

John P. Nordlund (SBN 286153)
Stephanie A. Kierig (SBN 312294)
JACKSON LEWIS P.C.
225 Broadway, Suite 1800
San Diego, California 92101
Telephone: (619) 573-4900
Facsimile: (619) 573-4901
John.Nordlund@jacksonlewis.com
Stephanie.Kierig@jacksonlewis.com

Attorneys for Defendant
PROFESSIONAL MAINTENANCE SYSTEMS, INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN DIEGO, CENTRAL DISTRICT

ANDY MONTANEZ, an individual, on behalf of
himself and all others similarly situated,

Plaintiff,

vs.

PROFESSIONAL MAINTENANCE SYSTEMS,
INC., a California corporation, and DOES 1-50,
inclusive,

Defendant.

Case No. 37-2022-00048199-CU-OE-CTL

[Assigned for all purposes to Hon. Joel R. Wohlfeil,
Dept. C-73]

CLASS ACTION

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

E-FILE

Complaint Filed: December 1, 2022
Trial Date: Not Assigned

1 Nazo Koulloukian (SBN 263809)
2 KOUL LAW FIRM
3 3435 Wilshire Blvd., Suite 1710
4 Los Angeles, California 90010
5 Telephone: (213) 761-5484
6 Facsimile: (818) 561-3938
7 nazo@koullaw.com

8 Sahag Majarian (SBN 146621)
9 Garen Majarian (SBN 334104)
10 MAJARIAN LAW GROUP, APC
11 18250 Ventura Blvd.
12 Tarzana, California 91356
13 Telephone: (818) 609-0807
14 Facsimile: (818) 609-0892
15 sahagii@aol.com
16 garen@majarianlawgroup.com

17 Attorneys for Plaintiff
18 ANDY MONTANEZ
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1 **JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT**

2 This Joint Stipulation of Class Action and PAGA Settlement (“Joint Stipulation of Settlement”) is
3 made and entered into by and between Plaintiff and Class Representative ANDY MONTANEZ
4 (“Plaintiff”), individually and on behalf of the members of the Class (as defined below), by and through
5 his counsel of record, and Defendant PROFESSIONAL MAINTENANCE SYSTEMS, INC.
6 (“Defendant”), by and through its counsel of record, subject to the approval of the Court, as set forth
7 below. This Joint Stipulation of Settlement is intended by Plaintiff and Defendant to fully, finally, and
8 forever resolve, discharge, and settle the Released Claims (as defined below), upon and subject to the
9 terms and conditions hereof.

10 **1. DEFINITIONS.** As used herein, for the purposes of this Joint Stipulation of Settlement
11 only, the following terms shall be defined as set forth below:

12 **1.1. “Action”** refers to the present class and representative action filed in the Superior
13 Court of California, County of San Diego, on December 1, 2022, which is entitled *Andy Montanez v.*
14 *Professional Maintenance Systems, Inc.*, Case No. 37-2022-00048199-CU-OE-CTL.

15 **1.2. “Class” or “Class Member(s)”** refers to Plaintiff and all current and former hourly,
16 non-exempt employees of Defendant in California, at any time from June 10, 2021 through the Preliminary
17 Approval Order Date.

18 **1.3. “Class Counsel”** refers to Nazo Koulloukian of KOUL LAW FIRM, and Sahag
19 Majarian and Garen Majarian of MAJARIAN LAW GROUP, APC, the attorneys of record for the Class
20 Representative in the Action.

21 **1.4. “Class Notice”** refers to the form of direct-mail notice to Class Members,
22 substantially in the form attached hereto as “**Exhibit A**,” as may be modified by the Court, which explains
23 the terms of the Settlement, the procedure for making a Request for Exclusion, the procedure for making
24 an Objection, setting forth the total number of Class Workweeks worked by the Class Member and the
25 estimated Individual Class Settlement Payment and the procedure for disputing the stated amount of Class
26 Workweeks for each Settlement Class Member during the Class Period pursuant to Paragraph 8.9 below.

27 **1.5. “Class Payment”** shall be defined as the aggregate of the Individual Settlement
28 Payments to be paid to each of the Settlement Class Members in accordance with the procedures set forth

herein and as ordered by the Court.

1.6. “Class Period” refers to the time period for which Class Members may receive an Individual Settlement Payment, as defined below. The Class Period shall be the time period of June 10, 2021 through the Preliminary Approval Order Date.

1.7. “Class Release Period” refers to the effective dates of the release of all Released Claims by Settlement Class Members against the Released Parties, which shall be the time period of June 10, 2021 through the Preliminary Approval Order Date, as set forth in Paragraph 7.2.

1.8. “Class Representative” refers to Plaintiff ANDY MONTANEZ.

1.9. “Class Representative Enhancement” refers to the payment made to the Class Representative pursuant to Paragraph 5.2 in consideration for his individual release and waiver of Section 1542 of the California Civil Code pursuant to Paragraph 7.4 and his service as a named plaintiff in the Action.

1.10. “Class Workweeks” refers to the number of workweeks worked by each Class Member during the Class Period as set forth in Paragraph 4.3.

1.11. “Court” refers to the Superior Court of California for the County of San Diego, Honorable Joel R. Wohlfeil presiding.

1.12. “Defendant” refers to Defendant PROFESSIONAL MAINTENANCE SYSTEMS, INC.

1.13. “Defendant’s Counsel” refers to Defendant’s counsel of record in the Action, John P. Nordlund and Stephanie A. Kierig of JACKSON LEWIS P.C.

1.14. “Effective Date” means the date when all of the following events have occurred: (1) the Joint Stipulation of Settlement has been executed by all Parties, Class Counsel, and Defendant’s Counsel; (2) the Court has granted preliminary approval to the Joint Stipulation of Settlement; (3) the Class Notice has been mailed to the Class, providing them with an opportunity to object to or opt out of the Settlement; (4) the Court has held a Final Approval Hearing and entered a Final Approval Order and Judgment, including approval of the Settlement and release of the PAGA Claim; (5) sixty-five (65) calendar days have passed since the Court has entered the Final Approval Order and Judgment; and (6) in the event there are written Objections filed prior to the Final Approval Hearing that are not later withdrawn

1 or denied, the later of the following events: (a) five (5) business days after the period for filing any appeal,
2 writ, or other appellate proceeding in connection with the Final Approval Order and Judgment has elapsed
3 without any appeal, writ, or other appellate proceeding having been filed; or (b) if any appeal, writ, or
4 other appellate proceeding in connection with the Final Approval Order and Judgment has been filed, five
5 (5) business days after any appeal, writ, or other appellate proceeding in connection with the Final
6 Approval Order and Judgment has been finally and conclusively dismissed with no right to pursue further
7 remedies or relief.

8 **1.15. “Employer Taxes”** refers to all applicable federal, state, and local income and
9 employment taxes, including, but not limited to, any portion of such taxes that are to be paid by an
10 employer, and including, but not limited to, Unemployment Insurance, Employment Training Tax, FICA
11 (Social Security and Medicare), State Disability Insurance, and state and federal personal income taxes.
12 The Parties agree that the Employer Taxes are to be included in the Gross Settlement Amount, and
13 Defendant shall not pay Employer Taxes separately or in addition to the Gross Settlement Amount.

14 **1.16. “Final Approval Hearing”** refers to the hearing at which the Court will make a
15 final determination as to whether the terms of the Joint Stipulation of Settlement are fair, reasonable, and
16 adequate for the Class and meet all applicable requirements for approval, and, if the terms of the Joint
17 Stipulation of Settlement are so approved, whether a judgment should be entered thereon; whether the
18 Class Representative’s application for a Class Representative Enhancement should be granted; and
19 whether an application by Class Counsel for an award of reasonable attorneys’ fees and reimbursement of
20 their reasonable costs and expenses should be granted.

21 **1.17. “Final Approval Order”** refers to the final order by the Court approving the Joint
22 Stipulation of Settlement and entering Judgment following the Final Approval Hearing.

23 **1.18. “Final Funding Amount”** refers to the amount that Defendant is obligated to fund
24 as payment of this Settlement, which shall be equal to the sum of: (i) the total amount of Individual
25 Settlement Payments properly calculated by the Settlement Administrator in accordance with the claims
26 process as set forth in Paragraphs 8.1 through 8.13, and as approved by the Court; (ii) the Settlement
27 Administration Costs as set forth in Paragraph 5.6, and as approved by the Court in the Final Approval
28 Order; (iii) Class Counsel’s attorneys’ fees as set forth in Paragraph 5.1, and as approved by the Court in

the Final Approval Order; (iv) Class Counsel’s litigation costs as set forth in Paragraph 5.1, and as approved by the Court in the Final Approval Order; (v) the Class Representative Enhancement as set forth in Paragraph 5.2, and as approved by the Court in the Final Approval Order; (vi) Employer Taxes as set forth in Paragraphs 6.1 through 6.9; and (vii) the PAGA Payment as set forth in Paragraph 5.3, and as approved by the Court in the Final Approval Order.

1.19. “Final Funding Date” refers to the date on which Defendant shall provide the Final Funding Amount to the Settlement Administrator for distribution, which shall be thirty (30) days after the Effective Date.

1.20. “First Amended Complaint” refers to the operative First Amended Class and Representative Action Complaint in this Action, which alleges the following eight (8) causes of action: (1) Failure to Pay for All Hours Worked, Including Overtime Hours Worked; (2) Failure to Pay Wages Due Upon Termination; (3) Failure to Provide Rest Breaks; (4) Failure to Provide Uninterrupted Meal Breaks; (5) Failure to Reimburse for Required Business Expenses; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Unlawful Business Practices Under Bus. & Prof. Code § 17200; and (8) the PAGA Claim.

1.21. “Gross Settlement Amount” refers to the non-reversionary negotiated dollar amount of this Joint Stipulation of Settlement, which is equal to Two Million Dollars and Zero Cents (\$2,000,000.00). The Gross Settlement Amount includes the Net Settlement Amount, all Individual Settlement Payments to the Class, all Settlement Administration Costs, all Class Counsel attorneys’ fees, all Class Counsel litigation costs, the Class Representative Enhancement, all Settlement Class Members’ portions of payroll taxes, all PAGA Payments, and Employer Taxes.

1.22. “Individual Class Settlement Payment(s)” refers to the payments made to Settlement Class Members of the amount that shall be payable from the Net Settlement Amount to each Settlement Class Member as determined in accordance with the provisions of Paragraphs 4.2 and 4.3.

1.23. “Individual PAGA Payment” refers to the payment made to PAGA Aggrieved Employees of their *pro rata* share of the twenty-five percent (25%) of the PAGA Payment to be distributed to PAGA Aggrieved Employees in accordance with the provisions of Paragraphs 5.3 through 5.5.

