which exist between them.

10. It is the intention of the Parties that this Settlement Agreement shall constitute a full and complete settlement and release of all disputes and claims arising from or related to the First Amended Complaint which exist between them, which release includes in its effect Defendants, and all present and former parent companies, subsidiaries, related entities, shareholders, officers, directors, employees, agents, independent contractors, partners, limited partners, general partners, spouses, descendants, servants, registered representatives, attorneys, insurers, affiliates and successors and assigns of Defendants.

11. Settlement Class Counsel has conducted a thorough investigation into the facts of the First Amended Complaint, including an extensive review of documents and data, including without limitation financial documents including without limitation tax returns and has diligently pursued an investigation of Settlement Class Members' claims against Grupo Deco. Based on Settlement Class Counsels' independent investigation and evaluation, Settlement Class Counsel is of the opinion that the settlement with Grupo Deco for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable and adequate, and is in the best interest of the class defined below in light of all known facts and circumstances, including the risk of significant delay, defenses asserted by Grupo Deco, the current and projected status of the economy with respect to the funeral home industry in general and pre-need funeral contracts in particular, Grupo Deco's relative size and financial position within that industry, Grupo Deco's current financial condition and numerous potential appellate issues. Grupo Deco and Defendants' counsel also agree that the settlement is fair and in the best interest of the Settlement Class.

CLASS CERTIFICATION

12. The Parties propose that the named plaintiffs, Sanchez, Ruiz and Franco represent the following class or classes *for the purposes of settlement only*:

All individuals who were employed as non-exempt employees by Defendants Grupo Deco California Corporation, Grupo Deco America Corporation, and/or Deco California Insurance Agency (hereafter "Defendants") -- including without limitation pre-need agents (hereafter "Pre-Need Agent") by Defendants to sell pre-need policies in the State of California at any time and who earned a commission from selling pre-need policies for Defendants -- from November 6, 2009 to the date of preliminary approval.

The Parties stipulate and agree that named plaintiffs Efrain Sanchez, Alejandro Ruiz and Luis Franco are appropriate class representatives for this settlement class as they are former non-exempt employees of Defendants who also sold pre-need policies during the relevant time frame and their claims are typical of the Settlement Class they seek to represent (hereafter “Class Representatives”).

TERMS OF SETTLEMENT

13. Grupo Deco’s total payment under this Settlement Agreement, including but not limited to payments to the Settlement Class, payments to Settlement Class Counsel for attorneys' fees and costs, costs of Settlement Administration, and payments to the Class Representatives is **Eighty Thousand Dollars (\$80,000.00)** (the "Settlement Fund"). Under no circumstances shall Grupo Deco be required to spend more than Eighty Thousand Dollars (\$80,000.00), in total, for any reason or anything under this Settlement Agreement except to pay the employer’s share of payroll taxes or as otherwise hereafter specified.

14. Settlement Class Counsel will apply to the Court for, and Grupo Deco will not oppose, payment from the Settlement Fund not to exceed thirty-three and one-third percent (33 1/3%) of the Settlement Fund in attorneys' fees.

15. Settlement Class Counsel will apply to the court for, and Grupo Deco will not oppose, payment from the Settlement Fund of up to Fifteen Thousand Dollars (\$15,000) in costs.

16. The amounts specified in Paragraphs 14 and 15 shall collectively compensate Settlement Class Counsel for all fees and costs incurred to date and to be incurred in the future related to this matter, including without limitation, filing fees, deposition fees, mediation fees and expert fees as well as all such fees and costs incurred in documenting the settlement, securing Court approval of the settlement, monitoring

the settlement, obtaining judgment in the action and prosecuting or defending any appeal.

17. Settlement Class Counsel will apply to the Court for, and Defendants will not oppose incentive payments not to exceed Two Thousand Five Hundred Dollars (\$2,500.00) each (which will be reported on an IRS form 1099) from the Settlement Fund to Sanchez, Ruiz and Franco for their service as Class Representatives.

18. Settlement Class Counsel will apply to the Court for, and Defendants will not oppose “Settlement Administration Costs” in an amount of up to Twelve Thousand Dollars (\$12,000.00). “Settlement Administration Costs” means all costs incurred by the Settlement Administrator in administration of the Settlement, including, but not limited to, translation into Spanish and mailing of notice to the class, calculation of Individual Settlement Payments, generation of Individual Settlement Payment checks and related tax reporting forms, administration of unclaimed checks, and distribution of funds (via checks or otherwise) to Class Counsel for attorneys’ fees and costs, to Ruiz, Sanchez, and Franco for their service as Class Representatives, and to the Labor and Workforce Development Agency (“LWDA”) for its share of PAGA penalties, all pursuant to the terms of this Agreement.

