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19 SUPERIOR COURT OF THE STATE OF CALIFORNIA

20 COUNTY OF ALAMEDA

21 HARRY EDWARD, individually, and on
22 behalf of other members of the general public
similarly situated;

23 Plaintiff,

24 vs.

25 SVC MANUFACTURING, INC., a Delaware
26 corporation; PEPSI BEVERAGES NORTH
AMERICA, an unknown business entity;
27 PEPSICO, INC., a North Carolina corporation;
PEPSI BEVERAGES COMPANY, an
28 unknown business entity; THE QUAKER

Case No.: 23CV027173

Honorable Somnath Raj Chatterjee
Department 21

**FIRST AMENDED STIPULATION AND
SETTLEMENT OF CLASS CLAIMS**

Complaint Filed: February 2, 2023
Jury Trial Date: None Set

1 OATS COMPANY, a New Jersey corporation;
2 and DOES 1 through 100, inclusive,
3 Defendants.

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1 I. Definitions. The following terms and definitions will be used in this First
2 Amended Stipulation and Settlement of Class Claims. Additional terms are defined throughout
3 the document as well.

4
5 A. “Named Plaintiff” means Plaintiff Harry Edward.

6
7 B. “Defendants” means Defendants SVC Manufacturing, Inc.; Pepsi Beverages
8 North America; PepsiCo, Inc.; Pepsi Beverages Company; and The Quaker Oats Company.

9
10 C. “Plaintiffs” shall be defined as all current and former hourly-paid and/or
11 non-exempt employees employed by SVC Manufacturing, Inc. in California during the Class
12 and/or PAGA Period.

13
14 D. “Parties” means Named Plaintiff and Defendants, collectively, as defined
15 above.

16
17 E. “Plaintiffs’ Counsel” or “Class Counsel” means Timothy B. Del Castillo of
18 Castle Law, P.C. and Arby Aiwarzian, Joanna Ghosh and Selena Matavosian of Lawyers *for*
19 Justice, P.C.

20
21 F. “Action” or “Class Action” means, collectively, the lawsuits filed in
22 Alameda County Superior Court, entitled *Edward v. SVC Manufacturing Inc., et. al.*, Case Nos.
23 23CV027166 and 23CV027173.

24
25 G. “Operative Complaint” means the First Amended Complaint filed by
26 Plaintiff Edward in Case No. 23CV027173 (“FAC”).

27 H. “Class Members” means all Plaintiffs who do not elect to exclude
28 themselves by following steps set forth in Section X.E.5.b below.

1 I. “Class Period” means the time period beginning on February 2, 2019 and
2 ending on the date preliminary approval of the settlement is granted, or 180 days after the date the
3 mediator’s proposal is accepted (whichever occurs sooner), excluding the time period released in
4 *Stevens v. PepsiCo, Inc. et al.*, Case No. 22-cv-00802 (S.D.N.Y) (*i.e.*, December 5, 2021 through
5 and including April 8, 2022). However, if the number of workweeks exceeds 29,278 by more than
6 10%, the Parties agree to maintain the \$394,000.00 maximum settlement fund, but will limit the
7 Class Period through the date at which the workweeks are within the 10% escalator clause.

8
9 J. “PAGA Period” means the time period beginning one year prior to Plaintiff
10 Edward submitting his LWDA letter (*i.e.*, November 29, 2021 through and including the date
11 preliminary approval of the settlement is granted, or 180 days after the date the mediator’s
12 proposal is accepted (whichever occurs sooner), excluding the time period released in *Stevens v.*
13 *PepsiCo, Inc. et al.*, Case No. 22-cv-00802 (S.D.N.Y) (*i.e.*, December 5, 2021 through and
14 including April 8, 2022)).

15
16 K. “Unlocated Plaintiff” means any Plaintiff whose Notice has been returned
17 as undeliverable after all of the procedures in Section X.E.4.c have been followed. Unlocated
18 Plaintiffs will not be sent individual settlement awards, but will remain Class Members.

19
20 L. “Effective Date” means the date by which this settlement is finally
21 approved as provided herein and the Court’s Final Judgment (“Final Judgment or “Judgment”)
22 becomes final. For purposes of this Section, the Court’s Final Judgment becomes final upon the
23 latter of: (i) if no appeal is filed, the expiration date and time for the filing or noticing of any
24 appeal from the Court’s judgment [the earlier of 60 days from the date a Notice of Entry of
25 Judgment or a file-stamped copy of the Final Judgment and Order (substantially in the form
26 attached hereto as **Exhibit 3** or as modified by or at the direction of the court) is served on
27 counsel]; (ii) the date of affirmance of an appeal of the judgment becomes final under the
28 California Rules of Court [30 days after the date a court of appeal’s decision is filed unless the

1 court of appeal (1) grants a petition for rehearing which by rule vacates the decision and sets the
2 case “at large in the Court of Appeal,” or (2) certifies its opinion for publication or partial
3 publication after filing its decision, which resets the finality period from the filing date of the order
4 for publication]; (iii) the expiration of the time for a petition for review of the Final Judgment or
5 of any court of appeal decision relating to the Final Judgment [10 days after the Court of Appeal's
6 decision is final], and, if review is granted, the date of final affirmance of the Final Judgment
7 following review pursuant to that grant; or (iv) the date of final dismissal of any appeal from the
8 Judgment or the final dismissal of any proceeding on review of any court of appeal decision
9 relating to the Judgment.

10
11 II. Settlement Agreement. This First Amended Stipulation and Settlement of Class
12 Claims (“Settlement,” “Stipulation,” or “Agreement”) is made between the Named Plaintiff on
13 behalf of himself and each of the other Plaintiffs on the one hand, and the Defendants, on the other
14 hand, in the Action and subject to approval of the Court. In the event the Settlement does not
15 become effective by the terms of this Stipulation or for any other reason, any Orders entered
16 pursuant to this Stipulation shall be rendered null and void, and shall be vacated, and the Parties
17 shall revert to their respective positions existing immediately on the date before the mediation on
18 March 21, 2024.

19
20 III. Procedural History. Named Plaintiff filed his lawsuits in Alameda County Superior
21 Court on February 2, 2023 against Defendants, alleging the following causes of action: (1) failure
22 to provide adequate meal periods; (2) failure to provide adequate rest breaks; (3) failure to timely
23 pay minimum and straight wages; (4) failure to timely pay overtime compensation; (5) failure to
24 reimburse for necessary business expenses; (6) failure to pay all wages during employment, (7)
25 failure to pay wages due upon termination of employment; (8) failure to provide accurate wage
26 statements; (9) failure to maintain required payroll records; (10) violations of unfair competition
27 law; and (11) representative action for civil penalties under California Labor Code Section 2698,
28 et. seq. On March 21, 2024, the Parties mediated the case before Brandon McKelvey via Zoom,

1 and although they did not settle on the date of the mediation, the Parties continued post-mediation
2 settlement negotiations through the assistance of the mediator until ultimately resolving the matter
3 resulting in the execution of this Agreement.

4
5 IV. Investigation in the Class Action. The Parties have conducted an extensive
6 investigation of the facts and the law, including, *inter alia*, the exchange of hundreds of pages of
7 information through informal discovery. Further, the Parties held numerous meetings and
8 informal conferences wherein they exchanged information, theories of the case, and class data.
9 Specifically, Defendants provided Named Plaintiff with a roughly 10% sampling of putative class
10 members' wage statements and time punch records. Defendants also provided Named Plaintiff
11 with additional key data points per Plaintiff's requests. Counsel for the Parties further investigated
12 the applicable law as applied to the facts discovered regarding the alleged claims of Plaintiffs and
13 potential defenses thereto, *i.e.*, Defendants' contentions that it properly provided meal and rest
14 periods, properly paid for all time worked, reimbursed for all expenses, and the damages claimed
15 by Plaintiffs.

16
17 V. Plaintiff's Claims. Named Plaintiff has claimed and continues to claim that the
18 Released Claims, as defined in Section X.B below, have merit and give rise to liability on the part
19 of Defendants. Neither this Agreement, the documents referred to or contemplated herein, nor any
20 action taken to carry out this Agreement is, or may be construed or used as, an admission,
21 concession, or indication by or against Plaintiff or Class Counsel as to the merits or lack thereof of
22 the Claims asserted.

23
24 VI. Defendants' Denial of Wrongdoing. Defendants have denied and continue to deny
25 each of the Claims and contentions alleged by Named Plaintiff in the Action. Defendants have
26 repeatedly asserted and continue to assert defenses thereto, and have expressly denied and
27 continue to deny any wrongdoing or legal liability arising out of any of the facts or conduct
28 alleged in the Action. Defendants also have denied and continue to deny, *inter alia*, the

1 allegations that Plaintiffs have suffered damages; that Defendants violated the California Labor
2 Code or any other provision of law; that Defendants engaged in any other wrongful conduct as
3 alleged in the Action; or that Plaintiffs were harmed by the conduct alleged in the Action. Neither
4 this Agreement, nor any document referred to or contemplated herein, nor any action taken to
5 carry out this Agreement, is, may be construed as, or may be used as an admission, concession, or
6 indication by or against Defendants of any fault, wrongdoing or liability whatsoever.

7
8 VII. Named Plaintiff's Reasons for Settlement. Named Plaintiff recognizes the expense
9 and length of continued proceedings necessary to continue the litigation against Defendants
10 through trial and through any possible appeals. Named Plaintiff has also taken into account the
11 uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in
12 such litigation. Named Plaintiff is also aware of the burdens of proof necessary to establish
13 liability for the claims asserted in the Action (the "Claims" or "Class Action Claims"),
14 Defendants' defenses thereto, and the difficulties in establishing damages for Plaintiffs. Named
15 Plaintiff has also taken into account the extensive discovery undertaken and settlement
16 negotiations conducted, which negotiations resulted in the material settlement terms entered into
17 on May 28, 2024. Based on the foregoing, Named Plaintiff has determined that the Settlement set
18 forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of
19 Plaintiffs.

20
21 VIII. Defendants' Reasons for Settlement. Defendants have concluded that any further
22 defense of this litigation would be protracted and expensive for all Parties. Substantial amounts of
23 time, energy, and resources of Defendants have been and, unless this Settlement is made, will
24 continue to be, devoted to the defense of the claims asserted by Plaintiffs. For these reasons,
25 Defendants have agreed to settle in the manner and upon the terms set forth in this Agreement to
26 put to rest the Claims as set forth in the Action.

1 IX. This Settlement is Fair, Adequate, and Reasonable. The Parties believe this
2 Settlement is a fair, adequate, and reasonable settlement of the Action, and have arrived at this
3 Settlement after arms-length negotiations taking into account all relevant factors, present and
4 potential. This Settlement was reached after extensive negotiations with experienced mediator
5 Brandon McKelvey.

6
7 X. Stipulation. NOW, THEREFORE, IT IS HEREBY STIPULATED, by and among
8 Named Plaintiff on one hand and Defendants on the other hand, and conditioned upon approval by
9 the Court, that the Class Action is hereby compromised and settled pursuant to the terms and
10 conditions set forth in this Agreement.