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1 **1.24. “Joint Stipulation of Settlement”** or **“Settlement”** refers to this Joint Stipulation
2 of Class Action and PAGA Settlement, including all exhibits and any permitted and executed amendments
3 hereto.

4 **1.25. “Judgment”** refers to the final judgment by the Court approving this Joint
5 Stipulation of Settlement and adjudicating the Action.

6 **1.26. “LWDA”** refers to the California Labor & Workforce Development Agency.

7 **1.27. “Net Settlement Amount”** shall be defined as the Gross Settlement Amount, less
8 the amounts awarded by the Court for Class Counsel attorneys’ fees, Class Counsel litigation costs,
9 Settlement Administration Costs, the Class Representative Enhancement, Settlement Class Members’
10 portions of payroll taxes, PAGA Payment, and Employer Taxes, as provided for in Paragraphs 5.1 through
11 6.9. The Net Settlement Amount is the maximum amount that shall be made available to Settlement Class
12 Members for distribution. Under no circumstances shall the value of the Net Settlement Amount cause the
13 Gross Settlement Amount to exceed Two Million Dollars and Zero Cents (\$2,000,000.00).

14 **1.28. “Notice Date”** refers to the date ordered by the Court for the dissemination of the
15 Class Notice, which is expected to be seventy-five (75) calendar days after the Preliminary Approval
16 Order Date.

17 **1.29. “Objection”** refers to the process by which Class Members may object to the terms
18 and conditions of this Joint Stipulation of Settlement by the Response Deadline, as set forth in Paragraphs
19 8.7 through 8.10. However, Class Members may not object to the settlement of the PAGA Claim.

20 **1.30. “PAGA Aggrieved Employee(s)”** refers to any Class Member who was employed
21 during the PAGA Period.

22 **1.31. “PAGA Claim”** refers to the eighth cause of action in the First Amended Complaint
23 for civil penalties brought by Plaintiff on behalf of PAGA Aggrieved Employees pursuant to the California
24 Private Attorneys General Act, Labor Code sections 2698, *et seq.* during the PAGA Period as set forth in
25 the PAGA Notice and First Amended Complaint.

26 **1.32. “PAGA Notice”** refers to the letter sent on behalf of Plaintiff to the LWDA on
27 November 22, 2022 providing notice of his intent to file the PAGA Claim pursuant to Labor Code section
28 2699.3, in which he alleged, on behalf of himself and all similarly aggrieved employees: failure to pay for

all hours worked, including overtime hours worked; failure to pay wages due upon termination; failure to provide rest breaks; failure to provide uninterrupted meal breaks; failure to reimburse for required business expenses; and failure to provide accurate itemized wage statements, and seeking civil penalties pursuant to Labor Code sections 558 and 2699(a) and (f), for alleged violations of applicable IWC Wage Orders and Labor Code sections 201-204, 206, 206.5, 207, 210, 216, 218, 218.6, 221, 223, 226, 226.3, 226.7, 256, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2698, *et seq.*, and 2802.

1.33. “PAGA Pay Periods” refers to the number of pay periods worked by Class Members during the PAGA Period, as calculated in accordance with Paragraph 5.3.

1.34. “PAGA Payment(s)” refers to all payments made to satisfy the settlement of the PAGA Claim as set forth in Paragraph 5.4, which shall be in the total amount of Two Hundred Thousand Dollars and Zero Cents (\$200,000.00). The PAGA Payment shall be made in the following allocation: seventy-five percent (75%), or One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00), to be paid to the LWDA and twenty-five percent (25%), or Fifty Thousand Dollars and Zero Cents (\$50,000.00), to be distributed to all PAGA Aggrieved Employees as Individual PAGA Payments on a *pro rata* basis based upon their calculated PAGA Pay Periods. PAGA Aggrieved Employees shall be prohibited from submitting a Request for Exclusion with respect to the PAGA Claim and thus shall receive their PAGA Payment regardless of any Request for Exclusion from the Settlement Class.

1.35. “PAGA Period” refers to the time period of November 22, 2021 through the Preliminary Approval Order Date.

1.36. “PAGA Release” refers to the release of the PAGA Claim brought by Plaintiff, on behalf of himself, and as a private attorney general on behalf of the State of California and PAGA Aggrieved Employees against the Released Parties for any civil penalty claims under the Private Attorneys General Act, Labor Code sections 2698, *et seq.* predicated on the allegations in the PAGA Notice and First Amended Complaint, including: (1) Failure to Pay for all Hours Worked, Including Overtime Hours Worked; (2) Failure to Pay Wages Due Upon Termination; (3) Failure to Provide Rest Breaks; (4) Failure to Provide Uninterrupted Meal Breaks; (5) Failure to Reimburse for Required Business Expenses; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Unlawful Business Practices Under Bus. & Prof. Code § 17200; and (8) any other claims for civil penalties under PAGA that were or could have been

brought by Plaintiff in the Action based on the facts alleged in the PAGA Notice and First Amended Complaint, including, but not limited to, alleged violations of applicable Wage Orders and/or Labor Code sections 201-204, 206, 206.5, 207, 210, 216, 218, 218.6, 221, 223, 226, 226.3, 226.7, 256, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2698, *et seq.*, and 2802.

1.37. “PAGA Release Period” refers to the time period for the release of the PAGA Claim, which shall be coextensive with the PAGA Period (*i.e.*, November 22, 2021 through the Preliminary Approval Order Date).

1.38. “Parties” or “Party” refers to Plaintiff and Defendant, or each of them.

1.39. “Preliminary Approval Order” refers to the order by the Court granting preliminary approval to the Joint Stipulation of Settlement and directing the Parties to disseminate Class Notice to the Class.

1.40. “Preliminary Approval Order Date” refers to the date on which the Court enters the Preliminary Approval Order.

1.41. “Released Class Claims” refers to all claims against the Released Parties released by the Settlement Class upon Final Approval of this Joint Stipulation of Settlement as set forth in Paragraphs 7.1 and 7.2, including any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, liquidated damages, penalties, actions, or causes of action of any nature, under state, federal, or local law, whether statutory, common law, or administrative law, as alleged in the First Amended Complaint or which could have been raised against the Released Parties based upon the allegations in the First Amended Complaint in the Action, regardless of legal theory asserted, including: (1) Failure to Pay for all Hours Worked, Including Overtime Hours Worked; (2) Failure to Pay Wages Due Upon Termination; (3) Failure to Provide Rest Breaks; (4) Failure to Provide Uninterrupted Meal Breaks; (5) Failure to Reimburse for Required Business Expenses; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Unlawful Business Practices Under Bus. & Prof. Code § 17200; and (8) any other claims that were or could have been brought by Plaintiff in the Action based on the facts alleged in the First Amended Complaint, including, but not limited to, liquidated damages, civil and statutory penalties, interest, and other amounts recoverable under said claims, causes of action, or legal theories of relief identified above, including claims pursuant to the applicable Wage Orders, Labor

Code sections 201-204, 206, 206.5, 207, 210, 216, 218, 218.6, 221, 223, 226, 226.3, 226.7, 256, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2698, *et seq.*, and 2802, or related penalties of any nature and that were or could have been alleged in the First Amended Complaint in the Action, interest, fees, costs, and all other claims and allegations made in the Action during the Class Period.

1.42. “Released Parties” refers to Defendant and all of its present and former parent companies, subsidiaries, affiliates, owners, shareholders, officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors, and assigns that could be liable to any Class Member for any Released Claims as set forth in Paragraph 7.1.

1.43. “Request for Exclusion” refers to a request that a Class Member timely submits to the Settlement Administrator requesting to be excluded from the Class and this Joint Stipulation of Settlement. However, Class Members shall be prohibited from submitting a Request for Exclusion with respect to the PAGA Claim and, thus, a PAGA Aggrieved Employee shall receive an Individual PAGA Payment and be bound by the release of the PAGA Claim regardless of whether they submit a Request for Exclusion from the Settlement Class.

1.44. “Response Deadline” refers to the date by which Class Members must submit a valid Request for Exclusion or Objection to the Joint Stipulation of Settlement, pursuant to the terms below, which shall be the date that is forty-five (45) calendar days after the Notice Date and as such date may be modified by the Court. However, no Class Member is entitled to submit a Request for Exclusion or Objection to the settlement of the PAGA Claim.

1.45. “Settlement Administration Costs” refers to the amount for which Class Counsel shall petition this Court for compensation of the Settlement Administrator pursuant to Paragraph 5.6 for services in administering this settlement pursuant to Section 8 of this Joint Stipulation of Settlement. The Settlement Administration Costs shall be paid from the Final Funding Amount.

1.46. “Settlement Administrator” refers to CPT Group, Inc., an independent third party that will be engaged by Class Counsel, with the approval of Defendant, to perform the notice, administration, and distribution functions further described in this Joint Stipulation of Settlement in Section 8.

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1 **1.47. “Settlement Class” or “Settlement Class Member(s)”** means all Class Members,
2 or each of them, who do not timely submit a valid Request for Exclusion.

3 **1.48. “Settling Parties”** refers to the Class Representative, the other Class Members, and
4 Defendant.

5 **1.49. “Terminating Event(s)”** refers to any occurrence set forth in Paragraph 14.2 below
6 that causes this Joint Stipulation of Settlement to become null and void, namely: (a) Defendant exercises
7 its right of rescission under Paragraph 14.1 (subject to the terms and conditions set forth therein); (b) the
8 Court declines to enter a Preliminary Approval Order or declines to enter the Final Approval Order or
9 Judgment or any part thereof as provided for herein, or the Parties fail to consent to the entry of alternative
10 forms of Judgment, in lieu thereof, or after such consent the Court declines to enter such alternate form of
11 Judgment; (c) the Court declines to approve the settlement of the PAGA Claim; or (d) the Court approves
12 this Joint Stipulation of Settlement, including any amendments hereto, but any such Judgment and Final
13 Approval Order is finally reversed on appeal.

14 **2. RECITALS.**

15 **2.1. The Litigation.** On November 22, 2022, Plaintiff submitted his PAGA Notice to
16 the LWDA. On December 1, 2022, Plaintiff filed a Class Action Complaint in San Diego County Superior
17 Court (Case No. 37-2022-00048199-CU-OE-CTL) against Defendant for: (1) Failure to Pay for All Hours
18 Worked, Including Overtime Hours Worked; (2) Failure to Pay Wages Due Upon Termination; (3) Failure
19 to Provide Rest Breaks; (4) Failure to Provide Uninterrupted Meal Breaks; (5) Failure to Reimburse for
20 Required Business Expenses; (6) Failure to Provide Accurate Itemized Wage Statements; and (7)
21 Unlawful Business Practices Under Bus. & Prof. Code § 17200. Defendant timely answered on January
22 12, 2023.