19. The Parties have agreed to retain ILYM Group, Inc., as the Settlement Administrator.

20. The Parties have also agreed to allocate One Thousand Dollars (\$1,000) as a PAGA penalty payment to settle any and all claims for which penalties under the Private Attorneys General Act of 2004, Labor Code section 2698, et seq. (“PAGA”) may be sought or are otherwise available as set forth in the operative complaint. Seventy-five percent (75%) of this amount or \$750 will be paid to the LWDA and twenty-five percent (25%) of this amount or \$250 will be distributed to the Class as

part of the Net Settlement Fund. The LWDA will be provided with a copy of this settlement agreement and included on the proof of service.

21. The remaining amount of the Settlement Fund (after deduction of the amounts set forth in paragraphs 14-20), hereafter the “Net Settlement Fund” shall be distributed in “Individual Settlement Payments” according to the point system set forth below in this Paragraph 21. The Net Settlement Fund shall be distributed according to the following formula:

- a. **One (1) point** for each month an individual was on the payroll of Defendants at any time from November 6, 2009 to the date of entry of the Preliminary Approval Order and employed as a non-exempt employee.
- b. **Two (2) points** for each commissioned pre-need sale made by a non-exempt from November 6, 2009 to the date of entry of the Preliminary Approval Order. “Commissioned pre-need sales” are limited to sales in which the purchaser did not revoke or otherwise cause the sale to be cancelled (including without limitation by a failure to make required payments) within twelve months of the date the sales contract was executed by the purchaser. In the event the twelve month period has not elapsed by the date of entry of the Preliminary Approval Order with respect to a sales contract, that contract shall be treated as a completed sale.
- c. The value of each point will be determined by dividing the Net Settlement Fund by the total number of points derived from the sum of a. and b. above. The estimated amount due to a Settlement Class Member shall be the value of a single point multiplied by the total points available to that Settlement Class Member.
- d. If an individual was not on the payroll for at least fifteen (15) days during

a month, that individual shall not receive a point for that month.

22. Each Individual Settlement Payment will represent wages, interest, penalties, and expense reimbursement allocated using the following formula: 15% allocated to wages; 80% to expense reimbursement; and 5% allocated to penalties and interest. Individual Settlement Payments paid from the Net Settlement Amount allocated to wages will be reduced by applicable payroll withholdings and deductions, and the Settlement Administrator will issue a Form W-2 for the wage portion of the Individual Settlement Payments. The Settlement Administrator will issue a Form 1099 to the extent required by law for the expense reimbursement, interest and penalty portions of the Individual Settlement Payments.

23. This Settlement Agreement shall become effective on the "Effective Date". "Effective Date" means sixty-one (61) calendar days plus two court days after the entry of the Final Approval Order and Judgment. However, in the event that an appeal or other effort to obtain reconsideration or review has been initiated, the "Effective Date" shall instead mean two (2) court days after the date that such appeal or other reconsideration or review has been finally concluded in favor of the Final Approval Order and Judgment and the Final Approval Order and Judgment is no longer subject to review, whether by appeal, petitions for rehearing, petitions for rehearing en banc, petitions for certiorari, or otherwise. The disposition entered by the Court will not adjudicate the merits of the action or the liability of the Parties resulting from the allegations of the action. Its sole purpose is to adopt the terms of the Settlement and to retain jurisdiction over its enforcement. To that end, pursuant to Code of Civil Procedure Section 664.4, the Court shall retain continuing jurisdiction over this action and over all Parties and Settlement Class Members to enforce and effectuate the terms and intent of this Agreement.

24. Defendants will fund the Settlement Fund by making equal payments every 90 days, with the first payment made into the Settlement Fund within 60 days of the Effective Date. Every payment into the Settlement Fund shall be in the amount of \$5,714.29, except the last payment (1260 days after the Effective Date) which shall be in the amount of \$5,714.23. In order to reduce the costs of administration, the Settlement Fund will be distributed by mail in two installments with the first distribution made within 600 days of the Effective Date specified in Paragraph 22, above, and the second distribution will be made within twenty days after the last payment is made by Defendants into the Settlement Fund. Amounts due to Settlement Class Counsel for attorney's fees and costs, and payments to the Class Representatives shall be treated in the same fashion as distributions to the Settlement Class. The Settlement Administrator shall be paid up to \$12,000 from the initial payments made by Defendants.