11
12 A. Class Certification. For purposes of this Stipulation only, the Parties agree
13 to the certification of the Settlement Class and to include all current and former hourly-paid and/or
14 non-exempt employees employed by Defendants in California during the Class Period. Defendant
15 SVC Manufacturing has represented to Named Plaintiff that Defendants Pepsi Beverages
16 North America; PepsiCo, Inc.; Pepsi Beverages Company; and The Quaker Oats Company
17 do not employ any non-exempt or hourly employees in California, and have not employed
18 any non-exempt or hourly employees in California during the Class and/or PAGA Period. Should
19 for whatever reason the Stipulation not become final, the fact that the Parties were willing to
20 stipulate to class certification as part of the Settlement shall have no bearing on, and shall not be
21 admissible in connection with, the issue of whether a class should be certified in a non-settlement
22 context in the Action, and shall have no bearing on, and shall not be admissible in connection
23 with, the issue of whether a class should be certified in any other lawsuit.

24
25 B. Release as to All Class Members. The release set forth in this Section
26 pertains to Class Members' claims that are not claims under the Private Attorney General Act. As
27 set forth in Section I.H above, Class Members are "all Plaintiffs who do not elect to exclude
28 themselves by following the steps set forth in Section X.E.5.b below." As of the Date that

1 Defendants fund the Settlement, the Class Members, including Named Plaintiff, release
2 Defendants and each of their past or present officers, directors, shareholders, employees, agents,
3 principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and
4 their respective successors and predecessors in interest, subsidiaries, affiliates, parents, and
5 attorneys, and each of their company-sponsored employee benefit plans and all of their
6 respective officers, directors, employees, administrators, fiduciaries, trustees, and agents
7 (the “Released Parties”) from the “Released Claims.” For the purposes of this Agreement,
8 “Released Claims” means all claims alleged in the operative complaints in the Action, or that
9 could have been alleged based upon the facts pleaded in *Harry Edward v. SVC Manufacturing*
10 *Inc., et. al.* under any theory of law, including but not limited to all claims for alleged violations of
11 the Labor Code and/or Wage Orders, including but not limited to unpaid minimum wage, straight
12 time, or overtime wages (including on an off-the-clock, rounding, calculation of regular rates, sick
13 time, vacation pay, or other theory), timing of payment, meal and rest period claims (including
14 claims regarding how any meal or rest period penalties were calculated), unpaid expense
15 reimbursements, record-keeping violations, and any and all associated penalties and damages,
16 including but, pay stub penalties, waiting time penalties, any other penalties arising under the
17 California Labor Code, and liquidated damages for the Class Period, but excluding penalties
18 pursuant to PAGA.

19 The Parties agree that this release shall have full res judicata effect as to FLSA
20 claims for all Class Members as described in *Rangel v. PLS Check Cashers of California, Inc.*,
21 899 F.3d 1106 (9th Cir. 2018), regardless of whether that Class Member endorses and cashes his
22 or her settlement check.

23 The Released Claims expressly do not include claims for unemployment
24 compensation, workers’ compensation, discrimination, retaliation, or claims that Class Members
25 might assert as agents of the LWDA under PAGA. The Released Claims shall apply only during
26 the Class Period.

27 The Class Members may not sue or otherwise make a claim against any of the
28 Released Parties for the Released Claims.

1 C. General Release and PAGA Release by Named Plaintiff Only. Named
2 Plaintiff, as of the Effective Date, makes the additional following general release of all claims,
3 known or unknown. Named Plaintiff fully releases and discharges the Released Parties from all
4 claims, demands, rights, liabilities, and causes of action of every nature and description
5 whatsoever, known or unknown, asserted or that might have been asserted, whether in tort,
6 contract, or for violation of any state or federal statute, rule, or regulation arising out of, relating
7 to, or in connection with any act or omission by or on the part of any of the Released Parties
8 committed or omitted prior to the execution hereof relating to his employment with or resignation
9 from any of the Released Parties. This includes any unknown claims Named Plaintiff does not
10 know or suspect to exist in his favor, which, if known by him, may have affected his settlement
11 with, and release of, the Released Parties or might have affected his decision not to object to the
12 settlement.

13 With respect to the General Release, Named Plaintiff stipulates and agrees that,
14 upon the Effective Date, Named Plaintiff shall be deemed to have, and by operation of the Final
15 Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, the
16 provisions, rights, and benefits of Section 1542 of the California Civil Code, or any other similar
17 provision under federal or state law, which provides:

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

23 Named Plaintiff may hereafter discover facts in addition to or different from those
24 he now knows or believes to be true with respect to the subject matter of the General Release, but
25 upon the Effective Date, shall be deemed to have, and by operation of the Final Judgment shall
26 have, fully, finally, and forever settled and released any and all of the claims released pursuant to
27 the General Release, whether known or unknown, suspected or unsuspected, contingent or non-
28 contingent, which now exist, or heretofore have existed upon any theory of law or equity now
existing or coming into existence in the future, including but not limited to conduct that is
negligent, intentional, with or without malice, or a breach of any duty, law, or rule, without regard

1 to the subsequent discovery or existence of such different or additional facts. Named Plaintiff will
2 no longer be an aggrieved employee for purposes of PAGA once the Settlement is approved and
3 Defendants complete their duties under the Settlement Agreement. Named Plaintiff will refrain
4 from filing any litigation against Defendants while the Settlement is pending.

5 Further, Named Plaintiff, as proxy for the LWDA, releases the Released Parties as
6 to any and all claims within the scope of the PAGA notice submitted to the LWDA on November
7 30, 2022, including any claims that might apply to the factual showing made in the Named
8 Plaintiff's LWDA notice. The Parties understand that Defendants can assert the settlement as a
9 defense to any future claims for penalties brought by the LWDA or any claims brought on behalf
10 of the LWDA under PAGA, and that this Settlement Agreement may have *res judicata* effect
11 against any such claims.

12 The letter included allegations of violations for requiring aggrieved employees to
13 perform work before and after their scheduled shifts, during off-the-clock meal breaks, and
14 during rest breaks without compensation. This work included completing COVID screening
15 protocols, donning and doffing PPE uniforms, and responding to work-related inquiries.
16 Additionally, violations for rounding employees' recorded work time in a manner that was
17 not fair or neutral and ultimately favored the company, leading to employees being
18 underpaid for their time worked. The letter included violations for
19

20
21 Unpaid Overtime Wages (Labor Code §§ 510, 1198); Meal and Rest Period Violations
22 (Labor Code §§ 226.7, 512) Final Pay Violations (Labor Code §§ 201, 202) Regular Pay Period
23 Violations (Labor Code § 204) Wage Statement Violations (Labor Code § 226) Day of Rest
24 Violations (Labor Code §§ 551, 552) Record Keeping Violations (Labor Code § 1174(d)) New Hire
25 Notice Violations (Labor Code § 2810.5) for failing to provide accurate required notices to
26 employees upon hiring; Minimum Wage Violations (Labor Code §§ 1194, 1197, 1197.1); Reporting
27
28

1 Time Pay Violations (Labor Code § 1198, Wage Orders); and Business Expense Reimbursement
2 (Labor Code §§ 2800, 2802).

3
4 Neutral Reference. Defendants will only provide dates of employment and job title in
5 response to any inquiries it may receive from prospective employers on behalf of Named Plaintiff.
6 Prospective employers must call The Work Number. The number is 1-800-367-2884, and
7 Defendant's Corporate Code is 73774. The only information that will be provided will be Named
8 Plaintiff's job titles and dates of employment. Plaintiff will be given additional directions if
9 Named Plaintiff wishes to release information about income.

10
11 D. Settlement Fund. Defendants will create a Settlement Fund in the amount
12 of Three Hundred Ninety-Four Thousand Dollars and Zero Cents (\$394,000.00) ("Settlement
13 Fund") by no later than fourteen (14) calendar days after the Effective Date. Three Hundred
14 Ninety-Four Thousand Dollars and Zero Cents (\$394,000.00) is the maximum total amount that
15 Defendants can be required to pay, for any and all purposes, under this Agreement. The
16 Settlement Fund is non-reversionary; in other words, no amount of the \$394,000.00 Settlement
17 Fund will return to Defendants under any circumstances. The Settlement Fund will be allocated
18 among these elements:

19 (a) payments to Class Members of the Individual Settlement Awards less deductions as
20 explained in Section X.D.2;

21 (b) a total amount not to exceed Ten Thousand Dollars and No Cents (\$10,000.00) to be
22 paid to the Named Plaintiff as a Service Award, subject to Court approval;

23 (c) reasonable claims administration expenses, in an amount not to exceed Eight Thousand
24 Dollars and No Cents (\$8,000.00), subject to Court approval, to be paid to the Settlement
25 Administrator to cover the reasonable costs of the Settlement Administration process;
26

1 (d) Plaintiffs' attorneys' fees not to exceed one-third (1/3) of the Settlement Fund, or a
2 maximum of One Hundred Thirty-One Thousand Three Hundred Thirty-Three Dollars and
3 Thirty-Three Cents (\$131,333.33) subject to Court approval;

4 (e) Plaintiffs' attorneys' litigation costs not to exceed the amount of Twenty Thousand
5 Dollars and No Cents (\$20,000.00) subject to their billing statements and Court approval;
6 and

7 (f) Thirty-Nine Thousand Four-Hundred Dollars and No Cents (\$39,400.00) allocated for
8 penalties recoverable under PAGA and payable to the Labor and Workforce Development
9 Agency ("LWDA"), 75% of which, or \$29,550.00, will be paid to the LWDA, and 25% of
10 which, or \$9,850.00, will be paid to the Class Members as an additional component of their
11 Settlement Awards, and will be part of the Settlement Fund.

12 Any amounts allocated to Named Plaintiff's Service Award, Claims Administration
13 costs, Attorneys' Fees and Litigation Costs, and PAGA penalties not awarded by the Court shall
14 be paid to Class Members as part of their Individual Settlement Awards.

15 The amount that remains after the Service Award, Claims Administration expenses,
16 Attorneys' Fees and Costs, LWDA portion of PAGA penalties, and unawarded portions of those
17 components have been deducted from the Settlement Fund shall be called the "Payout Fund." The
18 Payout Fund shall be designated as 50% wages and 50% interest and penalties. The 50% interest
19 and penalties include the portion allocated to the Plaintiffs' share of PAGA penalties.
20

21 1. Fees and Costs Award and Service Award. The Parties agree to the
22 designation of Timothy B. Del Castillo of Castle Law P.C. and Arby Aiwarzian, Joanna Ghosh and
23 Selena Matavosian of Lawyers *for* Justice, P.C. as "Class Counsel." Class Counsel will request
24 that the Court approve an award of attorneys' fees of up One Hundred Thirty-One Thousand Three
25 Hundred Thirty-Three Dollars and Thirty-Three Cents (\$131,333.33), subject to Court approval
26 ("Fees Award"). This constitutes one-third (1/3) of the value of the Settlement Fund. Class
27 Counsel will also request a Costs Award not to exceed Twenty Thousand Dollars and No Cents
28 (\$20,000.00). Defendants will not oppose these requests. Class Counsel shall not be permitted to

1 petition the Court for, or accept, any additional payments for fees, costs, or interest, and the Fees
2 Award and Costs Award shall be for all claims for attorneys' fees and costs, past, present, and
3 future, incurred in the Action.

4 Defendants' payment of the Fees Award and Costs Award to Class Counsel shall
5 constitute full satisfaction of the obligation to pay any amounts to any person, attorney, or law
6 firm for attorneys' fees, expenses, or costs in the Action incurred by any attorney on behalf of
7 Named Plaintiff and/or the Class. Further, said payment shall relieve Defendants, the Settlement
8 Administrator, the Settlement Fund, and Defendants' Counsel of any other claims or liability to
9 any other attorney or law firm for any attorneys' fees, expenses, and/or costs to which any of them
10 may claim to be entitled on behalf of Named Plaintiff and/or the Class.