23 **2.2.** On January 26, 2023, Plaintiff filed a First Amended Complaint to add the PAGA
24 Claim on behalf of himself and PAGA Aggrieved Employees. The operative First Amended Complaint
25 alleges the following eight (8) causes of action: (1) Failure to Pay for All Hours Worked, Including
26 Overtime Hours Worked; (2) Failure to Pay Wages Due Upon Termination; (3) Failure to Provide Rest
27 Breaks; (4) Failure to Provide Uninterrupted Meal Breaks; (5) Failure to Reimburse for Required Business
28 Expenses; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Unlawful Business Practices

Under Bus. & Prof. Code § 17200; and (8) the PAGA Claim.

2.3. Since the inception of the Action, the Parties have engaged in informal discovery, during which Class Counsel was provided with Plaintiff's personnel file and payroll records, a significant sampling of hardcopy timesheets, payroll data, applicable policies, and estimates of the number of Class Members, Class Workweeks, and PAGA Pay Periods.

2.4. The Parties engaged in extensive discussions about the respective strengths and weaknesses of their claims and defenses. On October 6, 2023, the Parties and their attorneys of record participated in a full-day private mediation session with David Rotman, an experienced and respected class action mediator, and they reached an agreement at mediation to fully resolve the Action.

2.5. The Parties' settlement discussions were conducted at arm's length and this Joint Stipulation of Settlement is the result of an informed and detailed analysis of Defendant's potential liability of total exposure in relation to the costs and risks associated with continued litigation. Based on the documents and data produced, as well as Class Counsel's own independent investigation and evaluation (including expert analysis of the relevant timekeeping and payroll data), and the efforts of Mediator David Rotman, Class Counsel believes that this Joint Stipulation of Settlement with Defendant for the consideration and on the terms set forth in this Joint Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the Class Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendant.

2.6. Diligent Efforts. Class Counsel diligently investigated the proposed Class Members' claims against Defendant in the Action, including any and all applicable defenses and the applicable law, and undertook review and analysis of a volume of documents and data obtained from Defendant and other sources.

2.7. Claims Disputed. Defendant denies all material allegations set forth in the Action and has asserted numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation, Defendant desires to fully and finally settle the Action and obtain the releases set forth in Paragraphs 7.1, 7.3, and 7.4.

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1 **2.8. No Admissions.** This Joint Stipulation of Settlement is made and entered into by
2 and between Plaintiff, individually and on behalf of all others similarly situated, and Defendant, and is
3 subject to the terms and conditions hereof and to the Court's approval. The Parties expressly acknowledge
4 that this Joint Stipulation of Settlement is entered into solely for the purpose of compromising significantly
5 disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant or any of
6 the other Released Parties. If, for any reason, the Joint Stipulation of Settlement is not approved by the
7 Court, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

8 **2.9. Conditional Class Certification.** The Parties stipulate and agree to the
9 certification of the Class for purpose of this Joint Stipulation of Settlement only. In the event the Joint
10 Stipulation of Settlement does not become final for whatever reason, the fact that the Parties were willing
11 to stipulate to class certification as part of the Joint Stipulation of Settlement shall have no bearing on, and
12 will not be admissible in connection with, the issue of whether any class should be certified in any
13 subsequent proceeding. The Parties and their respective counsel further agree that they will not offer or
14 make reference to this provisional stipulation to class certification for purposes of this Joint Stipulation of
15 Settlement in any subsequent proceeding in this Action (except for purposes of having this Joint
16 Stipulation of Settlement approved by the Court) or any other action. In the event that this Joint Stipulation
17 of Settlement is terminated for any reason, or otherwise not approved by the Court, the conditional class
18 certification in this Action shall be deemed withdrawn, void, and nullified, as stated more fully in
19 Paragraph 14.3 below.

20 **2.10. Settlement in the Interests of the Class.** The Parties stipulate that Class Counsel
21 has conducted an investigation into the facts of the Action, including conducting an extensive review of
22 documents and payroll and timekeeping data for Class Members, and has diligently pursued an
23 investigation of Class Members' claims against Defendant. Based on Class Counsel's own independent
24 investigation and evaluation, Class Counsel is of the opinion that the settlement with Defendant for the
25 consideration and on the terms set forth in this Joint Stipulation of Settlement is fair, reasonable, and
26 adequate, and is in the best interests of the Class and each member of the Class in light of all known facts
27 and circumstances, including the risk of significant delay, defenses asserted by Defendant, and numerous
28 potential appellate issues. Defendant and Defendant's Counsel also agree that this Joint Stipulation of

1 Settlement is fair and in the best interests of the Class and each Class Member.

2 NOW, THEREFORE, in consideration of these Recitals, which are incorporated into this Joint
3 Stipulation of Settlement, and the mutual covenants, promises, and warranties set forth herein, the Parties
4 agree, subject to the Court's approval, as follows:

5 **3. IDENTIFICATION OF CLASS MEMBERS.** Defendant's employment records are
6 presumed to be accurate, unless a Class Member timely and properly submits valid contradicting
7 documentation pursuant to Paragraph 8.9. Based on Defendant's records, Defendant estimates that, as of
8 the date of the Parties' mediation, there were approximately 2,405 class members who worked
9 approximately 145,890 workweeks during the Class Period. If the Class Data provided to the Settlement
10 Administrator reflects an increase in the number of total workweeks that is more than ten percent (10%)
11 of the total estimated stated herein, then Defendant shall have the option of: (1) selecting a new end date
12 for the Class Period that limits the number of Class Period workweeks to no more than 110% of the total
13 estimated herein (or 160,479 workweeks); or (2) increase the Gross Settlement Amount proportionately
14 for any amount over ten percent (10%) (e.g., if the number of workweeks increase by eleven percent
15 (11%), the Gross Settlement Amount shall increase by one percent (1%)).

16 **4. COMPENSATION TO SETTLEMENT CLASS MEMBERS.**

17 **4.1. Funding.** Provided all conditions to this Joint Stipulation of Settlement are satisfied
18 and no Terminating Event has occurred, Defendant agrees to pay the Final Funding Amount, which shall
19 be equal to the sum of: (a) the total amount of Individual Class Settlement Payments properly calculated
20 by the Settlement Administrator as set forth in Paragraphs 8.1 through 8.13, and as approved by the Court
21 in the Final Approval Order; (b) the Settlement Administration Costs as set forth in Paragraph 5.6, and as
22 approved by the Court in the Final Approval Order; (c) Class Counsel's attorneys' fees as set forth in
23 Paragraph 5.1, and as approved by the Court in the Final Approval Order; (d) Class Counsel's litigation
24 costs as set forth in Paragraph 5.1, and as approved by the Court in the Final Approval Order; (e) the Class
25 Representative Enhancement as set forth in Paragraph 5.2, and as approved by the Court in the Final
26 Approval Order; (f) all Employer Taxes as set forth in Paragraphs 6.1 through 6.9; and (h) the PAGA
27 Payment as set forth in Paragraph 5.3, and as approved by the Court in the Final Approval Order. Under
28 no circumstances will Defendant be required to pay more than the Final Funding Amount in connection

1 with the settlement of this Action. Defendant shall provide the Final Funding Amount to the Settlement
2 Administrator on or before the Final Funding Date (*i.e.*, thirty (30) days after the Effective Date). The Net
3 Settlement Amount shall be distributed to the Settlement Class according to the “Settlement Class
4 Payment Formula,” as set forth below.

5 **4.2. Settlement Class Payment Formula.** The Net Settlement Amount shall be divided
6 among Settlement Class Members based on the Settlement Class Members’ number of Class Workweeks
7 worked during the Class Period. The Settlement Administrator will calculate each Settlement Class
8 Member’s *pro rata* share of the Net Settlement Amount by dividing the total number of Class Workweeks
9 worked by all Settlement Class Members during the Class Period into the Net Settlement Amount (*i.e.*,
10 the “Workweek Value”), and then multiplying the Workweek Value by the number of Class Workweeks
11 actually worked by each Settlement Class Member during the Class Period.

12 **4.3. Calculation of Settlement Class Workweeks.** Defendant shall provide the
13 Settlement Administrator with the start and ending dates of each Class Member’s employment within the
14 Class Period. Based on this employment history data provided to the Settlement Administrator by
15 Defendant, the Settlement Administrator will calculate each Class Member’s number of Class Workweeks
16 by dividing the total days employed as a Class Member during the applicable Class Period by seven (7).
17 Partial workweeks will be rounded up to the nearest full workweek. Defendant’s employment history data
18 will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement
19 Administrator by providing written documentation to support the correction. All workweek disputes will
20 be resolved and decided by the Settlement Administrator, and the Settlement Administrator’s decision on
21 all workweek disputes will be final and non-appealable.

22 **4.4. Maximum Payment.** Under no circumstances shall the aggregate of Individual
23 Settlement Payments paid to Class Members exceed the Net Settlement Amount. If the total value of
24 Individual Class Settlement Payments exceeds the Net Settlement Amount, each Class Member’s recovery
25 shall be reduced on a *pro rata* basis so that the total amount of Individual Class Settlement Payments does
26 not exceed the Net Settlement Amount. This *pro rata* decrease shall be made until the total Class Payment
27 is equal to the Net Settlement Amount.

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1 **4.5. Individual Class Settlement Payment Distribution.** The Settlement
2 Administrator shall attempt to deliver each Settlement Class Member's Individual Class Settlement
3 Payment to the Settlement Class Member's last known address as indicated in Defendant's records, or to
4 a more recent address using reasonable efforts to locate a Class Member, as set forth more fully in
5 Paragraph 8.2, within fifteen (15) days of the Final Funding Date. Any Individual Class Settlement
6 Payment that is undeliverable due to an inaccurate or non-current address of a Class Member following
7 reasonable efforts by the Settlement Administrator to locate the Class Member, and any checks that were
8 delivered to Settlement Class Members, but which remain uncashed at the time the checks expire
9 according to Paragraph 8.12, will be transmitted to the State of California Controller's Unclaimed Property
10 Fund in the name of the Class Member pursuant to California Code of Civil Procedure section 384(b).

11 **4.6. Individual Class Settlement Payment Check.** The Settlement Administrator shall
12 mail each Settlement Class Member one check that shall constitute the Settlement Class Member's
13 Individual Class Settlement Payment. The checks shall include writing indicating that they shall expire
14 one hundred eighty (180) days from the date of issuance, as set forth below in Paragraph 8.12.