25. As the Parties believe in good faith that they have identified all potential members of any class identified above, qualified claimants will include only those individuals of the Settlement Class identified and who are provided with a Notice of Pendency of Class Action and of Settlement of Class Action, Settlement Hearing and Right to Appear as set forth below.

NOTICE TO THE PLAINTIFF CLASS

26. A Class Notice of Pendency of Class Action, Proposed Settlement and Hearing Date for Court Approval ("Class Notice") substantially in the form attached as Exhibit "A" and approved by the Court shall be sent by the Settlement Administrator to each Settlement Class Member. Attached to the Class Notice will be a Request for Exclusion Form ("Opt Out" Form) substantially in the form attached as Exhibit "B" and approved by the Court which also shall be sent by the Settlement

Administrator to each Settlement Class Member.

27. Defendants' Counsel shall provide to the Settlement Administrator and to Settlement Class Counsel, within two (2) calendar days following the Preliminary Approval Date, an updated database of all putative Settlement Class Members, including last known street address, email address and telephone number, Grupo Deco's identification number and dates they were on a Grupo Deco payroll as a putative Settlement Class Member. In addition, Defendants' Counsel shall provide the number of pre-need sales made by each putative Class Member as defined in Paragraphs 12 and 21(b), above. Except for the names of all putative Settlement Class Members, all other information pertaining to putative Settlement Class Members is confidential information and shall not to be disclosed to the Class Representatives or anyone else who is not directly assisting Settlement Class Counsel.

28. Within seven (7) calendar days of the entering of an order granting preliminary approval of the settlement and Class Notice, the Settlement Administrator shall update the addresses using the United States Postal Service's NCOALink system.

29. Within fourteen (14) calendar days of the entering of an order granting preliminary approval of the settlement, the Settlement Administrator shall mail a Notice Packet by First Class United States Mail to each Settlement Class Member. The Notice Packet shall consist of the Class Notice (in both English and Spanish) attached hereto as Exhibit A and the Opt Out Form attached as Exhibit B.

30. Also within fourteen (14) calendar days of the entering of an order granting preliminary approval of the settlement and Class Notice, the Notice Packet shall be *emailed* to each Settlement Class Member for whom there is a known email address

by the Settlement Administrator.

31. If any Class Notices are returned as undeliverable, the Class Administrator shall within two (2) days attempt to contact such persons via telephone and email and obtain a current address and to the extent a more current address is obtained, mail a Notice Packet within one (1) business day of receiving the updated address. If a Class Notice is returned from the initial notice mailing and the foregoing efforts are not successful, the Settlement Administrator shall conduct a skip trace in an attempt to locate a more current address. If the Settlement Administrator is successful in locating a new address, it will re-mail the Notice to the Settlement Class member. Further, any Notices returned with a forwarding address to the Settlement Administrator, as non-deliverable before the deadline date, shall be sent to the forwarding address affixed thereto. The same procedure will be followed with regard to checks.

32. Settlement Class Counsel shall have the right in its discretion to take appropriate steps to locate and assist Settlement Class Members to participate in the Settlement.

33. The Settlement Administrator shall provide the Court, at least ten (10) days prior to the final fairness hearing, a declaration of due diligence and a declaration of mailing with regard to the mailing of the Class Notice.

34. Each Class Notice will set forth (i) the number of months a Settlement Class Member was employed by Grupo Deco during the relevant time period set forth in Paragraph 21, (ii) the total number of points assigned to the Settlement Class Member by Defense Counsel and Settlement Class Counsel as calculated pursuant Paragraph 20, (iii) the estimated value of each point and, (4) the estimated disbursement to each Settlement Class Member. The Settlement Class Members

may challenge any aspect of the settlement, including any of the data or calculations as provided in the Class Notice and as defined in Paragraph 21 and in Paragraph 37. The Class Notice shall include (1) the right to opt out of the Class, (2) the right to objection to this settlement, and (3) the right to appear at the Final Fairness and Approval Hearing, prior to final approval of this settlement.

OPT OUT AND OBJECTIONS RIGHTS AND PROCEDURES

35. Settlement Class Members may opt out by submitting the “Opt Out” Form within the time provided. Subject to Court approval, Defense Counsel and Settlement Class Counsel will resolve any challenges to any calculations of amounts due under the distribution formula and the timeliness of any challenges or opt out notices and make a final and binding determination without hearing or right of appeal.