11 Class Counsel will request that the Court approve a Service Award in a total
12 amount not to exceed Ten Thousand Dollars and No Cents (\$10,000.00) to be paid to Named
13 Plaintiff as a Service Award and to be paid out of and deducted from the Settlement Fund.
14 Defendants will not oppose such request. Named Plaintiff's Service Award will be designated as
15 50% wages and 50% penalties. Named Plaintiff will indemnify Defendants for any tax penalties
16 due or payable by Named Plaintiff. Named Plaintiff will receive a 1099 form relating to the
17 Service Award. This award shall be in addition to the amount the Named Plaintiff may receive as
18 a Class Member. The Fees Award, Costs Award, and Service Award shall be paid by Defendants
19 by and through the Settlement Administrator from the Settlement Fund to Class Counsel within
20 fourteen (14) calendar days after the Effective Date. Any reduction of the Fees Award and Costs
21 Award to Class Counsel and the Service Award to Named Plaintiff shall be paid to Class Members
22 as part of their Individual Settlement Awards.

23
24 2. Plan of Allocation for Payment to Class Members. Within fourteen
25 (14) calendar days after the Effective Date, and solely for purposes of this Settlement, Defendants
26 shall pay, by and through the Settlement Administrator from the Payout Fund, the Settlement
27 Awards (as hereinafter defined) to the Class Members in accordance with the following eligibility
28 and settlement formula requirements.

1 a. Excluded from becoming a Class Member are those
2 Plaintiffs who submit valid and timely requests for exclusion pursuant to the terms and procedures
3 of the Notice of Class Action Settlement (attached as **Exhibit 1** hereto).

4 b. Any Plaintiff who does not timely request exclusion shall
5 become a Class Member and will receive a Settlement Award. The Individual Settlement Awards
6 to be allocated to each Class Member shall be calculated as follows:

7 (1) After deducting the amount of the Fees Award, the
8 Costs Award, the Service Award, the LWDA's share of the PAGA Payment, and settlement
9 administration expenses that are all finally approved by the Court, the remaining Payout Fund will
10 be allocated to the Class Members;

11 (2) To arrive at these amounts, the Payout Fund will be
12 distributed on a pro-rata basis to Class Members on a per-workweek basis. Class Members will
13 receive their pro-rata share based on how many workweeks they worked during the Class Period
14 as compared to all workweeks worked by all Class Members during the Class Period ("Workweek
15 Totals"). The number of workweeks for each Plaintiff will be determined by adding all the
16 calendar days within the inclusive dates of employment and dividing that number by seven. Any
17 partial workweek will be expressed as a percentage of a full workweek. This shall be considered
18 each Plaintiff's "Workweek Figure." Class Members' Gross Settlement Amounts will be
19 calculated by dividing the Payout Fund by the total of all Plaintiffs' Workweek Figures to arrive at
20 a Per-Workweek Amount, and then multiplying this amount by each Class Member's Workweek
21 Figure.

22 For example, a Class Member who worked 365 days would have a Workweek
23 Figure of 52 weeks. If the Payout Fund was \$195,116.67, and the total workweeks for all
24 Plaintiffs was 32,205, this would result in a \$6.06 Per-Workweek Amount. Then, the above Class
25 Member would be eligible for \$6.06 for 52 workweeks, or \$315.05. This would be the Class
26 Member's Gross Settlement Amount.

27 c. Fifty percent (50%) of all Individual Settlement Payments to
28 Class Members will be called the "Gross Wage Portion." The remaining fifty percent (50%) of

1 payments to Class Members represents the “Non-Wage Portion” of the Individual Settlement
2 Payment and includes interest and penalties sought in the Action. Class Members will be issued
3 W2s for the Wage Portions of their Individual Settlement Payment and IRS Form 1099s for the
4 Non-Wage Portions. The resulting amount will be each individual Class Member’s “Gross Wage
5 Component.” From each Class Member’s Gross Wage Component, payroll deductions will be
6 made for state and federal withholding taxes and any payroll taxes owed by the Class Member as a
7 result of the payment, resulting in a “Net Wage Component.” The total of the Net Wage
8 Component and the Non-Wage Portion shall be the Class Member’s “Net Settlement Amount.”
9 The Net Settlement Amount will be the net amount paid to each Class Member and is the Class
10 Member’s “Individual Settlement Award.”

11 d. The Settlement Administrator shall be responsible for issuing
12 the payments and calculating and withholding all required state and federal taxes owed by the
13 Class Members and Defendants. The Settlement Administrator shall calculate the Settlement
14 Awards no later than seven (7) calendar days after receiving the Workweek Totals for each
15 Plaintiff (i.e., the “Class List and Data Report” defined below) from Defendants.

16 e. Some of the Individual Settlement Awards may remain
17 unclaimed because a Plaintiff (1) was an Unlocated Plaintiff, (2) submitted a valid and timely
18 request for exclusion, and/or (3) failed to cash their Individual Settlement Award Check within
19 one hundred twenty (120) days of its issuance, as allowed by Court order. Funds associated with
20 the Individual Settlement Awards of Plaintiffs who have submitted valid and timely requests for
21 exclusion and funds associated with Unlocated Plaintiffs shall be included in the Payout Fund and
22 will be distributed amongst Class Members in accordance with the formulas above. Funds
23 associated with uncashed checks will be remitted to the *cy pres* recipient, United Way, pursuant
24 to Code of Civil Procedure Section 384.

25
26 3. Operation of the Settlement Fund and Payout Fund.

27 a. At no time shall Defendants have the obligation to segregate
28 the funds comprising the Settlement Fund from their other assets, and Defendants will retain

1 exclusive authority over, and responsibility for, those funds until they are paid over to the
2 Settlement Administrator.

3 b. The Settlement Administrator will calculate the net amounts
4 to be paid to the Class Members from the Payout Fund in accordance with the terms and
5 provisions of this Agreement.

6 c. The Settlement Administrator shall have the authority and
7 obligation to make payments, credits, and disbursements, including payments and credits in the
8 manner set forth herein, to Class Members from the Payout Fund in accordance with the
9 methodology set out in this Agreement and orders of the Court.

10 d. To the extent any tax returns must be filed for the Settlement
11 Fund pursuant to this Agreement, the Settlement Administrator shall cause to be timely and
12 properly filed all informational and other tax returns, if any, necessary with respect to the
13 Settlement Fund. Such returns shall be consistent with this Section. The Parties do not believe
14 that the Settlement Fund will generate any taxable income. However, if any taxable income is
15 generated by the Settlement Fund, the tax returns filed shall reflect that all taxes payable on the
16 taxable income of the Settlement Fund, if any, shall be paid from the Settlement Fund. Any
17 expenses consisting of the expenses and costs incurred in connection with the operation and
18 implementation of this Section (including, without limitation, reasonable expenses of tax
19 attorneys, accountants, or other designees retained by the Settlement Administrator as required for
20 the preparation and filing of tax returns described in this Section) shall be treated as, and
21 considered to be, a cost of administration of the Settlement.

22 e. No person shall have any claim against Defendants,
23 Defendants' Counsel, Named Plaintiffs, Plaintiffs, or Plaintiffs' Counsel based on distributions
24 and payments made in accordance with this Agreement.

25
26 E. Administration of the Settlement.
27
28

1 1. A hearing shall be held before the Court on a mutually-convenient
2 date, or on another date and time if that hearing is rescheduled, at which the Named Plaintiff shall
3 request preliminary approval of the Settlement. In conjunction with this hearing, Named Plaintiff
4 will submit this Agreement, which sets forth the terms of this Settlement, and will include
5 proposed forms of all notices and other documents as attached hereto necessary to implement the
6 Settlement. Defendants shall not oppose Named Plaintiffs' request for preliminary approval
7 consistent with this Agreement.

8
9 2. Simultaneous with the filing of this Agreement, and solely for
10 purposes of this Settlement, Named Plaintiff will request the Court to enter the Preliminary
11 Approval Order ("Preliminary Approval Order") (substantially in the form attached as **Exhibit 2**
12 hereto) preliminarily approving the proposed Settlement, approving the appointment of Class
13 Counsel, and setting a date for final approval of the Settlement. The Proposed Order shall provide
14 for notice of the Settlement and related matters to be sent to Plaintiffs as specified herein. The
15 Parties will request the Court, in its preliminary approval of this Settlement, to enjoin any
16 Plaintiffs from initiating or prosecuting any proceeding on any claim to be released pursuant to
17 this Stipulation unless, and until, either the Plaintiff opts out of the class, or the Effective Date
18 does not occur (as set forth in Section I.L, above).

19
20 3. Interim Stay of Proceedings. The Parties agree to hold all Court
21 proceedings in the Action in abeyance pending the Preliminary Settlement Hearing and Final
22 Approval Hearing to be conducted by the Court. No additional discovery shall be conducted in
23 this case unless this Settlement Agreement is nullified in accordance with Section X.F below.

24
25 4. Notice of the Settlement shall be provided to Plaintiffs using the
26 following procedures:

27 a. Class List. Within sixty (60) calendar days after Preliminary
28 Approval, Defendants shall provide the Settlement Administrator a "Class List and Data Report"

showing the full names, full social security numbers, and last known telephone numbers and mailing addresses for all Plaintiffs and their weeks worked within a covered position, as well as applicable Workweek Totals. The Settlement Administrator shall keep this information confidential and shall not share this information with Class Counsel. Additionally, Plaintiffs and Class Counsel shall not be entitled to the names or contact information for the Plaintiffs. However, Class Counsel will be provided the full payout spreadsheet minus names, addresses, personal phone numbers, e-mail addresses, or any other contact information, and be provided social security numbers truncated to the last four digits. This will allow Class Counsel to locate the data for any individual Plaintiff so that they can fulfill their duties as Class Counsel. In addition, Class Counsel's contact information will be included on the Class Notice so that Plaintiffs can reach them.

b. Settlement Administrator. The Parties agree to designate Phoenix Class Action Administration Solutions as the “Settlement Administrator.” In the event Phoenix Class Action Administration Solutions is subsequently unable to serve as Settlement Administrator, another Settlement Administrator shall be agreed to by the Parties, or, if they cannot reach agreement, will be selected by the Court. The Parties agree that they have selected a Settlement Administrator with whom they have no financial interest or other relationship that could create a conflict of interest. The Settlement Administrator shall be responsible for:

preparing, printing, and mailing the Notice as directed by the Court to the Plaintiffs;

communicating with Plaintiffs and others regarding the Settlement Award administration process, corrections, and/or additional information needed for administration; calculating the Total Workweeks; calculating the amount of the Individual Settlement Awards and all payroll tax deductions to be withheld; keeping track of opt outs; drafting and mailing Settlement Award checks to Class Members; disbursing the Fees Award and Costs Award to Class Counsel;

disbursing the Service Awards to Named Plaintiff; submitting the LWDA’s portion of the PAGA payment to the LWDA; preparing, mailing, and filing all applicable tax forms necessary as a result of the payments made under this Settlement; and for such other tasks as the Parties mutually agree

1 or the Court orders the Settlement Administrator to perform. Defendants represent that the Notice
2 will be provided in English and Spanish to the Class.