15 **5. AWARD OF FEES, COSTS, AND CLASS REPRESENTATIVE ENHANCEMENT.**

16 **5.1. Attorneys' Fees and Litigation Costs.** Any attorneys' fees and litigation costs
17 awarded to Class Counsel will be paid out of the Final Funding Amount. Class Counsel shall apply to the
18 Court for approval of an award of attorneys' fees in an amount that will not exceed thirty-three and one-
19 third percent (33.33%) of the Gross Settlement Amount, in accordance with the applicable legal precedent
20 therefor, and conditioned upon the Joint Stipulation of Settlement reaching its Effective Date. As long as
21 the total amount requested or awarded does not exceed thirty-three and one-third percent (33.33%) of the
22 Gross Settlement Amount, Defendant agrees not to oppose the application for attorneys' fees and to pay
23 such amounts as requested by Class Counsel and awarded by the Court, up to Six Hundred Sixty-Six
24 Thousand Six Hundred Dollars and Zero Cents (\$666,600.00), which shall be paid out of the Final Funding
25 Amount. Class Counsel shall not apply to the Court for an award of attorneys' fees that is greater than the
26 amount set forth in this Joint Stipulation of Settlement, and, in no event shall Defendant be required to
27 pay Class Counsel more than Six Hundred Sixty-Six Thousand Six Hundred Dollars and Zero Cents
28 (\$666,600.00) in attorneys' fees. Class Counsel shall also apply to the Court for approval of an award of

litigation costs in an amount not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00), in accordance with the applicable legal precedent therefor, and conditioned upon the Joint Stipulation of Settlement reaching its Effective Date. Defendant agrees not to oppose the application for litigation costs and to pay such amounts as requested by Class Counsel and awarded by the Court, up to Twenty Thousand Dollars and Zero Cents (\$20,000.00), which shall be paid out of the Final Funding Amount. Any reduction by the Court in attorneys' fees or litigation costs awarded to Class Counsel will be added to the Net Settlement Amount and distributed to Settlement Class Members on a *pro rata* basis in accordance with Paragraph 4.2. Payment shall be made by the Settlement Administrator from the Final Funding Amount to Class Counsel as they direct within fifteen (15) days of the Final Funding Date. Defendant shall not be liable, and Class Counsel agrees to indemnify and hold Defendant harmless, for any tax implications as a result of any such election.

5.2. Class Representative Enhancement. Class Counsel will petition the Court for a Class Representative Enhancement for the Class Representative to compensate him for his time and energy spent in serving as the Class Representative and as consideration for the individual release and waiver of Section 1542 of the California Civil Code as set forth in Paragraph 7.4. Class Counsel's application for a Class Representative Enhancement for the Class Representative will not exceed a total of Ten Thousand Dollars and Zero Cents (\$10,000.00). As long as the total amount requested or awarded does not exceed Ten Thousand Dollars and Zero Cents (\$10,000.00), Defendant agrees not to oppose the application for the Class Representative Enhancement and to pay the amount awarded by the Court out of the Final Funding Amount. The Class Representative will be provided an IRS Form 1099 for the amount paid as to him as a Class Representative Enhancement. The Class Representative Enhancement shall be independent of any other benefits to which the Class Representative may be entitled as a Class Member pursuant to this Joint Stipulation of Settlement and plan of allocation. The Class Representative Enhancement paid to the Class Representative will be paid by the Settlement Administrator from the Final Funding Amount within fifteen (15) days of the Final Funding Date. Any reduction by the Court in the Class Representative Enhancement awarded to the Class Representative will be distributed to all Settlement Class Members on a *pro rata* basis proportionate to the amounts due to each Settlement Class Member under this Joint Stipulation of Settlement in accordance with Paragraph 4.2. The Class

Representative Enhancement is paid in consideration for the general release of all claims and waiver of California Civil Code section 1542, and the execution of this Joint Stipulation of Settlement and the accompanying general release and Section 1542 waiver set forth in Paragraph 7.4 below is a condition precedent to payment of the Class Representative Enhancement. The Class Representative Enhancement shall be deemed to be paid to the Class Representative solely in the year in which such payment is actually received by the Class Representative. It is expressly understood and agreed that the receipt of such payment will not entitle the Class Representative to additional compensation or benefits under any company bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle the Class Representative to any increased retirement, 401(k) benefits or matching benefits, or deferred compensation benefits. It is the intent of this Joint Stipulation of Settlement that the Class Representative is not entitled to any new or additional compensation or benefits outside of this Joint Stipulation of Settlement as a result of having received the individual Class Representative Enhancement.

5.3. PAGA Payment. Two Hundred Thousand Dollars and Zero Cents (\$200,000.00) shall be paid from the Final Funding Amount as the PAGA Payment. The Settlement Administrator shall pay One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00) from that amount directly to the LWDA. The remaining Fifty Thousand Dollars and Zero Cents (\$50,000.00) shall be distributed to all PAGA Aggrieved Employees on a *pro rata* basis as their Individual PAGA Payment based upon the number of PAGA Pay Periods worked by each PAGA Aggrieved Employee during the PAGA Period. Individual PAGA Payments shall be distributed to PAGA Aggrieved Employees in the same manner as Individual Class Settlement Payments as set forth in Paragraphs 4.5 and 8.2. If a PAGA Aggrieved Employee is also a Settlement Class Member, the PAGA Aggrieved Employee's Individual Class Settlement Payment and Individual PAGA Payment may be combined into a single check pursuant to Paragraph 4.6.

5.4. Calculation of PAGA Pay Periods. Defendant shall provide the Settlement Administrator with the start and ending dates of each PAGA Aggrieved Employee's employment within the PAGA Period. Based on this employment history data provided to the Settlement Administrator by Defendant, the Settlement Administrator will calculate each PAGA Aggrieved Employee's number of PAGA Pay Periods by dividing the total days employed as a PAGA Aggrieved Employee during the

1 PAGA Period by fourteen (14). Partial PAGA Pay Periods will be rounded up to the nearest whole PAGA
2 Pay Period. Defendant's employment history data will be presumed to be correct, unless a particular
3 PAGA Aggrieved Employee proves otherwise to the Settlement Administrator by providing written
4 documentation to support the correction. All disputes will be resolved and decided by the Settlement
5 Administrator, and the Settlement Administrator's decision on all disputes will be final and non-
6 appealable.

7 **5.5. Individual PAGA Payment Formula.** The Settlement Administrator shall
8 calculate a PAGA Aggrieved Employee's Individual PAGA Payment by: (a) first, calculating the total
9 number of PAGA Pay Periods worked by all PAGA Aggrieved Employees; (b) second, dividing the
10 twenty-five percent (25%) of the PAGA Payment to be distributed to PAGA Aggrieved Employees as set
11 forth in Paragraph 5.3 (*i.e.*, Fifty Thousand Dollars and Zero Cents (\$50,000.00)) by the total number of
12 PAGA Pay Periods worked by all PAGA Aggrieved Employees; and (c) third, multiplying the quotient of
13 the calculation in step (b) by each PAGA Aggrieved Employee's individual number of PAGA Pay Periods.
14 PAGA Aggrieved Employees are not permitted to object to or submit a Request for Exclusion from the
15 settlement of the PAGA Claim, and all PAGA Aggrieved Employees will receive an Individual PAGA
16 Payment whether or not they submit a timely Request for Exclusion from the Settlement Class.

17 **5.6. Settlement Administration Costs.** Class Counsel shall apply to the Court for
18 approval of an award of Settlement Administration Costs not to exceed Twenty-Four Thousand Dollars
19 and Zero Cents (\$24,000.00) to compensate the Settlement Administrator in its efforts in administering
20 this settlement in accordance with Section 8 of this Joint Stipulation of Settlement. Defendant shall not
21 oppose any request for Settlement Administration Costs not exceeding Twenty-Four Thousand Dollars
22 and Zero Cents (\$24,000.00). Any award of Settlement Administration Costs shall be paid from the Final
23 Funding Amount. Defendant shall not be responsible for any amounts charged by the Settlement
24 Administrator in excess of the amount awarded by the Court. Expenses were not negotiated until a
25 settlement was reached as to all major issues pertaining to the claims of the Class.

26 **5.7. Limitation on Costs and Fees.** Except as provided in this Joint Stipulation of
27 Settlement, Defendant shall not be required to pay any other expenses, costs, damages, or fees incurred
28 by Plaintiff, by any Class Member, or by any of their attorneys, experts, advisors, agents, or

representatives. Any award of attorneys' fees, costs, and expenses payable hereunder to Class Counsel shall be in complete satisfaction of any and all claims for such attorneys' fees, costs, and expenses, under state or federal law, which the Class Representative, other Class Members, Class Counsel, or any other counsel have or may have against Defendant arising out of or in connection with the Action and this Joint Stipulation of Settlement, including, but not limited to, any claims for attorneys' fees, costs, and expenses involved in litigating the Action and in negotiating and implementing this Joint Stipulation of Settlement, including attorneys' fees, costs, and expenses incurred through and after the final disposition and termination of the Action and including any and all appeals. Defendant shall not be responsible for distributing or apportioning any award of attorneys' fees and expenses among Class Counsel.

5.8. Time for Distribution. After Defendant funds the Final Funding Amount as provided in Paragraph 4.1, the distribution of payments shall commence as soon as practicable thereafter, but no more than fifteen (15) calendar days after the Final Funding Date.

6. EMPLOYER TAXES.

6.1. The Parties agree that twenty percent (20%) of the Individual Settlement Payments to Settlement Class Members shall be considered payment of wages and subject to the withholding of all usual and applicable local, state, and federal taxes, including payroll taxes.

6.2. The Parties further agree that eighty percent (80%) of the Individual Settlement Payments to Settlement Class Members shall be considered as the payments of penalties associated with unpaid wages and other claims asserted and interest, and neither the penalties nor interest portions of the payments to Settlement Class Members shall be subject to any withholdings and shall be reflected on IRS Forms 1099 issued to Settlement Class Members.

6.3. The Parties further agree that the Individual PAGA Payments to PAGA Aggrieved Employees shall be considered as payment for penalties and shall be treated as such pursuant to Paragraph 6.2.

6.4. The Parties further agree that Defendant's portion of Employer Taxes shall be paid from the Gross Settlement Amount. The Settlement Administrator shall provide Defendant with an accounting of the amount of its portion of Employer Taxes seven (7) calendar days after the Effective Date. Defendant shall not be required to pay to the Settlement Administrator any amount separate and

1 apart from the Gross Settlement Amount.