36. A Settlement Class Member may object to the terms of the settlement. However, if the Court rejects such objection, the Settlement Class Member will still be bound by the terms of the settlement. A Settlement Class Member may not submit both an Opt Out Form and an Objection. If a Settlement Class Member submits both an Objection and an Opt Out Form, the Opt Out Form will be accepted, and the Objection will be rejected. If a Settlement Class Member chooses to object to the settlement, that person may appear at the Final Fairness and Approval Hearing, in *propria persona* or through counsel at that person’s own cost. Written objections should be sent to the Settlement Administrator and should include the name, address, dates of employment with Defendants, the last four digits of the person’s social security number, and a detailed statement of the specific reason for each objection and any legal support for each objection, as well as any supporting documents, briefs, exhibits or other materials. Written objections must be signed by the

individual or that person's attorney, and it must also state whether the person or attorney intends to appear at the Final Fairness and Approval Hearing. Within two business days of receipt, the Settlement Administrator will provide the Objection and any related documents to Settlement Class Counsel who will then file the Objection with the Court. Any written objection must be postmarked no more than forty-five (45) after the Class Notice was mailed in order to be considered by the Court.

37. If a Settlement Class Member believes that the calculations of the amount that may be due to that person under the Settlement Agreement are incorrect that person must promptly send a letter explaining the reason(s) the person believes the calculation is incorrect together with any supporting documents to Defendants' Counsel with a copy to Settlement Class Counsel at the addresses set forth below. Defendants' Counsel and Settlement Class Counsel will review and respond to the letter within five business days of receipt; however, their decision on matters is final and the Settlement Class Member's only recourse if that person continues to disagree will be to opt out of the class or formally object to the Settlement Agreement.

38. No Opt Out Form will be honored if postmarked more than forty-five (45) days after the Class Notice was mailed. The Administrator shall provide a certification to Class Settlement Counsel and Defendants' Counsel of the date or dates on which the Notices were mailed.

39. All original Opt Out Forms shall be sent directly to the Administrator at the address indicated on the Opt Out Form. The Administrator will certify what Opt Out Forms were timely received.

DISBURSEMENT OF FUNDS

40. The Administrator shall be responsible for issuing the payments and preparing the appropriate W-2s, 1099 forms, and any other documentation required by governmental authorities with respect to the disbursements herein. Upon completion of its calculation of payments, the Administrator shall provide Counsel for the Parties with a report listing the amount of all payments to be made to each qualified claimant taking into account any Opt Outs. A declaration of payment will be provided to the Parties and may be filed with the Court.

41. Recipients of any disbursements herein shall have one hundred and eighty (180) calendar days after mailing by the Administrator to cash their settlement checks.

42. If any checks are returned to the Class Administrator as undeliverable, the Class Administrator shall within two (2) days seek to update the address using the NCOA database, and attempt to contact such persons via telephone and email and obtain a more current address. To the extent a more current address is obtained, the Class Administrator shall re-mail the check within one (1) business day of receiving the updated address.

43. To the extent that an Individual Settlement Payment check is (1) undeliverable after efforts by the Administrator in accordance with Paragraph 42 or (2) uncashed 180 days after the date listed on the check, the Individual Settlement Payment check shall be sent to the California Unclaimed Property Fund for the benefit of the Settlement Class Member to whom the Individual Settlement Payment check is addressed.

RELEASE BY THE CLASS

44. Upon the Effective Date of this Settlement Agreement, and except as to such rights or claims as may be created by this Settlement Agreement, the Settlement Class, including Named Plaintiffs Sanchez, Ruiz and Franco and each member of the Settlement Class fully releases and discharges Defendants Grupo Deco California Corporation, Grupo Deco America Corporation, and Deco California Insurance Agency, and all of its and their present and former parent companies, subsidiaries, related entities, partners, limited partners, affiliates, successors, assigns and general partners (the “Released Parties”), as well as their shareholders, officers, partners, directors, employees, agents, spouses, descendants, servants, registered representatives, attorneys, insurers, affiliates and successors and assigns of the foregoing from the “Released Claims” which include any and all claims, debts, liabilities, demands, obligations, wages, salaries, commissions, penalties, costs, expenses, reimbursement for expenses, attorneys' fees, damages, actions or causes of action of whatever kind or nature that were alleged or could have been alleged in the First Amended Complaint based on the facts and circumstances alleged therein including without limitation any claims for unpaid wages (including wages in the form of commissions), minimum wage, overtime pay, expenses, penalties, liquidated damages, interest, costs or attorney’s fees under Labor Code Sections 201, 202, 203, 226, 226.3, 226.7, 510, 558, 1174, 1194, 1198, 2698 *et seq*, 2802 and any Industrial Wage Commission Wage Order, Business and Professions Code Section 17200 and/or damages relating to the payment of wages under local and/or state as set forth in the operative Complaint for the time period from November 6, 2009, up to and including the date of entry of preliminary approval.