3 c. Notice Mailing. By no later than fourteen (14) calendar days
4 after receipt of the Class List and Data Report, the Settlement Administrator shall send the Notice
5 to all Plaintiffs via First Class U.S. Mail. Prior to mailing, one National Change of Address
6 (“NCOA”) search will be performed on Defendants’ records to ascertain updated contact
7 information for all Plaintiffs. Any Notices returned to the Settlement Administrator as non-
8 delivered before the Notice Deadline Date specified below shall be sent to the forwarding address
9 affixed thereto within ten (10) days of receiving notice that a Notice was undeliverable. If no
10 forwarding address is provided, then the Settlement Administrator shall attempt to determine a
11 correct address by using a single computer or other search using the social security number of the
12 individual involved and shall forward the Notice to the correct address.

13 d. In the event the procedures in this Section are followed and
14 the intended recipient of a Notice still does not receive the Notice, the intended recipient shall
15 remain a Class Member and shall be bound by all terms of the Settlement and by any Final
16 Judgment entered by the Court, provided the Settlement is approved by the Court. As defined
17 above, these persons shall be included as “Unlocated Plaintiffs.”

18 e. The Parties agree that this procedure (i.e., direct notice via
19 U.S. Mail) is the best notice practicable under the circumstances and fully complies with due
20 process and all applicable laws and rules.

21
22 5. Procedure for Objecting to or Requesting Exclusion from Class
23 Action Settlement.

24 a. Procedure for Objecting. The Notice shall provide that Class
25 Members who wish to object to the Settlement must submit a written statement objecting to the
26 Settlement. Such written objection must contain the name, address, telephone number, and
27 employee ID number or last four digits of the social security number of the person objecting;
28 whether the objector has retained an attorney; and if the objector has retained an attorney, the

name of the firm, name of the attorney, address, and telephone number. Such written statement must be returned by mail to the Settlement Administrator and must be postmarked no later than forty-five (45) calendar days after the date the Notice is first mailed based on the postmark date of the Notice (the “Objection/Exclusion Deadline Date”). Class Member shall also be entitled to appear at the final Settlement Hearing (whether individually or through separate counsel at their own expense) to object to the Settlement. The date of the postmark on the return mailing envelope shall be the exclusive means used to determine whether an objection has been timely submitted. Class Members who fail to submit timely written or oral 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. Further, if the objector retains an attorney, the attorney must file a valid notice of appearance within seven (7) days after the deadline for submitting objections. Any Class Member who submits a timely and valid objection will still be entitled to their Individual Settlement Award as a Class Member and will be bound by the Settlement if the Court approves the Settlement. If a Plaintiff submits both a timely objection and request for exclusion from the settlement, the objection will not be considered but the request for exclusion will be accepted.

b. Procedure for Requesting Exclusion. The Notice shall provide that Plaintiffs who wish to exclude themselves from the Class must submit a written statement requesting exclusion from the Class on or before the Objection/Exclusion Deadline Date. Such written request for exclusion must contain the name, address, telephone number, and employee ID number or last four digits of the social security number of the person requesting exclusion. Such request must be returned by mail to the Settlement Administrator and must be postmarked on or before the Objection/Exclusion Deadline Date. The date of the postmark on the return mailing envelope shall be the exclusive means used to determine whether a request for exclusion has been timely submitted. Any Plaintiff who submits a timely and valid request for exclusion from the Class will not be entitled to any recovery under the Settlement and will not be bound by the Settlement or have any right to object, appeal, or comment thereon. Plaintiffs who fail to submit a valid and timely request for exclusion on or before the Objection/Exclusion

1 Deadline Date shall become Class Members and shall be bound by all terms of the Settlement and
2 any Final Judgment entered in the Class Action if the Settlement is approved by the Court.

3
4 6. No Solicitation of Settlement Objections or Exclusions. The Parties
5 agree to use their best efforts to carry out the terms of this Settlement. At no time shall any of the
6 Parties or their counsel seek to solicit or otherwise encourage Plaintiffs to submit written
7 objections to the Settlement or requests for exclusion from the Settlement Class or to appeal from
8 the Court's Final Judgment.

9
10 7. The Settlement Administrator will, on a weekly basis during and for
11 a reasonable period following the Notice Period, provide updates to Class Counsel and Defense
12 Counsel as to the number of Plaintiffs who submitted (i) valid opt-out requests for exclusions; and
13 (ii) objections. To the extent practicable, the weekly updates shall also provide updated data on
14 the number of Class Notices that are returned undeliverable and any re-mailing efforts. The
15 updates shall not identify the Plaintiffs by name, address, employee identification number, or any
16 other information. Additionally, Plaintiffs and Class Counsel shall not be entitled to the names or
17 contact information for the Plaintiffs. However, Class Counsel will be provided the full payout
18 spreadsheet minus names, addresses, personal phone numbers e-mail addresses, or any other
19 contact information, and be provided social security numbers truncated to the last four digits. This
20 will allow Class Counsel to locate the data for any individual Plaintiff so that they can fulfill their
21 duties as Class Counsel. In addition, Class Counsel's and Defendants' Counsel's contact
22 information will be included on the Class Notice.

23
24 8. The Settlement Administrator will prepare a declaration to be
25 provided to Class Counsel and Defendant's Counsel for filing in support of Plaintiff's motion for
26 final approval attesting to the following: (i) its mailing efforts regarding the Class Notice; (ii) its
27 receipt of the valid requests for exclusion, and its inability to deliver the Class Notice to Plaintiffs,

28

1 if any; and (iii) the highest and lowest estimated Award Payments, along with the estimated
2 average Award Payment.

3
4 9. Option to Terminate Settlement. If, after the Objection/Exclusion
5 Deadline Date, and before the Settlement Hearing referenced in Section X.E.10 below, the number
6 of Plaintiffs who have timely submitted valid requests for exclusion total more than ten percent
7 (10%) of all Plaintiffs, Defendants shall have, in their sole discretion, the option to terminate this
8 Settlement. To be valid, a request for exclusion must be submitted on a timely basis and contain
9 the information required by the Settlement Agreement. Defendants agree to meet and confer in
10 good faith with Class Counsel before withdrawing from this Agreement. In the event that
11 Defendants elect to withdraw, they shall provide written notice of such withdrawal to Class
12 Counsel. If Defendants choose to exercise their rights to withdraw from the Settlement
13 Agreement, Defendants must do so within ten (10) days after the Settlement Administrator notifies
14 Class Counsel and Defendant's Counsel of the number of valid opt outs or objections received,
15 which the Settlement Administrator will do within ten (10) days after the Objection/Exclusion
16 Deadline Date. Class Counsel may attempt to cause retraction of any election of exclusion by
17 Plaintiffs. If Defendants have exercised their option to withdraw from the Settlement Agreement,
18 and Class Counsel succeeds in causing the retraction of sufficient requests for exclusion such that
19 the remaining number of Plaintiffs seeking exclusion does not exceed 10% of the Plaintiff Class,
20 then Defendants' notice of withdrawal from the Settlement Agreement shall automatically be
21 deemed a nullity. To retract a prior request for exclusion, a Plaintiff must provide to the
22 Settlement Administrator at least three (3) calendar days prior to the Final Settlement Hearing, or
23 any adjournment thereof, a written notice stating their desire to retract their request for exclusion
24 from the Plaintiff Class. Any withdrawal from this Agreement by Defendants shall have the same
25 effect as a termination of the Settlement Agreement for failure to satisfy a condition of settlement,
26 and the Settlement Agreement shall become null and void and have no further force or effect, and
27 the Settlement Class certified pursuant to the Settlement Agreement will be decertified for all
28

1 purposes. If Defendants choose to terminate the Stipulation based upon this Section, Defendants
2 shall pay the Claims Administrator's fees and costs incurred to that point.

4 10. Final Settlement Approval Hearing and Entry of Final Judgment.

5 Upon expiration of the Objection/Exclusion Deadline Date, with the Court's permission, a Final
6 Settlement Approval Hearing ("Settlement Hearing") shall be conducted to determine final
7 approval of the Settlement along with the amount properly payable for (i) attorneys' fees and costs
8 to Class Counsel, (ii) Named Plaintiff's Service Award, (iii) Settlement Administration fees, and
9 (iv) PAGA penalties. Upon final approval of the Settlement by the Court at or after the Settlement
10 Hearing, the Parties shall present an Order Granting Final Approval and Final Judgment ("Final
11 Judgment and Order") (substantially in the form attached as **Exhibit 3** hereto or as modified by or
12 at the direction of the court) to the Court for its approval. After entry of the Final Judgment and
13 Order, the Court shall have continuing jurisdiction pursuant to California Code of Civil Procedure
14 Section 664.6 solely for purposes of addressing: (i) settlement administration matters and (ii) such
15 post-Final Judgment matters as may be appropriate under court rules or as set forth in this
16 Agreement.

18 11. The Settlement Administrator shall establish a Settlement Account
19 (either a separate checking account or separate ledger entry), and timely fund any checks written
20 upon the Settlement Account to pay all amounts owed under this Settlement. Within fourteen (14)
21 calendar days after the Effective Date, Defendants will wire to or otherwise fund the Settlement in
22 the amount of the full Settlement Fund of \$394,000.00;

24 12. Procedure for Payment of Settlement Awards. Within twenty-one
25 (21) calendar days after the Effective Date, the Settlement Administrator will pay Attorneys' Fees
26 and Costs, the Named Plaintiff's Service Award, and \$29,550.00 to the LWDA (or whatever other
27 amount is awarded to the LWDA by the Court). Within twenty-one (21) calendar days after the
28 Effective Date, the Settlement Administrator shall mail Individual Settlement Awards to the Class

1 Members. Any checks paid to Class Members shall remain valid and negotiable for one hundred
2 twenty (120) days from the date of their issuance ("Check Stale Date"). Any checks not cashed
3 after one hundred twenty (120) calendar days will be distributed as set forth within this
4 Agreement. For any checks that are returned with a forwarding address, the Settlement
5 Administrator shall send the check to that forwarding address within ten (10) calendar days. For
6 any checks that are returned with no forwarding address, the Settlement Administrator shall
7 attempt to determine a correct address by using a single computer or other search and shall call the
8 Class Member at the telephone number provided by Defendants. If the Settlement Administrator
9 obtains a new address, then the check shall be mailed to that new address within ten (10) calendar
10 days. In the event these procedures are utilized and the person does not receive the check, no
11 additional steps are required and the Settlement Administrator will have fulfilled all of its
12 obligations under this section.

13
14 13. Administration of the Settlement shall be completed on or before the
15 date approximately one hundred twenty (120) days or sooner after the Check Stale Date. Upon
16 completion of administration of the Settlement, the Settlement Administrator shall provide Class
17 Counsel and counsel for Defendants with a declaration of completion to be filed with the Court by
18 Class Counsel.

19
20 14. Administration Cost. All of Defendants' own legal fees, costs, and
21 expenses incurred in the Action shall be borne by Defendants. In accordance with Section X.D,
22 settlement administration expenses will be part of the Settlement Fund. The Parties agree to
23 cooperate in the Settlement administration process and to make all reasonable efforts to control
24 and minimize the costs and expenses incurred in administration of the Settlement.