2 **6.5.** The Settlement Administrator shall pay, out of the Final Funding Amount,
3 Defendant's share of Employer Taxes and withholdings on that portion of Individual Settlement Payments
4 to Settlement Class Members that is allocated to wages to the relevant state and federal taxing agencies in
5 accordance with applicable law and regulations on behalf of Defendant. The Settlement Administrator
6 will also be responsible for issuing any required state and federal reporting documents (such as IRS Forms
7 W-2 and 1099) to Settlement Class Members, Class Counsel, and the Class Representative on behalf of
8 Defendant.

9 **6.6.** The Settlement Administrator shall withhold appropriate federal, state, and local
10 income taxes and Class Members' share of FICA and Medicare taxes in accordance with the Joint
11 Stipulation of Settlement.

12 **6.7.** The Settlement Administrator shall issue IRS Forms W-2 and 1099, under the terms
13 set forth in this Joint Stipulation of Settlement, to Class Members receiving an Individual Class Settlement
14 Payment and/or Individual PAGA Payment.

15 **6.8.** Any employer contributions and deductions required by any and all applicable
16 federal, state, and local tax regulations shall be paid out of the Final Funding Amount.

17 **6.9.** For all purposes, Individual Class Settlement Payments and/or Individual PAGA
18 Payments shall be deemed to be paid to Class Members solely in the year in which payment of such
19 Individual Class Settlement Payments and/or Individual PAGA Payments are actually received by the
20 Class Members. It is expressly understood and agreed that the receipt of such Individual Class Settlement
21 Payments and Individual PAGA Payments will not entitle any Class Member to additional compensation
22 or benefits under any company bonus, contest, or other compensation, or benefit plan or agreement in
23 place during the Class Period, nor will it entitle any Class Member to any increased retirement, 401(k)
24 benefits or matching benefits, or deferred compensation benefits. It is the intent of this Joint Stipulation
25 of Settlement that Individual Class Settlement Payments and Individual PAGA Payments are the sole
26 payments to be made by Defendant to Class Members, and that Class Members are not entitled to any new
27 or additional compensation or benefits as a result of having received the Individual Class Settlement
28 Payments and/or Individual PAGA Payments.

1 **6.10. Tax Liability.** Defendant makes no representation as to the tax treatment or legal
2 effect of the payments called for hereunder, and Plaintiff and Class Members are not relying on any
3 statement, representation, or calculation by Defendant or by the Settlement Administrator in this regard.
4 Class Members and Class Counsel understand and agree that Class Members shall be responsible for the
5 payment of all of their taxes and penalties assessed on the payments specified herein, and shall hold the
6 Parties, Class Counsel, and Defendant's Counsel free and harmless from and against any claims resulting
7 from their treatment of such payments as non-taxable, including the treatment of such payments as not
8 subject to withholding or deduction for payroll and employment taxes.

9 **6.11. Circular 230 Disclaimer.** EACH PARTY TO THIS AGREEMENT (FOR
10 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS
11 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY")
12 ACKNOWLEDGES AND AGREES THAT: (1) NO PROVISION OF THIS AGREEMENT, AND NO
13 WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR
14 THEIR ATTORNEYS AND OTHER ADVISORS, IS OR WAS INTENDED TO BE, NOR WILL ANY
15 SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED
16 UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY
17 DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING
18 PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL
19 AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
20 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
21 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
22 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
23 DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY
24 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
25 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
26 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX
27 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON
28 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX

STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

7. RELEASES. In exchange for the consideration set forth in this Joint Stipulation of Settlement, Plaintiff and the Settlement Class Members agree to release all claims alleged in the Action, as set forth below.

7.1. Released Claims by Settlement Class. Upon the Effective Date of this Joint Stipulation of Settlement, each Class Member who has not timely and appropriately opted out of this Joint Stipulation of Settlement by way of submitting a Request for Exclusion (*i.e.*, the Settlement Class) fully releases and discharges the Released Parties from all Released Claims within the Class Release Period. This Release also covers all claims for interest, attorneys' fees, and costs related to the Action. In addition, any Class Member who has not timely and appropriately opted out of this Joint Stipulation of Settlement in accordance with the Request for Exclusion process set forth in Paragraph 8.11 shall be a member of the Settlement Class and forever agrees that he or she shall not institute a claim, nor accept back pay, unpaid wages, liquidated damages, penalties of any nature, attorneys' fees and costs, or any other relief from any other suit, class, collective action, or representative or administrative claim, or other claim of any sort or nature whatsoever against the Released Parties containing Released Claims. Notwithstanding, no Class Member is permitted to submit a Request for Exclusion from or object to the settlement of the PAGA Claim and all PAGA Aggrieved Employees shall be bound by the PAGA Release, regardless of whether the PAGA Aggrieved Employee timely submits a valid Request for Exclusion from the Settlement Class.

7.2. Effective Dates of Class Release. The Release set forth in Paragraph 7.1 shall cover all claims held by the Releasing Parties during the Class Period.

7.3. Additional Release by All PAGA Aggrieved Employees. In addition to the release of Released Class Claims against the Released Parties made by all Settlement Class Members, all PAGA Aggrieved Employees shall be deemed to have released their respective PAGA Release against the Released Parties upon the date on which the payment of the Gross Settlement Amount is made by Defendant. The Parties agree that there is no statutory right for any PAGA Aggrieved Employee to opt out, object, or otherwise exclude himself or herself from the PAGA Payment and the associated release of claims and rights under PAGA.

1 **7.4. Additional Release and Waiver of Claims by the Class Representative.** In
2 addition to the release of the Released Class Claims against the Released Parties made by all Settlement
3 Class Members and the release of the PAGA Release against the Released Parties made by all PAGA
4 Aggrieved Employees, as set forth above, the Class Representative, in his individual capacity, further
5 agrees that in exchange for Defendant's payment to the Class Representative of the Court-approved Class
6 Representative Enhancement, to release the Released Parties from any and all claims, known and
7 unknown, under federal, state, and/or local law, statute, ordinance, regulation, common law, or other
8 source of law, arising as of the date of execution of this Joint Stipulation of Settlement, including, but not
9 limited to, claims arising from or related to his employment with Defendant and his compensation while
10 an employee of Defendant ("Class Representative's Released Claims"). The Class Representative's
11 Released Claims include, but are not limited to, all of the Released Claims and any other claims arising
12 under the California Labor Code; any claim arising out of the California common law of contract; the Fair
13 Labor Standards Act, 29 U.S.C. sections 201, *et seq.* and federal common law; all claims for lost wages
14 and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under
15 federal, state, or local laws for discrimination, harassment, and wrongful termination, including, but not
16 limited to, 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans with
17 Disabilities Act, the Age Discrimination in Employment Act, the California Fair Employment and
18 Housing Act, and the law of contract and tort. This release excludes the release of claims not permitted by
19 law, including, without limitation, any claims for workers' compensation benefits.

20 The Class Representative's Released Claims include all claims, whether known or unknown. Even
21 if the Class Representative discovers facts in addition to or different from those that he now knows or
22 believes to be true with respect to the subject matter of the Class Representative's Released Claims, those
23 claims will remain released and forever barred. To effect a full and complete general release as described
24 above, the Class Representative expressly waives and relinquishes all rights and benefits of Section 1542
25 of the California Civil Code, and does so understanding and acknowledging the significance and
26 consequence of specifically waiving Section 1542. California Civil Code section 1542 states as follows:

27 **A general release does not extend to claims that the creditor or**
28 **releasing party does not know or suspect to exist in his or her favor at**

1 **the time of executing the release and that, if known by him or her,**
2 **would have materially affected his or her settlement with the debtor or**
3 **released party.**

4 Thus, notwithstanding the provisions of Section 1542, and to implement a full and complete
5 release and discharge of the Released Parties, the Class Representative expressly acknowledges this Joint
6 Stipulation of Settlement is intended to include in its effect, without limitation, all claims the Class
7 Representative does not know or suspect to exist in the Class Representative's favor at the time of signing
8 this Joint Stipulation of Settlement, and that this Joint Stipulation of Settlement contemplates the
9 extinguishment of any such claims. The Class Representative warrants that he has read this Joint
10 Stipulation of Settlement, including this waiver of California Civil Code section 1542, and that the Class
11 Representative has consulted with or had the opportunity to consult with counsel of his choosing regarding
12 this Joint Stipulation of Settlement and specifically about the waiver of Section 1542, and that the Class
13 Representative understands this Joint Stipulation of Settlement and the Section 1542 waiver, and so the
14 Class Representative freely and knowingly enters into this Joint Stipulation of Settlement. The Class
15 Representative further acknowledges that he may later discover facts different from or in addition to those
16 he now knows or believes to be true regarding the matters released or described in this Joint Stipulation
17 of Settlement, and even so, the Class Representative agrees that the releases and agreements contained in
18 this Joint Stipulation of Settlement shall remain effective in all respects notwithstanding any later
19 discovery of any different or additional facts. The Class Representative expressly assumes any and all risk
20 of any mistake in connection with the true facts involved in the matters, disputes, or controversies released
21 or described in this Joint Stipulation of Settlement or with regard to any facts now unknown to the Class
22 Representative relating thereto.

23 **7.5. All Members of the Settlement Class are Settling Parties.** All Settlement Class
24 Members shall be bound by the terms and conditions of this Joint Stipulation of Settlement, including all
25 orders issued pursuant thereto, and shall be deemed to have waived all unstated objections and opposition
26 to the fairness, reasonableness, and adequacy of this Joint Stipulation of Settlement, and any of its terms.

27 **7.6. Effect of Joint Stipulation of Settlement.** If the Joint Stipulation of Settlement is
28 given final approval, it shall operate as a full, complete, and final release of all the Released Claims of the

Class Representative, all the Released Claims of the Settlement Class Members, and all Releasing Parties. Additionally, this Joint Stipulation of Settlement shall operate as a full, complete, and final release of the PAGA Claim of all PAGA Aggrieved Employees employed during the PAGA Period, regardless of whether any such PAGA Aggrieved Employee submitted a timely, valid Request for Exclusion from the Joint Stipulation of Settlement.

7.7. No Other Liability. The Joint Stipulation of Settlement shall be in full settlement, compromise, release, and discharge of the Released Claims, and each of them, and the Released Claims by the Class Representative, and the Released Parties shall have no further or other liability or obligation to any member of the Settlement Class, the Class Representative, or any other Releasing Party with respect to the Released Claims, except as expressly provided herein.