RELEASE BY NAMED PLAINTIFFS SANCHEZ, RUIZ AND FRANCO

45. Upon the Effective Date of this Settlement Agreement, on behalf of Sanchez, Ruiz and Franco and each of them individually, fully release and discharge Defendants Grupo Deco California Corporation, Grupo Deco America Corporation, and Deco California Insurance Agency, and all of its and their present and former parent companies, subsidiaries, related entities, partners, limited partners, general partners including without limitation their shareholders, officers, partners, directors, employees, agents, spouses, descendants, servants, registered representatives, attorneys, insurers, affiliates and successors and assigns (collectively “Releasees”) of the foregoing from any and all claims, debts, liabilities, demands, obligations, wages, salaries, commissions, penalties, costs, expenses, reimbursement for expenses, attorneys' fees, damages, actions or causes of action of whatever kind or nature that were alleged or could have been alleged in the First Amended Complaint including without limitation any claims for unpaid wages (including wages in the form of commissions), minimum wage, overtime pay, expenses, penalties, liquidated damages, interest, costs or attorney’s fees under Labor Code Sections 201, 202, 203, 212, 225.5, 226, 226.3, 226.7, 510, 551, 552, 558, 1174, 1194, 1198, 2698 *et seq*, 2753, 2698, 2802 and any Industrial Wage Commission Wage Order, Business and Professions Code Section 17200, the Fair Labor Standards Act, as amended, and/or damages relating to the payment of wages under local, state and/or federal law up to and including the date of entry of the Final Approval order and Judgment and including without limitation any transactions, occurrences, acts or omissions set forth, or facts alleged, in any and all charges, complaints, claims or pleadings filed by any Named Plaintiff against any Releasee prior to the date of entry of the Final Approval order and Judgment hereof with any city, county, state or federal agency, commission, office or tribunal whatsoever in

connection with any Named Plaintiffs' relationship with any Releasee including any termination of employment therefrom; or arising out of or in any way connected with any transactions, occurrences, act or omissions occurring prior to the date of entry of the Final Approval order and Judgment in any way related to any Named Plaintiffs' relationship with the defendant or any Releasee or termination of that relationship including specifically and without limiting the generality of the foregoing, any claim for salary, wages, overtime pay, bonuses, piece rate compensation, commissions, expenses including without limitation mileage and cell phone reimbursements, sick pay, vacation pay, meal or rest period pay, penalties, liquidated damages, interest, emotional distress, pain and suffering, punitive damages, costs or attorneys fees under any section of the California Labor Code or California Business and Professions Code Section 17200 *et seq.*, any California Industrial Wage Commission Order, the Fair Labor Standards Act as amended, the Age Discrimination in Employment Act as amended, Title VII of the Civil Rights Act of 1964 as amended, the California Fair Employment and Housing Act as amended, the Americans With Disabilities Act, any claim for wrongful termination, wrongful termination in violation of public policy, harassment, retaliation, breach of contract, breach of the covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, unfair business practices, defamation, invasion of privacy or any common law claim for continued employment, wages, severance pay, bonus, expenses, penalties, interest, attorney's fees, piece rate compensation, commissions, sick leave, holiday pay, vacation pay, life insurance, health and medical insurance or any other fringe benefit or disability. Named Plaintiffs acknowledge that they may

hereafter discover claims or facts in addition to or different from those which they now knows or believes to exist with respect to the subject matter of this Agreement and which, if known or suspected at the time of executing this Agreement, may have materially affected this settlement. Nevertheless, the Named Plaintiffs hereby waive any right, claim or causes of action that might arise as a result of such different or additional claims or facts. Named Plaintiffs hereby expressly waive any and all rights and benefits conferred upon them by the provisions of Section 1542 of the California Civil Code and expressly consent that this Agreement shall be given full force and effect according to each of its express terms and provisions, including as well those related to unknown and unsuspected claims, demands and causes of action, if any, as those relating to any other claims, demands and causes of action specified above. Section 1542 provides “A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.” *This paragraph 45 applies only to Named Plaintiffs Sanchez, Ruiz and Franco.*

DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

46. The Parties shall promptly submit this Settlement Agreement to the Superior Court in support of the Stipulated Motion for Preliminary Approval and determination by the Court as to its fairness, adequacy, and reasonableness. Defendants’ counsel shall prepare the Stipulated Motion for Preliminary Approval together with any Supplemental Stipulated Motion. Promptly upon execution of this Settlement Agreement, the Parties shall apply to the Court for the entry of a preliminary order substantially in the following form:

- a) Scheduling a fairness hearing on the question of whether the proposed settlement should be finally approved as fair, reasonable and adequate as to the members of the class;
- b) Approving as to form and content the proposed Class Notice;
- c) Approving as to form and content the proposed Opt Out Form;
- d) Directing the mailing of the Class Notice and Opt Out Form by first class mail to the Settlement Class to the last known address by first class mail, postage prepaid and to the last known email address, if any;
- e) Preliminarily approving the settlement; and,
- f) Preliminarily certifying the class for purposes of settlement.

DUTIES OF THE PARTIES REGARDING FINAL COURT

APPROVAL

47. After Notice is provided to the Settlement Class, Defendants' counsel will prepare a motion for final approval and the Parties will jointly submit the motion for final approval. Class Settlement Counsel will prepare and submit a motion in support of its request for fees, costs, and class representative enhancements. Following final approval by the Court of the settlement provided for in this Settlement Agreement, Defendants' Counsel will prepare, and the Parties will jointly submit a proposed final order and judgment:

- a) Certifying the Settlement Class;
- b) Approving the settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;
- c) Approving Settlement Class Counsel's application for an award of attorney's fees and costs;
- d) Approving the Incentive Payments to Sanchez, Ruiz and Franco;

e) Releasing the Released Claims of the Settlement Class in accordance with the Agreement and permanently barring the Settlement Class including Named Plaintiffs Ruiz, Sanchez and Franco and each member of the Settlement Class from prosecuting against any of the Released Parties including without limitation Defendants Grupo Deco California Corporation, Grupo Deco America Corporation, and Deco California Insurance Agency, and all of its and their present and former parent companies, subsidiaries, related entities, partners, limited partners, affiliates, successors, assigns and general partners, as well as their shareholders, officers, partners, directors, employees, agents, spouses, descendants, servants, registered representatives, attorneys, insurers, affiliates and successors and assigns and any of the Released Claims including any and all claims, debts, liabilities, demands, obligations, wages, salaries, commissions, penalties, costs, expenses, reimbursement for expenses, attorneys' fees, damages, actions or causes of action of whatever kind or nature that were alleged or could have been alleged in the First Amended Complaint based on the facts and circumstances alleged therein including without limitation any claims for unpaid wages (including wages in the form of commissions), minimum wage, overtime pay, expenses, penalties, liquidated damages, interest, costs or attorney's fees under Labor Code Sections 201, 202, 203, 226, 226.3, 226.7, 510, 558, 1174, 1194, 1198, 2698 *et seq*, 2802 and any Industrial Wage Commission Wage Order, Business and Professions Code Section 17200 and/or damages relating to the payment of wages under local and/or state federal law as set forth in the operative Complaint or the time period from November 6, 2009 up to and including the date of entry of preliminary approval. This release shall become effective on the Effective Date.