25
26 F. Nullification of Settlement Agreement. In the event that prior to the
27 Effective Date: (i) the Court does not enter a Preliminary Approval Order; (ii) the Court does not
28 finally approve the Settlement as provided herein; (iii) the Court does not enter a Final Judgment

1 as provided herein which becomes final as a result of the occurrence of the Effective Date; (iv)
2 more than ten percent (10%) of Plaintiffs submit valid opt-out election forms and Defendants
3 exercise their option to void the settlement; or (v) the Settlement does not become final for any
4 other reason, this Settlement Agreement shall be null and void and any order or judgment entered
5 by the Court in furtherance of this Settlement shall be treated as void *ab initio*. In that case, the
6 Parties will seek to reach a revised agreement acceptable to them to be presented to the Court. In
7 the event the Parties cannot reach a mutually acceptable revised agreement, they shall ask the
8 mediator to assist them in resolving the remaining disputes before litigating further. In the event
9 the Parties are unable to reach a revised agreement, or any such revised agreement is not approved
10 by the Court, the Parties shall proceed in all respects as if this Settlement Agreement had not been
11 executed and Defendants will not make any payments under this Settlement Agreement, except
12 that any fees already incurred by the Settlement Administrator shall be paid for by Defendants. In
13 the event an appeal is filed from the Court's Final Judgment, or any other appellate review is
14 sought prior to the Effective Date, administration of the Settlement shall be stayed pending final
15 resolution of the appeal or other appellate review. The Parties will work cooperatively in
16 connection with defending the settlement on appeal and each party will file papers in support of
17 the settlement as necessary and appropriate.

18
19 G. No Effect on Employee Benefits. The Service Awards and Individual
20 Settlement Awards paid to the Named Plaintiff and Class Members shall be deemed not to be
21 pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of
22 the employee benefits (e.g., vacations, holiday pay, retirement plans, etc.) of Named Plaintiff or
23 Class Members. The Parties agree that any Service Award and Settlement Awards paid to Named
24 Plaintiff and Class Members under the terms of this Agreement do not represent any modification
25 of Named Plaintiff's or Class Members' previously credited hours of service, or other eligibility
26 criteria, under any employee pension benefit plan or employee welfare benefit plan sponsored by
27 Defendants. Further, any Service Award or Settlement Awards hereunder shall not be considered
28 "compensation" in any year for purposes of determining eligibility for, or benefit accrual within,

1 an employee pension benefit plan, employee welfare benefit plan sponsored by Defendants, or
2 unemployment benefits. Defendants will not take 401(k) or other benefits deductions from any
3 Service Award or Individual Settlement Awards.

4
5 H. Notices. Named Plaintiff shall give the following notices:

6 a. Named Plaintiff will provide the required notice to the
7 LWDA pursuant to California Labor Code § 2699(1)(2).

8 b. Within 30 days of execution of this Agreement, Named
9 Plaintiff will file a Notice of Conditional Settlement of the Action.

10
11 I. Privacy of Documents and Information. Named Plaintiff and Named
12 Plaintiff's counsel agree that none of the documents and information provided to them by
13 Defendants shall be used for any purpose other than prosecution of the Class Action.

14
15 J. Confidentiality Prior to Preliminary Approval. The undersigned agree that
16 prior to the date of the filing of the papers in support of Preliminary Approval, they will keep
17 confidential the terms of this Settlement, and there shall be no publicity of any kind relating to this
18 Settlement. Named Plaintiff shall be informed that the Settlement is confidential up until the date
19 of the filing of the papers in support of Preliminary Approval, and shall be advised to keep this
20 Settlement confidential. Notwithstanding the foregoing, Named Plaintiff and Class Counsel may
21 inform their immediate family and legal, tax, and financial advisors of this Settlement. However,
22 before disclosing any such information to any such person, Named Plaintiff or Class Counsel (as
23 the case may be) shall advise such person(s) that the information is confidential. The disclosure of
24 this information to any other person shall constitute a breach of this Agreement. Prior to the date
25 of the filing of the papers in support of Preliminary Approval, Class Counsel and Counsel for
26 Defendants may not communicate the terms of this Settlement to Plaintiffs, other than Named
27 Plaintiff, including on websites. Notwithstanding the foregoing, the Parties may discuss the terms
28 of the Settlement in any papers filed with the Court relating to preliminary approval of the

1 Settlement. Defendants may reference this Settlement prior to Preliminary Approval in its
2 financial disclosures. The Parties agree that damages from violation of this provision are
3 significant and impossible to calculate. They therefore agree that any violation of this provision
4 shall subject the Named Plaintiff and/or their Counsel to liquidated damages in the amount of Five
5 Hundred Dollars and No Cents (\$500.00) per proven breach, with a cap of Two Thousand, Five-
6 Hundred Dollars and No Cents (\$2,500.00).

7
8 K. Limited Publicity Following Preliminary Approval. From and after
9 Preliminary Approval of the Settlement, Class Counsel and Named Plaintiff may only comment
10 regarding the specific terms of this Agreement: (1) as required by law; or (2) as required under the
11 terms of this Agreement. In all other cases, Class Counsel and Named Plaintiff agree to not
12 publicize this Settlement in any way. Neither Named Plaintiff nor Class Counsel shall hold any
13 press conference, make any press release, make statements to the press, publish the settlement on
14 the internet or social media, or in any way affirmatively publicize any information related in any
15 way to the Settlement. The Parties agree that damages from violation of this provision are
16 significant and impossible to calculate. They therefore agree that any violation of this provision
17 shall subject the Named Plaintiff and/or their Counsel to liquidated damages in the amount of Five
18 Hundred Dollars and No Cents (\$500.00) per proven breach, with a cap of Two Thousand, Five-
19 Hundred Dollars and No Cents (\$2,500.00). Notwithstanding the foregoing, Class Counsel is
20 expressly permitted to disclose the publicly filed terms of this settlement in their declarations filed
21 in other cases; provided that the declarations are not otherwise publicized or reported and are only
22 filed with the courts in any other cases. Nothing in this paragraph or any other provision of this
23 Agreement is intended to prevent the Parties from disclosing factual information regarding any
24 claim for sexual harassment, sex discrimination, or retaliation for reporting sexual harassment or
25 sex discrimination pursuant to California Code of Civil Procedure § 1001(a)(3). Further, nothing
26 in this Agreement shall prevent Plaintiffs from engaging in any form of concerted activity that is
27 protected by Section 7 of the National Labor Relations Act, which is codified at 29 U.S.C. § 157.

1 Information about such rights is available to Plaintiffs on the National Labor Relations Board's
2 website, www.nlr.gov.

3
4 L. No Admission by the Released Parties. Defendants and the Released
5 Parties deny any and all claims alleged in the Action and deny all wrongdoing whatsoever. This
6 Agreement is not a concession or admission, and shall not be used against Defendants or any of
7 the Released Parties as an admission or indication with respect to any claim of any fault,
8 concession, or omission by Defendants or any of the Released Parties. Whether or not the
9 Settlement is finally approved, neither the Settlement, nor any document, statement, proceeding,
10 or conduct related to this Agreement, nor any reports or accounts thereof, shall in any event be:

11
12 1. Construed as, offered as, admitted into, or deemed to be evidence
13 for any purpose adverse to the Released Parties, including but not limited to evidence of a
14 presumption, concession, indication, or admission by any of the Released Parties of any liability,
15 fault, wrongdoing, omission, concession, or damage; or

16
17 2. Disclosed, referred to, offered, or received as evidence against any
18 of the Released Parties in any further proceeding in the Action, or any other civil, criminal, or
19 administrative action or proceeding, except for purposes of settling the Action pursuant to this
20 Agreement or enforcing the terms of this Stipulation.

21
22 M. Exhibits and Headings. The terms of this Agreement include the terms set
23 forth in any of the attached **Exhibits 1 through 3**, which are incorporated by this reference as
24 though fully set forth herein. Any Exhibits to this Agreement are an integral part of the
25 Settlement. The descriptive headings of any Paragraphs or Sections of this Agreement are inserted
26 for convenience of reference only and do not constitute a part of this Agreement.

1 N. Amendment or Modification. This Agreement may be amended or
2 modified only by a written instrument signed by counsel for all Parties or their successors-in-
3 interest.

4
5 O. Entire Agreement. This Agreement and the attached Exhibits constitute the
6 entire agreement among these Parties, and no oral or written representations, warranties, or
7 inducements have been made to any Party concerning this Agreement or its Exhibits, other than
8 the representations, warranties, and covenants contained and memorialized in such documents.

9
10 P. Authorization to Enter into Settlement Agreement. Counsel for all Parties
11 warrant and represent that they are expressly authorized by the Parties whom they represent to
12 negotiate this Agreement and to take all appropriate action required or permitted to be taken by
13 such Parties (including the execution of any other documents) pursuant to this Agreement to
14 effectuate the terms of said Agreement. The Parties and their counsel will cooperate with each
15 other and use their best efforts to effect the implementation of the Settlement.

16
17 Q. Binding on Successors and Assigns. This Agreement shall be binding upon,
18 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

19
20 R. California Law Governs. All terms of this Agreement and the Exhibits
21 attached hereto shall be governed by and interpreted according to the laws of the State of
22 California.

23
24 S. Counterparts. This Agreement may be executed in one or more
25 counterparts and transmitted via email or facsimile. All executed counterparts, their copies and
26 each of them, shall be deemed to be one and the same instrument.

1 T. Cooperation and Drafting. Each of the Parties has cooperated in the
2 drafting and preparation of this Agreement. Hence, in any construction made of this Agreement,
3 the same shall not be construed against any of the Parties.

4
5 U. Invalidity of Any Provision. Before declaring any provision of this
6 Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest
7 extent possible consistent with applicable precedents so as to define all provisions of this
8 Agreement valid and enforceable.

9
10 V. Named Plaintiff's General Release Remains Effective. Named Plaintiff
11 agrees to sign this Agreement and by signing this Agreement is bound by the terms herein stated,
12 including without limitation the release set forth in Section X.C. Named Plaintiff shall retain his
13 rights as a Class Member under this Agreement, but understands that should he opt out of the
14 Settlement, he shall waive his rights to any recovery of any Service Award.

15 **NAMED PLAINTIFF**

16
17 Dated: Feb 25, 2025

By: 
Harry Edward (Feb 25, 2025 14:19 PST)

HARRY EDWARD

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DEFENDANTS

Dated: 2/26/2025

SVC MANUFACTURING, INC.

By:  Signed by:
7D766606D2B94EA...

Its: Vice President, Employment Law
Dated: 2/26/2025
PEPSICO, INC.

By:  Signed by:
7D766606D2B94EA...

Dated: 2/26/2025

Its: Vice President, Employment Law
PEPSI BEVERAGES NORTH AMERICA

By:  Signed by:
7D766606D2B94EA...

Dated: 2/26/2025

Its: Vice President, Employment Law
PEPSI BEVERAGES COMPANY

By:  Signed by:
7D766606D2B94EA...

Dated: 2/26/2025

Its: Vice President, Employment Law
THE QUAKER OATS COMPANY

By:  Signed by:
7D766606D2B94EA...

Its: Vice President, Employment Law

1 APPROVED AS TO FORM:

2 **PLAINTIFF'S COUNSEL**

3
4 Dated: February 25, 2025

CASTLE LAW, P.C.

5
6 By:



TIMOTHY B. CASTILLO

LISA L. BRADNER

BRYCE Q. FICK

Attorneys for Plaintiff
HARRY EDWARD

7
8
9
10
11 Dated: February 25, 2025

LAWYERS *for* JUSTICE, P.C.