8. SETTLEMENT ADMINISTRATION.

8.1. Engagement of Settlement Administrator. The Parties have agreed to retain CPT Group, Inc., as the Settlement Administrator to perform the Class Notice and other claims administration functions necessary for the Parties to fulfill their settlement obligations.

(a) The Settlement Administrator shall perform the customary duties of a Settlement Administrator, including, but not limited to, the following:

- (i) Preparing, printing, and disseminating the Class Notice to Class Members in English and Spanish;
- (ii) Promptly furnishing to Class Counsel and Defendant's Counsel copies of all Objections and Requests for Exclusion received;
- (iii) Promptly furnishing to Defendant's Counsel copies and information regarding, and verifying the information contained within, all disputes submitted by Class Members regarding the Class Workweeks and PAGA Pay Periods stated in the Class Notice;
- (iv) Calculating all Employer Taxes on all Individual Class Settlement Payments, and, within seven (7) days after the Effective Date, informing Defendant's Counsel of the amount of Defendant's share

of Employer Taxes that will be included in the Final Funding Amount; and

(v) Distributing Individual Class Settlement Payments and Individual PAGA Payments to all Settlement Class Members and PAGA Aggrieved Employees. Additionally, the Settlement Administrator will handle all tax document preparation and filing, including state and federal tax forms, if any.

(b) On a weekly basis after the Notice Date, the Settlement Administrator shall provide Defendant's Counsel and Class Counsel with a summary report, including the total number of Class Notices that were returned as undeliverable, and the total numbers of Workweek Disputes, Requests for Exclusion, and Objections received. The Settlement Administrator shall maintain records of its work, which shall be available for inspection upon request by Defendant's Counsel or Class Counsel.

8.2. Identification of Class Members. Defendant will complete a review of its records to identify the Class Members. Within sixty (60) calendar days of the entry of the Preliminary Approval Order, Defendant shall provide the Settlement Administrator with a "Class Data List," which shall consist of the following information:

- (a) The names, last known addresses, and social security numbers of each Class Member;
- (b) The total number of Class Workweeks worked by each Class Member during the Class Period;
- (c) The total number of PAGA Pay Periods worked by each PAGA Aggrieved Employee during the PAGA Period; and
- (d) Such other information that the Settlement Administrator requires to identify Class Members.

No later than seven (7) days after its receipt of the Class Data List, the Settlement Administrator shall access the National Change of Address Database and update the Class Members' addresses

maintained by Defendant before mailing the Class Notice.

8.3. Privacy of Class Information. Any production of information to Class Counsel from the Class Data List must be made in redacted form so that only the name and Individual Class Settlement Payment or Individual PAGA Payment will be provided. Other private information, including address, phone number, social security number, or other identifying information of Class Members shall not be provided to Class Counsel.

8.4. Modification of Class Data List. If Defendant, Class Counsel, and the Settlement Administrator determine, based upon further review of available data, that a person previously identified as being a Class Member should not be so included, or identify a person who should have been included as a Class Member but was not so included, Defendant and the Settlement Administrator shall promptly delete or add such person as appropriate and notify Class Counsel prior to such deletions or additions (and the reasons therefor). The time periods and methodologies set forth herein reflect Defendant's best current belief as to its ability to make such identifications and it is understood that Defendant, in undertaking the tasks set forth herein, shall use reasonable efforts to identify all Class Members and to determine their last known addresses and social security numbers, as provided above, and to do so within the stated time periods. Other than the obligations set forth in this Joint Stipulation of Settlement, Defendant shall have no additional obligation to identify or locate any Class Member.

8.5. Class Notice for Persons Identified as Class Members. On or before the Notice Date (*i.e.*, seventy-five (75) calendar days of the entry of the Preliminary Approval Order), the Settlement Administrator shall send the Class Notice by bulk first class mail, forwarding requested, to the Class Members at the addresses identified through the process described above. The Class Notice shall state the total number of Class Workweeks worked during the Class Period by the Class Member to whom it is being sent, and the total number of PAGA Pay Periods worked during the PAGA Period (if applicable), and that Defendant shall make available to the Class Member an Individual Class Settlement Payment and/or Individual PAGA Payment as set forth in this Joint Stipulation of Settlement, subject to the limitations set forth herein. The number of Class Workweeks worked by Class Members and the number of PAGA Pay Periods worked by PAGA Aggrieved Employees shall be determined according to Defendant's records.

1 **8.6. Notice Deemed Effective.** Unless the Settlement Administrator receives a Class
2 Notice returned from the United States Postal Service (“USPS”) for reasons discussed below in this
3 Paragraph, that Class Notice shall be deemed mailed and received by the Class Member on the date it was
4 sent. In the event that subsequent to the first mailing of a Class Notice and prior to the Response Deadline,
5 Class Notice is returned to the Settlement Administrator by the USPS because the address of the recipient
6 is no longer valid or the envelope is marked “Return to Sender,” the Settlement Administrator shall
7 undertake another attempt to ascertain the current address of the particular Class Member as provided in
8 Paragraph 8.2 and by conducting a skip-trace and, if such an address is ascertained, the Settlement
9 Administrator will re-send the Class Notice within three (3) business days of receipt of the returned Class
10 Notice. In either event, the Class Notice shall be deemed received once it is mailed for the second time.
11 In the event that subsequent to the first mailing of a Class Notice and on or after the Response Deadline,
12 that Class Notice is returned to the Settlement Administrator by the USPS because the address of the
13 recipient is no longer valid or the envelope is marked “Return to Sender,” the Settlement Administrator
14 shall be required to take no further action with Class Notice to that Class Member, and Class Notice shall
15 be deemed to have been delivered to that Class Member. In the event that subsequent to the first mailing
16 of a Class Notice and prior to the Response Deadline, or up to fifteen (15) calendar days after the Response
17 Deadline, the Class Notice sent to that Class Member is returned to the Settlement Administrator by the
18 USPS with a forwarding address for the recipient, the Settlement Administrator shall re-mail the notice to
19 that address within three (3) business days of receipt of the returned Class Notice, the Class Notice will
20 be deemed mailed and received by that Class Member at that time, and the forwarding address shall be
21 deemed the updated address for that Class Member. In any event, if the Settlement Administrator does not
22 receive notice from the USPS that Class Notice to a particular Class Member is undeliverable or should
23 be sent to a forwarding address, at least ten (10) calendar days prior to the deadline for the Settlement
24 Administrator to provide the Declaration of Compliance pursuant to Paragraph 8.13 below, the notice
25 procedures in this Paragraph will be deemed to have been effectuated as to that Class Member and no
26 further action need be taken by the Settlement Administrator with regard to Class Notice to that Class
27 Member, unless directed to by the Court.

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1 **8.7. Time to Request Exclusion or to Object.** Class Members will have until the
2 Response Deadline (*i.e.*, forty-five (45) days after the Notice Date) to submit any Objections or postmark
3 and mail a Request for Exclusion. PAGA Aggrieved Employees shall not be permitted to submit an
4 Objection or Request for Exclusion from the settlement of the PAGA Claim.

5 **8.8. Extension for Response Due to Re-Mailing of Class Notice.** In the event the
6 Settlement Administrator must re-mail any Class Notice due to being returned for an invalid address, the
7 Response Deadline shall be extended for those re-mailings to no later than fourteen (14) calendar days
8 from the date of the re-mailing of the Class Notice. The Settlement Administrator shall include a cover
9 letter with any re-mailing informing the Class Member of the re-mailing of the Class Notice and specify
10 the actual calendar date by which the Class Member must postmark any response, even if postmarked
11 after the original Response Deadline. The new Response Deadline for that Class Member shall be
12 calculated by taking the date of mailing and adding fourteen (14) calendar days. Compliance with the
13 procedures described in this Paragraph shall constitute due and sufficient notice to Class Members of this
14 Joint Stipulation of Settlement and of the Final Approval Hearing and shall satisfy the requirements of
15 due process. Nothing additional shall be required of or done by the Settling Parties, Class Counsel,
16 Defendant's Counsel, or the Settlement Administrator to provide notice of this Joint Stipulation of
17 Settlement and the Final Approval Hearing, unless the Court orders otherwise.

18 **8.9. Disputes Regarding Class Workweeks.** The Class Notice shall state each Class
19 Member's number of Class Workweeks for which the Class Member is entitled to recovery. The Class
20 Notice shall also state that, if the Class Member disagrees with the information set forth therein regarding
21 the number of Class Workweeks worked during the Class Period, the Class Member must submit to the
22 Settlement Administrator the information that he or she believes is correct, explain the basis for such
23 belief, and submit written documentation to support his or her challenge. Failure to submit written
24 documentation to the Settlement Administrator by the Response Deadline to support such challenge will
25 cause Defendant's information to be deemed controlling without the need for a curative letter from the
26 Settlement Administrator.

27 **8.10. Objections to the Settlement.** Any member of the Class may object to the
28 proposed Joint Stipulation of Settlement, or any portion thereof, by mailing a written Objection, and

supporting papers, if any, to the Settlement Administrator at the address that is set forth in the Class Notice. To be timely, all Objections should be postmarked no later than the Response Deadline (*i.e.*, forty-five (45) days after the Notice Date), subject to the extensions stated above. A written Objection should contain the objecting person's full name, current address, last four digits of his or her social security number, and include all Objections and the reasons therefor, and include any and all supporting papers (including, without limitation, all briefs, written evidence, and declarations). The Objection should also be dated and signed by the Class Member. The Settlement Administrator shall send all Objections by .pdf to Defendant's Counsel and Class Counsel. Any objecting Class Member may also appear at the Final Approval Hearing and present his or her Objection to the Court orally. Any Class Member who files an Objection remains a part of the Settlement Class and eligible to receive monetary compensation from the Settlement. Neither Defendant nor the Class shall be responsible for fees, costs, or expenses related to any Class Members who submit Objections to the Joint Stipulation of Settlement or any appeal by an objector arising from the Action for attorneys' fees, costs, or expenses of any kind. Notwithstanding the above, no Class Member shall be permitted to object to the settlement of the PAGA Claim.