f) On behalf of Sanchez, Ruiz and Franco and each of them individually,

permanently barring them from prosecuting against any of the Released Parties and fully releasing and discharging the Released Parties including without limitation, Defendants Grupo Deco California Corporation, Grupo Deco America Corporation, and Deco California Insurance Agency, and all of its and their present and former parent companies, subsidiaries, related entities, partners, limited partners, general partners including without limitation their shareholders, officers, partners, directors, employees, agents, spouses, descendants, servants, registered representatives, attorneys, insurers, affiliates and successors and assigns (collectively “Releasees”) of the foregoing from any and all claims, debts, liabilities, demands, obligations, wages, salaries, commissions, penalties, costs, expenses, reimbursement for expenses, attorneys' fees, damages, actions or causes of action of whatever kind or nature that were alleged or could have been alleged in the First Amended Complaint including without limitation any claims for unpaid wages (including wages in the form of commissions), minimum wage, overtime pay, expenses, penalties, liquidated damages, interest, costs or attorney’s fees under Labor Code Sections 98, 98.2, 201, 202, 203, 212, 225.5, 226, 226.3, 226.7, 510, 551, 552, 558, 1174, 1194, 1198, 2698 *et seq*, 2753, 2698, 2802 and any Industrial Wage Commission Wage Order, Business and Professions Code Section 17200, the Fair Labor Standards Act, as amended, and/or damages relating to the payment of wages under local, state and/or federal law up to and including the date of entry of the Final Approval order and Judgment and including without limitation any transactions, occurrences, acts or omissions set forth, or facts alleged, in any and all charges, complaints, claims or pleadings filed by any Named Plaintiff against any Releasee prior to the date of entry of the Final Approval order and Judgment hereof with any city, county, state or federal agency, commission, office or tribunal whatsoever in connection with any

Named Plaintiffs' relationship with any Releasee including any termination of employment therefrom; or arising out of or in any way connected with any transactions, occurrences, act or omissions occurring prior to the date of entry of the Final Approval order and Judgment in any way related to any Named Plaintiffs' relationship with the defendant or any Releasee or termination of that relationship including specifically and without limiting the generality of the foregoing, any claim for salary, wages, overtime pay, bonuses, piece rate compensation, commissions, expenses including without limitation mileage and cell phone reimbursements, sick pay, vacation pay, meal or rest period pay, penalties, liquidated damages, interest, emotional distress, pain and suffering, punitive damages, costs or attorneys fees under any section of the California Labor Code or California Business and Professions Code Section 17200 *et seq.*, any California Industrial Wage Commission Order, the Fair Labor Standards Act as amended, the Age Discrimination in Employment Act as amended, Title VII of the Civil Rights Act of 1964 as amended, the California Fair Employment and Housing Act as amended, the Americans With Disabilities Act, any claim for wrongful termination, wrongful termination in violation of public policy, harassment, retaliation, breach of contract, breach of the covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, unfair business practices, defamation, invasion of privacy or any common law claim for continued employment, wages, severance pay, bonus, expenses, penalties, interest, attorney's fees, piece rate compensation, commissions, sick leave, holiday pay, vacation pay, life insurance, health and medical insurance or any other fringe benefit or disability.

VOIDING THE SETTLEMENT AGREEMENT

48. Plaintiffs and/or Grupo Deco may, but are not required to, withdraw from and void this Settlement Agreement should twenty-five percent (25%) or more of the Settlement Class opt out of the settlement, by providing notice to the other side within seven (7) calendar days after the party receives a list of those Settlement Class Members who opted out of the settlement.

49. The Parties agree not to encourage any class member or group of Settlement Class Members to opt out of the settlement.

PARTIES' AUTHORITY

50. The signatories represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties to its terms and conditions.

MUTUAL FULL COOPERATION

51. The Parties agree to fully cooperate with one another to accomplish the terms of this Settlement Agreement, including but not limited to, execution of such documents and the taking of such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement. As soon as practicable after execution of this Settlement Agreement, Settlement Class Counsel shall, with the assistance and cooperation of Defendants and their counsel, take all necessary steps to secure the Court's final approval of this Settlement Agreement.

NO ADMISSION

52. This Settlement Agreement is not to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants or any of

the Released Parties. Each of the Parties has entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses. This Settlement Agreement is a settlement document and shall, pursuant to the Federal Rules of Evidence and the California Evidence Code Section 1152, be inadmissible in evidence in any proceeding in order to establish liability. The preceding sentence shall not apply to an action or proceeding to approve or enforce this Settlement Agreement.

TAXES

53. Except as expressly provided herein, the recipient of any payment herein, including without limitation any Settlement Class Member, Settlement Class Representative or Settlement Class Counsel, shall be exclusively liable for the payment of all federal and state taxes if any should be found due as the result of the consideration received from this Settlement Agreement and the recipient shall make payments on such taxes, if any, at the time and in the amount required of the recipient. Notwithstanding the foregoing, no Class Member shall be liable for any federal or state employment tax if any should be found due as a result of the consideration received from this settlement if such employment tax would normally be paid by an employer without deduction from an employee's gross wages, including without limitation, the employer's share of FICA and Medicare taxes and California SDI premiums.