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13 By:



ARBY AIWAZIAN

JOANNA GHOSH

SELENA MATAVOSIAN

Attorneys for Plaintiff
HARRY EDWARD

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19 **DEFENDANTS' COUNSEL**

20 Dated: 2/25/2025

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

21
22 By:



SAMANTHA D. HARDY

CARINA L. NOVELL

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25 Attorneys for Defendants
SVC MANUFACTURING INC.; PEPSI BEVERAGES
26 NORTH AMERICA; PEPSICO, INC.; PEPSI
27 BEVERAGES COMPANY; AND THE QUAKER
28 OATS COMPANY

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LIST OF EXHIBITS

- 1. Proposed Class Notice
- 2. Proposed Preliminary Approval Order
- 3. Proposed Final Judgment and Order

NOTICE OF SETTLEMENT

Harry Edward v. SVC Manufacturing, Inc.; Pepsi Beverages North America; PepsiCo, Inc.; Pepsi Beverages Company; and The Quaker Oats Company

Superior Court of the State of California for the County of Alameda

Case No. 23CV027173

TO: Any and all persons who are or were employed as a non-exempt and/or hourly employee employed by SVC Manufacturing, Inc. in the State of California from February 2, 2019, through [DATE TBD] (“Class Period”).

PLEASE READ THIS ENTIRE NOTICE CAREFULLY. IT MAY AFFECT YOUR LEGAL RIGHT TO A MONETARY SETTLEMENT ARISING OUT OF YOUR EMPLOYMENT AS A NON-EXEMPT AND/OR HOURLY EMPLOYEE BY SVC MANUFACTURING, INC.

THIS NOTICE WILL EXPLAIN THE ABOVE OPTIONS IN MORE DETAIL AND INFORM YOU OF IMPORTANT, TIME-SENSITIVE DEADLINES FOR EACH OPTION.

I. INTRODUCTION

If you were employed by Defendant SVC Manufacturing, Inc. in California as a non-exempt and/or hourly employee at any time from February 2, 2019 through [END DATE], excluding any weeks covered by the settlement in *Stevens v. PepsiCo, Inc. et al.*, Case No. 22-cv-00802 (S.D.N.Y) (the “Class Period”), you are a member of the proposed settlement class in this class action lawsuit (“Plaintiff”) and your rights will be affected as set forth in the proposed settlement described in this Notice (the “Settlement”). On _____[DATE]_____, the Court preliminarily approved the Settlement. You have received this Notice because Defendants’ records show you are a Plaintiff in this action.

II. NATURE OF THE ACTION

This Action was filed by Named Plaintiff Harry Edward (“Named Plaintiff”) in the Superior Court for the State of California, County of Alameda, on February 2, 2023, against SVC Manufacturing, Inc.; Pepsi Beverages North America; PepsiCo, Inc.; Pepsi Beverages Company; and The Quaker Oats Company. Named Plaintiff and the Plaintiffs are represented by Castle Law: California Employment Counsel, P.C. and Lawyers *for* Justice, P.C. (“Class Counsel”).

Named Plaintiff’s Operative Complaint alleges the following causes of action: (1) failure to provide adequate meal periods; (2) failure to provide adequate rest breaks; (3) failure to timely pay minimum and straight wages; (4) failure to timely pay overtime compensation; (5) failure to reimburse for necessary business expenses; (6) failure to pay all wages during employment, (7) failure to pay wages due upon termination of employment; (8) failure to provide accurate wage statements; (9) failure to maintain required payroll records; (10) violations of unfair competition law; and (11) representative action for civil penalties under California Labor Code Section 2698, et. seq.

Named Plaintiff generally alleges that Defendants failed to properly provide meal and rest periods to its employees, failed to fully and timely pay them all wages owed, failed to reimburse for business expenses, etc. On this basis, Named Plaintiff also alleges derivative claims for failure to pay accurate wages during employment and upon termination, penalties for incorrect wage statements, and penalties under PAGA. For these allegedly improper actions, Named Plaintiff is demanding various amounts for wages, penalties, interest, attorneys’ fees, and other damages (collectively, the “Claims”).

III. POSITIONS OF THE PARTIES

Class Counsel has extensively investigated and researched the facts and circumstances underlying the issues raised in the Action, and the applicable law. Class Counsel recognizes the expense and length of continued proceedings necessary to continue the litigation against Defendants through trial and through any possible appeals. Class Counsel has also taken into account the uncertainty and the risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Class Counsel is also aware of the burdens of proof necessary to establish liability for the Claims, of Defendants' defenses, and of the difficulties in establishing damages for the Plaintiffs. Class Counsel also has taken into account the extensive settlement negotiations conducted by Plaintiffs and Defendants (the "Parties"). Based on the foregoing, Class Counsel believes the proposed Settlement is fair, adequate, and reasonable and in the best interests of the Plaintiffs.

Defendants have denied and continue to deny each of the claims and contentions alleged by Named Plaintiff in the Action. Defendants have repeatedly asserted and continue to assert defenses thereto, and have expressly denied and continue to deny any wrongdoing or legal liability arising out of any of the facts or conduct alleged in the Action. Defendants also have denied and continue to deny, *inter alia*, the allegations that Plaintiffs have suffered damages; that Defendants failed to properly provide meal and rest periods to their employees, failed to fully and timely pay them all wages owed, failed to reimburse for business expenses, etc.; that Defendants engaged in any other wrongful conduct as alleged in the Action; or that Plaintiffs were harmed by the conduct alleged in the Action. Defendants have also concluded that the further defense of this litigation would be protracted and expensive for all Parties. Defendants have, therefore, agreed to settle this Action in the manner and upon the terms set forth in the proposed Settlement to put to rest all claims that are or could have been asserted against it in the Action.

IV. YOUR OPTIONS

Upon receipt of this Notice, you have three options, described in further detail in following sections:

DO NOTHING	You will receive your share of the Settlement's Payout Fund. In exchange for receiving payment from the Payout Fund, you are releasing certain state law claims covered by the Settlement, as well as certain related federal law claims, against Defendants and/or related entities.
EXCLUDE YOURSELF	Receive no payment from the Class portion of the Settlement and retain all rights you may have against Defendants and/or related entities as to state and federal claims. However, Class Members are ineligible to opt-out of the PAGA portion of the Individual Settlement Award and you will still receive the PAGA portion of your Individual Settlement Award if you exclude yourself from the Settlement.
OBJECT	Write to the Court about why you do not agree with the Settlement. The Court may or may not agree with your objection. Objecting to the Settlement will not exclude you from the Settlement, and you will release the claims covered by the Settlement if it is approved by the Court.

V. THE SETTLEMENT

The following is only a summary of the provisions of the proposed Settlement between the Named Plaintiff, the Plaintiffs, and Defendant. The specific and complete terms of the proposed Settlement are described in the First Amended Stipulation and Settlement of Class Claims ("Settlement Agreement"), a copy of which is available from the Court's docket for your review as set forth at the end of this Notice.

The Settlement has a maximum value of \$394,000.00 (Three Hundred Ninety-Four Thousand Dollars and No Cents) (the "Settlement Fund"). The Settlement Fund is made up of six parts: (1) the total payments to Class Members of the Settlement Awards (the "Payout Fund"); (2) a Fees Award to Class Counsel; (3) a Costs Award to Class Counsel; (4) a Service Award/General Release Payment to the Named Plaintiff; (5) a payment to the Labor Workforce Development Agency; and (6) claims administration expenses. The Payout Fund is explained in this Section. The Fees Award, Costs Award, Service Award, payment to the LWDA, and claims administration expenses are explained in Section VI below.

All Plaintiffs are receiving this Notice. All Plaintiffs who do not request to be excluded from the Settlement as set forth in Section VIII below will be "Class Members." All Class Members will automatically receive their pro rata share of the Payout Fund.

Approximately \$195,116.67 (One Hundred Ninety-Five Thousand One Hundred Sixteen Dollars and Sixty-Seven Cents) (the "Payout Fund") is available for disbursement to all Plaintiffs. **All Class Members who do not timely and validly opt-out of the class action will receive an Individual Settlement Award.** Note that Class Members are ineligible to opt-out of the PAGA portion of their Individual Settlement Awards if any. Individual Settlement Awards will be distributed on a pro-rata basis based on the number of weeks worked by the Class Member as compared to the number of weeks worked by all Class Members. Weeks already paid and released as part of the settlement in *Stevens v. PepsiCo, Inc. et al.*, Case No. 22-cv-00802 (S.D.N.Y) will not be counted. Any partial week worked will be expressed as a percentage of a full workweek.

The records of Defendants reflect that you worked approximately _____ compensable workweeks as a non-exempt and/or hourly employee of SVC Manufacturing Inc. in California from February 2, 2019, through [END DATE], excluding any weeks covered by the settlement in *Stevens v. PepsiCo, Inc. et al.*, Case No. 22-cv-00802 (S.D.N.Y). Although the precise amount of payment is subject to change depending on the number of Settlement Class Members and the length of their employment, at this time it is estimated that you will recover approximately \$_____.

Each Class Member's Gross Settlement Amount will be divided into a "Gross Wage Portion" and a "Non-Wage Portion." The Gross Wage Portion shall comprise fifty percent (50%) of each Class Member's Gross Settlement Amount and the "Non-Wage Portion" shall comprise fifty percent (50%) of each Class Member's Gross Settlement Amount. The resulting amount will be each individual Class Member's "Gross Wage Component." From each Class Member's Gross Wage Component, payroll deductions will be made for state and federal withholding taxes and any payroll taxes owed by the Class Member as a result of the payment, resulting in a "Net Wage Component." The total of the Net Wage Component and the Non-Wage Portion shall be the Class Member's "Net Settlement Amount." The Net Settlement Amount will be the net amount paid to each Class Member and is the Class Member's "Individual Settlement Award." Subject to Court approval, the Parties anticipate Individual Settlement Awards will be distributed on approximately _____[DATE]_____.

Each Class Member will receive their Individual Settlement Award by check. The checks shall remain valid and negotiable for one hundred twenty (120) days from issuance and may thereafter automatically be canceled if not cashed.

VI. CLASS COUNSEL'S FEES AWARD, NAMED PLAINTIFF'S SERVICE AWARD, PAYMENT TO THE LWDA, AND SETTLEMENT ADMINISTRATION EXPENSES

A. The amount of attorneys' fees awarded to Class Counsel will be subject to the Court's discretion, but in any event, will not exceed \$131,333.33 (One Hundred Thirty-One Thousand Three-Hundred Thirty-Three Dollars and Thirty-Three Cents) (the "Fees Award"). Class Counsel may seek a Costs Award not to exceed \$20,000.00 (Twenty Thousand Dollars and No Cents). Class Counsel will not be permitted to petition the Court for any additional payments for fees, costs, or interest and the Fees Award and Costs Award shall be for all claims for attorneys' fees and costs, past, present, and future, incurred in

the Action. The Fees Award and Costs Award will be paid out of and deducted from the Settlement Fund. As part of the Settlement, you will not be required to pay Class Counsel for their representation of you in the Action.

B. The amount of the Service Award/General Release Payment to Named Plaintiff will be subject to the Court's discretion, but in any event, will not exceed \$10,000.00 (Ten Thousand Dollars and No Cents). This Service Award/General Release Payment shall be paid out of and deducted from the Settlement Fund.

C. As part of the preliminary approval of the Settlement, the Court has approved payment of \$39,400.00 (Thirty-Nine Thousand Four-Hundred Dollars and No Cents) attributable to civil penalties under the California Labor Code's Private Attorneys General Act, Labor Code §§ 2699, *et seq.* ("PAGA"), 75% of which, or \$29,550.00 (Twenty-Nine Thousand Five-Hundred Fifty Dollars and No Cents) will be paid to the California Labor Workforce Development Agency ("LWDA") and represent the LWDA's share of the Settlement. The remaining \$9,850.00 (Nine Thousand Eight Hundred Fifty Dollars and No Cents) will be added to the Payout Fund and distributed to Class Members as part of their Individual Settlement Amounts.