8.11. Request for Exclusion. In order for a Class Member to validly and effectively request exclusion from and opt out of this Joint Stipulation of Settlement, the Class Member must submit a valid, fully executed Request for Exclusion form to the Settlement Administrator, which must be postmarked no later than the Response Deadline (*i.e.*, forty-five (45) calendar days after the Notice Date), subject to the extensions stated above. Late Requests for Exclusion will not be accepted. In the Request for Exclusion, the Class Member must provide his or her full name, last four digits of the Class Member's social security number, and sign and date the Request for Exclusion to validly and effectively opt out of this Settlement. Any Class Member who is validly excluded from this Joint Stipulation of Settlement as provided in this Paragraph shall not receive any payment from this Settlement, unless the Class Member is a PAGA Aggrieved Employee entitled to a portion of the PAGA Payment, shall have no right to object to this Joint Stipulation of Settlement, and shall not be bound by any release provided for in this Joint Stipulation of Settlement. Notwithstanding the above, no PAGA Aggrieved Employee shall be permitted to opt out of the settlement of the PAGA Claim, and, as a result, any qualifying PAGA Aggrieved Employee shall receive an Individual PAGA Payment and shall be bound by the release of the PAGA

1 Claim despite the submission of a Request for Exclusion.

2 **8.12. Discharge of Obligations.** Defendant shall fully discharge its obligations under
3 this Joint Stipulation of Settlement once the Final Funding Amount is provided to the Settlement
4 Administrator. The Settlement Administrator shall fully discharge its obligations to those Class Members
5 to whom it will provide payment of an Individual Class Settlement Payment and/or Individual PAGA
6 Payment through the mailing of a check as set forth in Paragraphs 4.5 and 5.3 above, regardless of whether
7 such checks are actually received or negotiated by Class Members. Any check that is not negotiated within
8 one hundred eighty (180) days of mailing to a Class Member, or that is undeliverable, shall not be re-
9 issued and those funds shall be transmitted to the State of California Controller's Unclaimed Property
10 Fund in the name of the Class Member pursuant to California Code of Civil Procedure section 384(b).
11 The Final Funding Amount represents Defendant's complete and total financial obligation with respect to
12 the Joint Stipulation of Settlement and shall be funded to the Settlement Administrator via wire transfer
13 or electronic funds transfer on or before the Final Funding Date. Upon provision of the Final Funding
14 Amount by Defendant to the Settlement Administrator, all of Defendant's obligations under this Joint
15 Stipulation of Settlement shall be deemed complete.

16 **8.13. Settlement Administrator Declaration of Compliance.** No later than fifteen (15)
17 calendar days after the Response Deadline, the Settlement Administrator shall provide Class Counsel and
18 Defendant's Counsel with a declaration attesting to completion of the notice process, including any
19 attempts to obtain updated addresses for, and the re-sending of, any returned Class Notices, including the
20 steps set forth in Paragraphs 8.2 through 8.11 above ("Declaration of Compliance"), which shall be filed
21 with the Court by Class Counsel.

22 **9. APPLICATION FOR PRELIMINARY APPROVAL ORDER.** The Class
23 Representative will file a Motion for Preliminary Approval of the proposed Joint Stipulation of Settlement.
24 In connection with the Motion, the Parties shall apply for a Preliminary Approval Order that contains the
25 following provisions:

- 26 (a) Conditionally certifying the Class pursuant to Paragraph 2.9;
- 27 (b) Appointing Class Counsel;
- 28 (c) Appointing Plaintiff as the Class Representative;

- (d) Preliminarily approving the Joint Stipulation of Settlement under the legal standards relating to the preliminary approval of class action settlements;
- (e) Approving the form of the Class Notice and finding that the proposed method of disseminating the Class Notice meets the requirements of California Code of Civil Procedure section 382 and due process, and is the best notice practicable under the circumstances;
- (f) Preliminarily approving the settlement of the PAGA Claim and the PAGA Payment;
- (g) Approving CPT Group, Inc., as the Settlement Administrator;
- (h) Establishing the procedures and the deadline by which Class Members may assert Objections to or submit Requests for Exclusion from the Joint Stipulation of Settlement;
- (i) Directing the mailing of the Class Notice by first class mail to the Class;
- (j) Setting a date for the Final Approval Hearing; and
- (k) Setting a date that is approximately seven (7) days before the date of the Final Approval Hearing by which the Parties must file their respective responses to any Objections to the Joint Stipulation of Settlement that were filed by Class Members on or before the Response Deadline.

10. FINAL APPROVAL HEARING. The Class Representative shall file a Motion for Final Approval of this Settlement in advance of the Final Approval Hearing, as ordered by the Court in its Preliminary Approval Order. At the Final Approval Hearing, the Parties shall use their best efforts to urge the Court to grant final approval of the Joint Stipulation of Settlement in its entirety (including any modification made thereto with the consent of the Settling Parties as provided herein), and to enter a Final Approval Order and Judgment as set forth in Paragraphs 11.1 and 11.2.

11. FINAL APPROVAL ORDER AND JUDGMENT. If the Joint Stipulation of Settlement (including any modification made thereto with the consent of the Settling Parties as provided herein) is finally approved by the Court following the Final Approval Hearing, the Settling Parties hereto shall jointly request that the Court enter a Final Approval Order and Judgment as follows:

1 **11.1. Final Approval Order.** The Final Approval Order shall include the following
2 provisions:

- 3 **(a)** Finding that the dissemination of the Class Notice in the form and manner
4 ordered by the Court was accomplished as directed, met the requirements
5 of due process, was the best notice practicable under the circumstances, and
6 constituted due and sufficient notice to all persons entitled thereto;
- 7 **(b)** Finding that the Class Representative and Class Counsel have fairly and
8 adequately represented and protected the interests of the Class at all times
9 in the Action;
- 10 **(c)** Finally approving the Joint Stipulation of Settlement as fair, reasonable, and
11 adequate, and directing consummation of the Joint Stipulation of Settlement
12 in accordance with its terms and provisions;
- 13 **(d)** Finally approving the settlement of the PAGA Claim; and
- 14 **(e)** Entering judgment pursuant to California Rule of Court 3.769 as set forth
15 in Paragraph 11.2.

16 **11.2. Judgment.** The Judgment shall include the following provisions:

- 17 **(a)** Definition of the Class;
- 18 **(b)** Direction to the Settling Parties to implement the terms of the Joint
19 Stipulation of Settlement, including, without limitation, the provisions
20 regarding the payment of the Individual Class Settlement Payments to each
21 Settlement Class Member, Individual PAGA Payments to PAGA
22 Aggrieved Employees, and the portion of the PAGA Payment to the
23 LWDA, as set forth in this Joint Stipulation of Settlement;
- 24 **(c)** Entering judgment and permanently barring and enjoining all qualifying
25 Class Members from prosecuting any future PAGA Claim released by this
26 Joint Stipulation of Settlement and permanently barring and enjoining all
27 Settlement Class Members from prosecuting against any of the Released
28

Parties, any individual, class, or collective claims based on any of the Released Claims released herein;

(d) Awarding reasonable attorneys' fees, costs, and expenses to Class Counsel and the Settlement Administrator as provided in Paragraphs 5.1 and 5.6, and subject to the limitations set forth in Paragraphs 5.3 and 5.7, or reserving jurisdiction with respect thereto;

(e) Awarding an enhancement to the Class Representative as provided in Paragraph 5.2, and subject to the limitations set forth therein, or reserving jurisdiction with respect thereto; and

(f) Reserving continuing and exclusive jurisdiction over all matters related to the administration and consummation of the terms of this Joint Stipulation of Settlement, over the enforcement, construction, and interpretation of this Joint Stipulation of Settlement, over the enforcement, construction, and interpretation of the Judgment, including, but not limited to, the provisions therein enjoining any further litigation of the Released Claims, and over Plaintiff and all Class Members (and their attorneys and law firms) in connection therewith.

12. DEFENDANT'S REVIEW OF SETTLEMENT APPROVAL MOTION PAPERS.

The Class Representative will provide Defendant with the opportunity to review and comment upon the drafts of all pleadings to be filed in connection with the Motion for Preliminary Approval and Motion for Final Approval (*e.g.*, notice of motion, memorandum of points and authorities, declarations, and exhibits) within seven (7) days of filing of these respective motions with the Court.

13. FINALITY; EFFECT OF THE JOINT STIPULATION OF SETTLEMENT NOT BEING FINAL.

13.1. Finality. The approval of the Joint Stipulation of Settlement shall be considered final on the Effective Date. Except as expressly stated herein, none of the obligations of Defendant pursuant to the Joint Stipulation of Settlement shall become effective until the Joint Stipulation of Settlement becomes final, but Defendant may waive this condition in writing.

1 **13.2. Settlement Not Final.** In the event that the Joint Stipulation of Settlement does not
2 become final, or does not become effective for any reason other than the failure of any Party to perform
3 such Party's obligations hereunder (except as to the Joint Stipulation of Settlement not becoming final
4 because of any appeal, which circumstance can be waived by Defendant), then the Joint Stipulation of
5 Settlement shall become null and void and of no further force and effect, and all negotiations, proceedings,
6 and statements relating thereto shall be without prejudice as to the rights of any and all Parties hereto and
7 their respective predecessors and successors, and all Parties and their respective predecessors and
8 successors shall be deemed to have reverted to their respective positions in the Action as of the date and
9 time immediately prior to the execution of this Joint Stipulation of Settlement, and except as otherwise
10 expressly provided, the effect shall be the same as if the Joint Stipulation of Settlement was terminated
11 pursuant to Paragraphs 14.2 and 14.3.

12 **14. TERMINATION OF SETTLEMENT.**

13 **14.1. Right of Rescission.** In the event that Class Members representing more than an
14 aggregate total of five percent (5%) of the total number of Class Members or who are assigned more than
15 an aggregate total of five percent (5%) of the total number of Class Workweeks, whichever is greater,
16 elect to exclude themselves from this Joint Stipulation of Settlement, Defendant will have the unilateral
17 right to void this Joint Stipulation of Settlement within fourteen (14) calendar days of the Response
18 Deadline.

19 **14.2. Terminating Events.** This Joint Stipulation of Settlement shall be void, the class
20 certification order shall be nullified, and the Preliminary Approval Order and the Final Approval Order
21 and Judgment shall be vacated upon application to the Court in the event that: (a) Defendant's Counsel
22 exercises its rights under Paragraph 14.1 (subject to the terms and conditions set forth therein); (b) the
23 Court declines to enter a Preliminary Approval Order on this Joint Stipulation of Settlement or declines
24 to enter the Final Approval Order or Judgment or any part thereof as provided for herein, or the Parties
25 hereto fail to consent to the entry of alternative forms of Judgment, in lieu thereof, or after such consent
26 the Court declines to enter such alternate form of Judgment; or (c) the Court approves this Joint Stipulation
27 of Settlement, including any amendments hereto, but any such Judgment and Final Approval Order is
28 finally reversed on appeal.