NOTICES

54. Unless otherwise specifically provided, all notices, demands or other communications in connection with this Settlement Agreement shall be in writing and shall be deemed to have been given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as

follows:

To the Defendants:

Joseph D. Tuchmayer
The Law Office of Joseph D. Tuchmayer
888 South Figueroa, Suite 620
Los Angeles, California 90017

To the Settlement Class:

James Hawkins
Christina Lucio
James Hawkins APLC
9880 Research Drive, Suite 200
Irvine, California 92618

(All notices to Settlement Class Members shall be by first class mail, postage prepaid.)

CONSTRUCTION

55. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms-length negotiations between the Parties with the assistance of Michelle Reinglass, mediator, and that this Settlement Agreement shall not be construed in favor of or against any party by reason of the extent to which any party or his, her or its counsel participated in the drafting of this Settlement Agreement.

CAPTIONS AND INTERPRETATIONS

56. Paragraph titles or captions are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any of its provisions. Each term of this Settlement Agreement is contractual and not merely a recital.

MODIFICATION

57. This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by counsel for the Parties, and approved by the Court, except that any modifications to the scope of the release by the named plaintiff must be

signed by the named plaintiff. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties.

INTEGRATION

58. This Settlement Agreement contains the entire agreement between the Parties relating to the settlement, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or such party's legal counsel, are extinguished.

BINDING ON ASSIGNS

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

SETTLEMENT CLASS COUNSEL SIGNATORIES

60. It is agreed that because the members of the Settlement Class are sufficiently numerous, it is impractical to have each member of the class execute this Settlement Agreement. The Class Notice attached as Exhibit "A" will advise all Settlement Class Members of the binding nature of the release and such shall have the same force and effect as if this Settlement Agreement were executed by each member of the Settlement Class.

COUNTERPARTS

61. This Settlement Agreement may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Settlement Agreement, which shall be binding upon and effective as to all Parties and the Settlement Class.

PUBLIC COMMENT

62. The Parties and their counsel agree that they will not issue any press releases regarding the original complaint or the First Amended Complaint or the settlement of the First Amended Complaint or in way actively publicize the original complaint or the First Amended Complaint or this Settlement and will refrain from commenting if any inquiries are received.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date indicated below:

Dated: May ___, 2019

By _____
Efrain Sanchez
On behalf of himself and as a Class Representative

Dated: May ___, 2019

By _____
Alejandro Ruiz
On behalf of himself and as a Class Representative

Dated: May ___, 2019

By _____
Luis Franco
On behalf of himself and as a Class Representative

Dated: May ___, 2019

Grupo Deco California Corporation

By _____
Its _____

Dated: May ___, 2019

Grupo Deco America Corporation

By _____
Its _____

Dated: May ___, 2019

Deco California Insurance Agency, a California Corporation

By _____
Its _____

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date indicated below:

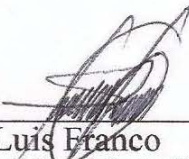
Dated: May ___, 2019

By _____
Efrain Sanchez
On behalf of himself and as a Class Representative

Dated: May ___, 2019

By _____
Alejandro Ruiz
On behalf of himself and as a Class Representative

Dated: May 15, 2019

By  _____
Luis Franco
On behalf of himself and as a Class Representative

Dated: May ___, 2019

Grupo Deco California Corporation

By _____
Its _____

Dated: May ___, 2019

Grupo Deco America Corporation

By _____
Its _____

Dated: May ___, 2019

Deco California Insurance Agency, a California Corporation

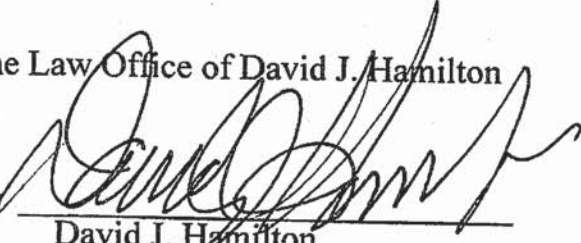
By _____
Its _____

Signatures of Legal Counsel

Dated: May 28, 2019

The Law Office of David J. Hamilton

By


David J. Hamilton

Dated: May 29, 2019

By


Joseph D. Tuchmayer
Attorneys for Defendants Grupo Deco California
Corporation, Grupo Deco America Corporation and
Deco California Insurance Agency

Dated: May 29, 2019 James Hawkins, APLC

By


James Hawkins
Christina Lucio
Attorneys for Plaintiffs Efrain Sanchez,
Alejandro Ruiz and Luis Franco and
Settlement Class Counsel