D. Also, as part of the preliminary approval of the Settlement, the Court has approved payment of settlement administration expenses for an amount up to \$8,000.00 (Eight Thousand Dollars and No Cents) to the Settlement Administrator from the Settlement Fund.

VII. BINDING EFFECT/RELEASE OF CLAIMS

As of the Effective Date, the Class Members, including Named Plaintiff, release Defendants, and each of their past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers, and reinsurers, and its and their respective successors and predecessors in interest, subsidiaries, affiliates, parents, and attorneys and each of their company-sponsored employee benefit plans and all of their respective officers, directors, employees, administrators, fiduciaries, trustees, and agents (the "Released Parties"), from the "Released Claims." For the purposes of this Agreement, "Released Claims" means all claims alleged in Named Plaintiff's operative complaints in the Actions, or that could have been alleged based upon the facts pleaded in *Harry Edward v. SVC Manufacturing Inc., et. al.* under any theory of law, including but not limited to all claims for alleged violations of the Labor Code and/or Wage Orders, including but not limited to unpaid minimum wage, straight time, or overtime wages (including on an off-the-clock, rounding, calculation of regular rates, sick time, vacation pay, or other theory), timing of payment, meal and rest period claims (including claims regarding how any meal or rest period penalties were calculated), unpaid expense reimbursements, record-keeping violations, and any and all associated penalties and damages (including but not limited pay stub penalties, waiting time penalties, any other penalties arising under the California Labor Code, and liquidated damages) for the Class Period, but excluding PAGA penalties that may be pursued as a proxy for the LWDA. Named Plaintiff does, however, release the Released Parties as a proxy for LWDA within the scope of his PAGA Notice submitted to the LWDA on November 30, 2022.

VIII. PROCEDURE FOR EXCLUSION

You may exclude yourself from the Settlement by mailing to Phoenix Class Action Administration Solutions located at [ADDRESS], on or before [DATE], a written statement expressing your desire to be excluded from the Settlement in the *Edward v. SVC Manufacturing Inc., et. al.* litigation. If you wish to request exclusion from the Settlement in this Action, your written statement must include your name, address, telephone number, and employee ID number or last four digits of your social security number; whether you have retained an attorney; and if you have retained an attorney, the name of the firm, name of the attorney, firm address, and firm telephone number.

In addition, your statement must be postmarked on or before [DATE]. Requests for exclusion that do not include all required information, or that are not submitted on a timely basis, will be deemed null, void, and ineffective. Persons who are eligible to and do submit valid and timely requests for exclusion from the Settlement will not receive Settlement Awards, nor will they be bound by the terms of the proposed Settlement, if it is approved, or the Final Judgment in this Action. However, you are not eligible to exclude yourself from the PAGA-portion of the Settlement Award, meaning you will be bound by the terms of the proposed Settlement as it relates to the PAGA claim.

IX. SETTLEMENT HEARING/OBJECTIONS TO THE PROPOSED SETTLEMENT

A hearing (the "Settlement Hearing") will be held before the Honorable Judge [JUDGE] on [DATE], at __:__.m. at the Superior Court of the State of California for the County of Alameda, 1225 Fallon Street, Oakland, CA 94612 (the "Court"), to determine whether the proposed Settlement of the Action is fair, adequate, and reasonable and should be approved by the Court and whether the Action should be dismissed on the merits with prejudice. The hearing may be continued by the Court from time to time without further direct notice.

Any Class Member who wishes to object to the Settlement must file with the Court and serve on counsel for the Parties a written statement objecting to the Settlement. Such written objection must contain the name, address, telephone number, employee ID number or last four digits of the social security number of the person objecting; the location and dates of their employment by Defendants; whether the objector has retained an attorney; and if the objector has retained an attorney, the name of the firm, name of the attorney, address, and telephone number. Any such objection must be filed with the Court and have been served personally on or before [DATE], or if by mail, then postmarked no later than [DATE], upon all of the following:

Class Counsel Timothy B. Del Castillo CASTLE LAW: CA EMPLOYMENT COUNSEL, PC 2999 Douglas Blvd., Suite 180 Roseville, CA 95661-4219 Arby Aiwarzian Joanna Ghosh Selena Matavosian LAWYERS for JUSTICE, PC 450 North Brand Boulevard, Suite 900 Glendale, CA 91203	Counsel for Defendants Samantha D. Hardy Carina L. Novell SHEPPARD, MULLIN, RICHTER & HAMPTON, LLP 501 West Broadway, 18th Floor San Diego, CA 92101
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No Class Member shall be entitled to be heard at the Final Settlement Hearing (whether individually or through separate counsel at their own expense) or to object to the Settlement, and no objections or briefs submitted by any Class Member shall be received or considered by the Court at the Settlement Hearing, unless written notice of the Class Member's intention to appear at the Settlement Hearing, and copies of any written objections or briefs, have been filed with the Court and served on counsel for the Parties before the deadline above. Further, if the objector retains an attorney, the attorney must file a valid notice of appearance within seven (7) days of the deadline for submitting objections. Any Class Member who does

not make and serve their written objections in the manner provided above shall be deemed to have waived such objections and shall be foreclosed from making any objections (by appeal or otherwise) to the proposed Settlement.

Any Class Member who is satisfied with the proposed Settlement need not appear at the Settlement Hearing.

X. EXAMINATION OF PAPERS AND INQUIRIES

The foregoing is only a summary of the Action and the proposed Settlement and does not purport to be comprehensive. For a more detailed statement of the matters involved in the Action and the proposed Settlement, you may refer to the pleadings, the First Amended Stipulation and Settlement of Class Claims, and other papers filed in the Action, which may be inspected at the Office of the Clerk of the Court, 1225 Fallon Street, Oakland, CA 94612, during regular business hours of each Court day.

All inquiries by Plaintiffs regarding this Notice and/or the Settlement should be directed to the settlement administrator for this Settlement. You can also contact Class Counsel listed in section IX above.

Phoenix Class Action Administration Solutions [ADDRESS] [PHONE] [WEBSITE]
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PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANTS, OR DEFENDANTS' ATTORNEYS WITH INQUIRIES.

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA

HARRY EDWARD, individually, and on
behalf of other members of the general
public similarly situated;

Plaintiff,

vs.

SVC MANUFACTURING, INC., a Delaware
corporation; PEPSI BEVERAGES NORTH
AMERICA, an unknown business entity;
PEPSICO, INC., a North Carolina corporation;
PEPSI BEVERAGES COMPANY, an
unknown business entity; THE QUAKER
OATS COMPANY, a New Jersey corporation;
and DOES 1 through 100, inclusive,

Defendants.

Case No.: 23CV027173

Honorable Somnath Raj Chatterjee
Department 21

**FIRST AMENDED STIPULATION AND
SETTLEMENT OF CLASS CLAIMS**

Complaint Filed: February 2, 2023
Jury Trial Date: None Set

PRELIMINARY APPROVAL ORDER

1 The motion of plaintiffs for preliminary approval of class action settlement is GRANTED.

2 The complaint alleges various Labor Code claims.

3 The case preliminarily settled for a total of \$394,000. The settlement agreement states there
4 will be attorneys' fees of up to \$131,333.33 (33.3%), costs of up to \$20,000, Service Payment of
5 \$10,000 to Plaintiff, settlement administration costs of up to \$8,000, and a PAGA payment of
6 \$39,400 (\$29,550 to the LWDA). After these expenses, the amount available to be distributed to the
7 Class would be \$195,116.67. There are an estimated 333 Class Members. The average recovery for
8 each class member would be \$586.

10 The motion makes an adequate analysis as required by *Kullar v. Foot Locker Retail, Inc.*
11 (2008) 168 Cal.App.4th 116.

12 The proposed class notice form and procedure are adequate.

13 The proposed class is appropriate for class certification.

14 The scope of the named plaintiff release is appropriate. The agreement for the named
15 plaintiff may include a Civil Code 1542 waiver.

17 The scope of the LWDA's release for claims asserted under the PAGA is appropriate. The
18 PAGA release does not release claims by the aggrieved employees. The scope of the LWDA's
19 release is limited to the scope of the PAGA notice letter. (*LaCour v. Marshalls of California, LLC*
20 (2023) 94 Cal.App.5th 1172, 1192-1196.)

21 The scope of the class release is appropriate. The scope of the class release is limited to the
22 claims arising out of the claims in the complaint where the named plaintiffs are typical and can
23 adequately represent the class. (*Amaro v. Anaheim Arena Management, LLC* (2021) 69 Cal.App.5th
24 521, 537-538.) The release of claims by the class is limited by the "factual predicate rule." (*Hesse*
25 *v. Sprint Corp.* (9th Cir. 2010) 598 F.3d 581, 590.) (See also *Hendricks v. Starkist Co.* (N.D. Cal.
26 2016) 2016 WL 692739 at *2-4 [Denying motion for final approval of class settlement because
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1 scope of release overbroad].) The scope of the class release does NOT include a release of the
2 LWDA's claims.

3 The Court notes and approves of the plan to distribute the settlement funds with no claims
4 process.

5 The unclaimed funds will be distributed to _____. This is consistent with CCP 384.

6 Counsel has provided a declaration in support of the motion that provides the information
7 required by CCP 382.4.

8 The Court will not approve the amount of attorneys' fees and costs until the final approval
9 hearing. The Court cannot award attorneys' fees without reviewing information about counsel's
10 hourly rate and the time spent on the case. This is the law even if the parties have agreed that
11 Defendants will not oppose the motion for fees. (*Robbins v. Alibrandi* (2005) 127 Cal. App. 4th 438,
12 450-451.)

13 "Because absent class members are not directly involved in the proceedings, oversight to
14 ensure settlements are fair and untainted by conflict is the responsibility of both the class
15 representative and the court." (*Mark v. Spencer* (2008) 166 Cal.App.4th 219, 227.)

16 "[T]horough judicial review of fee applications is required in all class action settlements and
17 the fairness of the fees must be assessed independently of determining the fairness of the substantive
18 settlement terms." (*Consumer Privacy Cases* (2009) 175 Cal.App.4th 545, 555-556.)

19 The court sets out its standard analysis below. Counsel may address that analysis in the fee
20 application.

21 The Ninth Circuit's benchmark is 25%. (*Laffitte v. Robert Half Internat. Inc.* (2016) 1
22 Cal.5th 480, 495.)

23 This court's benchmark for fees is 30% of the total fund. (*Laffitte v. Robert Half Internat.*
24 *Inc.* (2016) 1 Cal.5th 480, 495; *Schulz v. Jeppesen Sanderson, Inc.* (2018) 27 Cal.App.5th 1167,
25

1 1175; *Consumer Privacy Cases* (2009) 175 Cal.App.4th 545, 557 fn 13; *Chavez v. Netflix, Inc.*
2 (2008) 162 Cal.App.4th 43, 66 fn 11.) The court recently reviewed and reaffirmed its use of a
3 benchmark of 30%. (*Hurtubise v. Sutter East Bay Hosp.* (2021) 2021 WL 11134912.)

4 When cross-checking with the lodestar/multiplier, the court will evaluate the lodestar based
5 on reasonable fees that would have been charged at hourly rates and then apply a multiplier. The
6 multiplier includes contingent fee risk and other factors.

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8 When considering risk, the court considers there is less risk in a case with fee shifting statutes
9 because counsel's potential fees are not limited by and coupled to the monetary recovery. "The law
10 does not mandate ... that attorney fees bear a percentage relationship to the ultimate recovery of
11 damages in a civil rights case." (*Harman v. City and County of San Francisco* (2007) 158
12 Cal.App.4th 407, 419.) (See also *Heritage Pacific Financial, LLC v. Monroy* (2013) 215
13 Cal.App.4th 972, 1006-1007.)

14
15 The Court will not decide the amount of any service award until the final approval hearing.
16 Plaintiff must provide evidence regarding the nature of his participation in the action, including a
17 description of his specific actions and the amount of time he committed to the prosecution of the
18 case. (*Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785, 804-807.) The
19 court's standard service award is \$7,500.

20 The Court **ORDERS** that the final approval hearing is set for _____.

21
22 The Court **ORDERS** that funds not be distributed to the cy pres beneficiary until after Court
23 approval of a final accounting.

24 The Court **ORDERS** that 10% of any fee award to be kept in the administrator's trust fund
25 until the completion of the distribution process and Court approval of a final accounting.

26 The Court will set a compliance hearing after the completion of the distribution process and
27 the expiration of the time to cash checks for counsel for plaintiff and the Administrator to comply
28

1 with CCP 384(b) and to submit a summary accounting of how the funds have been distributed to
2 the class members and the status of any unresolved issues. If the distribution is completed, the Court
3 will at that time order distribution of the cy pres funds and release any hold-back of attorney fees.

4 The Court **ORDERS** that at the time of the final accounting, counsel for plaintiff transmit a
5 copy of this order, the final judgment, and the final accounting to the Judicial Council. (CCP 384.5;
6 Govt Code 68520.)

7
8 The court will sign the proposed order, which is modified by this order. Plaintiff must reserve
9 a hearing for the motion for final approval.

10 Dated: _____

11
12 THE HONORABLE SOMNATH RAJ
13 CHATTERJEE
14 Judge
15 Alameda County
16 Superior Court of California
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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA

Case No. 23CV027173

HARRY EDWARD, individually, and on
behalf of other members of the general public
similarly situated;

Plaintiff,

vs.

SVC MANUFACTURING, INC., a Delaware
corporation; PEPSI BEVERAGES NORTH
AMERICA, an unknown business entity;
PEPSICO, INC., a North Carolina corporation;
PEPSI BEVERAGES COMPANY, an
unknown business entity; THE QUAKER
OATS COMPANY, a New Jersey corporation;
and DOES 1 through 100, inclusive,

Defendants.

**FIRST AMENDED STIPULATION AND
SETTLEMENT OF CLASS CLAIMS**

Assigned for All Purposes to:
Hon. Somnath Raj Chatterjee

Complaint Filed: February 2, 2023
Jury Trial Date: None Set

FINAL JUDGMENT AND ORDER OF DISMISSAL WITH PREJUDICE

1 This matter having come before the Court for hearing pursuant to the Order of this Court
2 dated _____, for final approval of the settlement set forth in the First Amended Stipulation
3 and Settlement of Class Claims (“Stipulation” or “Settlement”), and due and adequate notice
4 having been given to the Plaintiffs as required in said Order, and the Court having considered all
5 papers filed and proceedings had herein and otherwise being fully informed of the premises and
6 good cause appearing therefor, it is

7
8 ORDERED, ADJUDGED AND DECREED THAT:

- 9
- 10 1. All terms used herein shall have the same meaning as defined in the Stipulation.
- 11
- 12 2. This Court has jurisdiction over the subject matter of this litigation and over all
13 Parties to this litigation, including all Plaintiffs.
- 14
- 15 3. Distribution of the Notice directed to the Plaintiffs as set forth in the Stipulation
16 and the other matters set forth therein has been completed in conformity with the Preliminary
17 Approval Order, including individual notice to all Plaintiffs who could be identified through
18 reasonable effort, and was the best notice practicable under the circumstances. This Notice
19 provided due and adequate notice of the proceedings and of the matters set forth therein, including
20 the proposed settlement set forth in the Stipulation, to all persons entitled to such Notice, and the
21 Notice fully satisfied the requirements of due process. ____ Plaintiffs objected to the Settlement.
22 ____ Plaintiffs opted out of the Settlement.
- 23
- 24 4. This Court hereby approves the settlement set forth in the Stipulation and finds that
25 the Settlement is, in all respects, fair, adequate and reasonable and directs the Parties to effectuate
26 the Settlement according to its terms. The Court finds that the Settlement has been reached as a
27 result of intensive, serious and non-collusive arms-length negotiations; that the Parties have
28 conducted extensive and costly investigation and research and counsel for the Parties are able to

1 reasonably evaluate their respective positions; and that settlement at this time will avoid additional
2 substantial costs, as well as avoid the delay and risks that would be presented by the further
3 prosecution of these Actions. The Court has reviewed the monetary recovery that is being granted
4 as part of the Settlement and recognizes the significant value to the Class of that monetary
5 recovery. The Court finds that the Class is properly certified as a class for settlement purposes
6 only.

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8 5. For purposes of this Judgment, the term “Class” means “all hourly-paid and/or non-
9 exempt employees employed by Defendant SVC Manufacturing, Inc. in California during the
10 Class and/or PAGA Period, for all weeks worked during the Class Period, excluding any weeks
11 covered by the settlement *Stevens v. PepsiCo, Inc. et al.*, Case No. 22-cv-00802 (S.D.N.Y).” The
12 Class Period is defined as “the period beginning on February 2, 2019, and ending on the date
13 preliminary approval of the settlement is granted, or 180 days after the date the mediator’s
14 proposal is accepted (whichever occurs sooner).” And the PAGA Period is defined as “the time
15 period beginning on November 29, 2021, and ending on the date preliminary approval of the
16 settlement is granted, or 180 days after the date the mediator’s proposal is accepted (whichever
17 occurs sooner).” The Class Period and the PAGA Period ended on _____.

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19 6. The term “Class Member” means a Plaintiff who has not requested exclusion from
20 the Settlement.

21
22 7. As of the Effective Date, each and every Released Claim of each and every Class
23 Member is and shall be deemed to be conclusively released as against the Released Parties. All
24 Class Members as of the Effective Date are hereby forever barred and enjoined from prosecuting
25 the Released Claims against the Released Parties.

26
27 8. The Final Judgment shall bind each Class Member (including Named Plaintiff) and
28 shall operate as a full release and discharge of claims. The Final Judgment shall have a res judicata

1 effect and bar all Class Members from bringing any action asserting Released Claims as specified
2 in the Settlement against Defendants and the Released Parties, and it shall further bar Named
3 Plaintiff only from bringing any action asserting any claims against Defendants and the Released
4 Parties that were released as part of the “General Release” agreed to by Named Plaintiff in the
5 Settlement. The Court further finds that the Released Claims shall include Fair Labor Standards
6 Act (“FLSA”) claims for all Class Members under the doctrine of *res judicata* as described in
7 *Rangel v. PLS Check Cashers of California, Inc.*, 899 F.3d 1106 (9th Cir. 2018), regardless of
8 whether that Class Member endorses and cashes his or her settlement check.

9
10 9. The Stipulation and Settlement are not an admission by Defendants or any of the
11 other Released Parties, nor is this Judgment a finding, of the validity of any claims in the Action
12 or of any wrongdoing by Defendants or any of the other Released Parties. Neither this Judgment,
13 the Stipulation, nor any document referred to herein, nor any action taken to carry out the
14 Stipulation is, may be construed as, or may be used as an admission by or against Defendants or
15 any of the other Released Parties of any fault, wrongdoing or liability whatsoever. The entering
16 into or carrying out of the Stipulation, and any negotiations or proceedings related thereto, shall
17 not in any event be construed as, or deemed to be evidence of, an admission or concession with
18 regard to the denials or defenses by Defendants or any of the other Released Parties and shall not
19 be offered in evidence in any action or proceeding against Defendants or any of the Released
20 Parties in any court, administrative agency or other tribunal for any purpose whatsoever other than
21 to enforce the provisions of this Judgment, the Stipulation, or any related agreement or release.
22 Notwithstanding these restrictions, any of the Released Parties may file in the Action or in any
23 other proceeding the Judgment, Stipulation, or any other papers and records on file in the Action
24 as evidence of the Settlement to support a defense of *res judicata*, collateral estoppel, release, or
25 other theory of claim or issue preclusion or similar defense as to the Released Claims.

26
27 10. The Court hereby dismisses the Action on the merits and with prejudice against the
28 Named Plaintiff and all Class Members in favor of Plaintiffs and without costs or attorneys’ fees

1 to any of the Parties as against any other settling party, except as provided for in the Stipulation.
2 Without affecting the finality of this Judgment in any way, this Court hereby retains continuing
3 jurisdiction over the interpretation, implementation and enforcement of the Settlement and all
4 orders and judgments entered in connection therewith.

5
6 11. The Court hereby approves a Service Award/General Release Payment to the
7 Named Plaintiff in the amount of \$ _____. The Court approves payment to the LWDA in the
8 amount of \$ _____. The Court also approves the payment of claims administration expenses in
9 the amount of \$ _____.

10
11 12. Pursuant to the terms of the Settlement, and the authorities, evidence and argument
12 submitted by Class Counsel, the Court hereby awards Class Counsel attorneys' fees in the amount
13 of \$ _____, and attorneys' costs in the amount of \$ _____, as final payment for and
14 complete satisfaction of any and all attorneys' fees and costs incurred by and/or owed to Class
15 Counsel and any other person or entity related to the Action. The Court further orders that the
16 award of attorneys' fees and costs set forth in this Paragraph shall be administered pursuant to the
17 terms of the Stipulation; any allocation of attorneys' fees and costs between and among Class
18 Counsel shall be made by the Settlement Administrator pursuant to a separate and independent
19 agreement between Class Counsel.

20
21 13. After administration of the Settlement has been completed in accordance with the
22 Stipulation and all amounts calculated, and in no event later than one hundred and twenty (120)
23 days after the Check Stale Date, Defendants shall file a report with this Court setting forth the total
24 of the Gross Settlement Amounts for the Class Members and certifying compliance with the terms
25 of the Settlement.

1 14. Plaintiff's Motion for Final Approval of Class Action Settlement and Motion for
2 Attorneys' Fees and Costs and Class Representative Service Awards is hereby granted and the
3 Court directs that a judgment shall be entered in accordance with the terms of this Order.
4

5 15. Judgment in this matter is entered in accordance with the terms of the Settlement
6 Agreement, the Court's Preliminary Approval Order, and this Final Approval Order against
7 Defendants in favor of Plaintiffs and the Settlement Class. This document shall constitute a
8 Judgment for purposes of California Rule of Court 3.769(h). This Judgment is intended to be a
9 final disposition of the above captioned action in its entirety, and is intended to be immediately
10 appealable
11

12 16. The Court finds that the Stipulation is in good faith and constitutes a fair,
13 reasonable and adequate compromise of the Released Claims.
14

15 17. This Court shall retain jurisdiction with respect to all matters related to the
16 administration and consummation of the Settlement, to enforce the terms of the judgment, and any
17 and all claims, asserted in, arising out of, or related to the subject matter of the lawsuit, including
18 but not limited to all matters related to the Settlement and the determination of all controversies
19 relating thereto.
20

21 18. If the Settlement does not become final and effective in accordance with the terms
22 of the Stipulation, resulting in the return and/or retention of the Settlement Fund to Defendants
23 consistent with the terms of the Settlement, then this Judgment and all orders entered in
24 connection herewith shall be rendered null and void and shall be vacated.
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1 Dated: _____

2 THE HONORABLE EVELIO GRILLO

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