1 **14.3. Effect of Termination.** Upon any such occurrence set forth above in Paragraph
2 14.2: (a) this Joint Stipulation of Settlement (with the exception of Paragraphs 13.2 and 15) shall be
3 terminated and become void and of no effect, except for the obligation of the Settling Parties to pay, on
4 an equal basis (except that Defendant will be responsible for the Settlement Administration Costs if
5 Defendant exercises its right to rescind the Settlement pursuant to Paragraph 14.1), for any and all
6 expenses incurred in connection with the notice and administration of the Joint Stipulation of Settlement
7 on or before the date on which the Joint Stipulation of Settlement is terminated; (b) any actions taken or
8 to be taken in connection with this Joint Stipulation of Settlement, and the Joint Stipulation of Settlement
9 itself, shall become null and void and of no effect; (c) this Joint Stipulation of Settlement and any hearings
10 or proceedings thereunder shall not be referred to or used as evidence for or against any Party or Class
11 Member in this or any other action or proceeding; and (d) all pretrial proceedings, including discovery,
12 shall resume thirty (30) calendar days thereafter as if this Joint Stipulation of Settlement had not been
13 submitted for approval of the Court.

14 **15. NO ADMISSIONS.** The Settling Parties understand and agree that this Joint Stipulation
15 of Settlement is the result of a good faith compromise settlement of disputed claims, and Defendant is
16 entering into this Joint Stipulation of Settlement solely to resolve doubtful and disputed matters. No part
17 of this Joint Stipulation of Settlement or any conduct or written or oral statements made in connection
18 with this Joint Stipulation of Settlement, whether or not the Joint Stipulation of Settlement is finally
19 approved or consummated, may be offered as or construed to be an admission or concession of any kind
20 by Defendant or any of the other Released Parties, or anyone else. In particular, but without limiting the
21 generality of the foregoing, nothing about this Joint Stipulation of Settlement shall be offered or construed
22 as an admission that Defendant has failed to pay any Class Member in accordance with its obligations set
23 forth in the California Labor Code or the Fair Labor Standards Act, or of liability in general, or any
24 wrongdoing, impropriety, responsibility, or fault whatsoever on the part of Defendant or any other of the
25 Released Parties, as alleged in the First Amended Complaint. Similarly, nothing about this Joint
26 Stipulation of Settlement shall be construed as or deemed to be evidence of, or an admission or concession
27 that, the Class Representative or any Class Member has suffered any damage. In addition, this Joint
28 Stipulation of Settlement shall not be offered or be admissible in evidence against Defendant or any

Released Party, except in any action or proceeding brought by or against Plaintiff, the Class, Class Members, or Defendant to enforce its terms, or by Defendant in defense of any claims brought by Plaintiff, Class Members, or any member of the general public, including any and all individuals who opted out of the Class. The provisions of this Paragraph shall become effective when this Joint Stipulation of Settlement is signed and shall be binding on the Settling Parties and their counsel regardless of whether the Joint Stipulation of Settlement is preliminarily and/or finally approved or terminated for any reason or rendered null and void.

16. EXTENSIONS OF TIME. Without further order of the Court, the Parties hereto may agree in writing to reasonable extensions of time to carry out any of the provisions of this Joint Stipulation of Settlement.

17. CONSTRUCTION. This Joint Stipulation of Settlement was entered into after substantial good faith, arm's-length negotiations between the Parties' counsel. This Joint Stipulation of Settlement is entered into freely and voluntarily only after each Party had carefully read and reviewed it with counsel, and it reflects the conclusion of each Party that this Joint Stipulation of Settlement and the Judgment and the releases, waivers, and covenants contemplated hereby are in the best interest of said Party. This Joint Stipulation of Settlement has been entered into without any coercion and under no duress. The Settling Parties acknowledge and agree that all Settling Parties had an equal hand in drafting this Joint Stipulation of Settlement so that it shall not be deemed to have been prepared or drafted by one Party or another. All Settling Parties waive the provisions of California Civil Code section 1654, which provides, in pertinent part, that "the language of a contract should be interpreted most strongly against the Party who caused the uncertainty to exist." Except as expressly provided herein, this Joint Stipulation of Settlement is not intended to confer any rights or remedies upon any person other than the Settling Parties.

18. LIMITED CONFIDENTIALITY. This Joint Stipulation of Settlement shall remain confidential to the extent permitted by law. The Parties agree not to publicize the Settlement except as required by the operation of law.

19. NO PUBLIC COMMENT. The Class Representative and Class Counsel agree that they will not issue any press releases, publish any information relating to the Settlement on their website, or have any communications with the media, other than to direct the media to the public records of the Action

on file with the Court or to respond with statements that have been previously agreed upon in writing by the Parties. Class Counsel will take reasonable steps to ensure the Class Representative is aware of, and will adhere to, the restriction against any media comment on the Joint Stipulation of Settlement and its terms. Further, Class Counsel will not include, reference, or use the Joint Stipulation of Settlement for any marketing or promotional purposes, or for attempting to influence business relationships of Defendant, either before or after the Motion for Preliminary Approval is filed. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the names of the Parties in this Action, the venue/case number of this Action, the settlement amount, and a general description of the Action to a court in a declaration by Class Counsel.

20. ENTIRE AGREEMENT. This Joint Stipulation of Settlement (including all exhibits annexed hereto) sets forth the entire agreement of the Settling Parties with respect to its subject matter and supersedes any and all other prior agreements and all negotiations leading up to the execution of this Joint Stipulation of Settlement, whether oral or written, regarding the subjects covered herein. The Settling Parties acknowledge that no representations, inducements, warranties, promises, or statements relating to the subjects covered herein, oral or otherwise, have been made by any of the Settling Parties or by anyone acting on behalf of the Settling Parties that are not embodied or incorporated by reference herein, and further agree that no other agreement, covenant, representation, inducement, promise, or statement relating to the subjects covered herein not set forth in writing in this Joint Stipulation of Settlement shall be valid or binding.

21. MODIFICATION OR AMENDMENT. This Joint Stipulation of Settlement may not be modified or amended except in a writing signed by all signatories hereto or their successors in interest.

22. DEADLINES FALLING ON WEEKENDS OR HOLIDAYS. To the extent that any deadline set forth in this Joint Stipulation of Settlement falls on a Saturday, Sunday, or legal holiday in the State of California, that deadline shall be continued until the following business day.

23. SUCCESSORS. This Joint Stipulation of Settlement shall be binding upon and inure to the benefit of the Settling Parties hereto (including Class Members) and their respective heirs, executors, administrators, successors, and assigns, and upon any corporation, partnership, or other entity into or with which any Settling Party hereto may merge, combine, or consolidate.

1 **24. SEVERABILITY.** In the event that any one or more of the provisions contained in this
2 Joint Stipulation of Settlement shall for any reason be held invalid, illegal, or unenforceable in any respect,
3 such invalidity, illegality, or unenforceability shall in no way affect any other provision if Defendant's
4 Counsel and Class Counsel, on behalf of the Settling Parties and the Class, mutually elect in writing to
5 proceed as if such invalid, illegal, or unenforceable provision had never been included in this Joint
6 Stipulation of Settlement.

7 **25. COUNTERPARTS.** This Joint Stipulation of Settlement may be executed in counterparts,
8 each of which shall be deemed an original, and all of which together shall constitute one and the same
9 instrument. Facsimile or electronic transmission of the signatures of the Parties or their representatives
10 shall be binding on the Parties.

11 **26. WAIVERS.** The waiver by any Party of any breach of this Joint Stipulation of Settlement
12 shall not be deemed or construed as a waiver of any other breach, whether prior, subsequent, or
13 contemporaneous, of this Joint Stipulation of Settlement.

14 **27. GOVERNING LAW.** This Joint Stipulation of Settlement shall be governed by and
15 construed, enforced, and administered in accordance with the laws of the State of California, without
16 regard for the law of the State regarding conflicts of laws or choice of law. Any orders or judgments
17 entered by the Court in conjunction with the proceedings relating to or arising out of this Joint Stipulation
18 of Settlement shall be construed and enforced under, and all issues relating to the preclusive effect of such
19 orders or judgments shall be determined by, the California Code of Civil Procedure and the common law
20 of the State of California, relating to the construction, enforcement, and preclusive effect of orders and
21 judgments entered by this Court.

22 **28. CONTINUING JURISDICTION.** Except as otherwise specifically provided for herein,
23 pursuant to California Code of Civil Procedure section 664.6, the Court will have continuing jurisdiction
24 over the Action for the purpose of implementing the Joint Stipulation of Settlement, the Final Approval
25 of the Settlement, entry of Judgment, and post-judgment issues, until all related matters are fully resolved.
26 Except as provided in Paragraph 8.9, any dispute regarding the Parties' obligations pursuant to this Joint
27 Stipulation of Settlement or interpretation of the terms of this Joint Stipulation of Settlement will be
28 presented by written motion to, and be resolved by, the Court.

1 **29. REGULATION.** In the event that any provision in this Joint Stipulation of Settlement
2 shall be affected by any rule, regulation, ordinance, order, directive, or statute by any unit of government,
3 whether state, federal, or local, such rule, regulation, ordinance, order, directive, or statute shall supersede
4 and take precedence over any such provision of this Joint Stipulation of Settlement to the contrary, and in
5 no event shall Defendant be in violation of this Joint Stipulation of Settlement nor shall this Joint
6 Stipulation of Settlement be in any way affected should Defendant take any action or change any of its
7 business practices to comply with such state, federal, or local rules, regulations, ordinances, or statutes
8 currently in force or enacted in the future.

9 **30. HEADINGS.** The headings contained in this Joint Stipulation of Settlement are for
10 convenience and reference purposes only and shall not be given weight in its construction.

11 **31. NOTICES.** Any notices, requests, demands, or other communications required or
12 permitted to be given pursuant to this Joint Stipulation of Settlement, other than Class Notice, shall be in
13 writing and, except as provided elsewhere in this Joint Stipulation of Settlement or in any communication
14 to the Class, shall be delivered personally, via overnight delivery or via postage pre-paid first class mail,
15 as follows: (1) to the Class Representative, the Class, and Class Counsel to the attention of Nazo
16 Koulloukian of Koul Law Firm, 3435 Wilshire Blvd., Suite 1710, Los Angeles, California 90010, and
17 Sahag Majarian and Garen Majarian of Majarian Law Group, APC, 18250 Ventura Blvd., Tarzana,
18 California 91356; and (2) to Defendant and Defendant's Counsel to the attention of John P. Nordlund and
19 Stephanie A. Kierig of Jackson Lewis P.C., 225 Broadway, Suite 1800, San Diego, California 92101. By
20 written notice given in accordance herewith, each Party may modify or change the addressee or address
21 of any person identified above or pursuant hereto as the person(s) to whom all future notices shall be sent.

22 **32. SIGNATURES OF PARTIES AND COUNSEL FOR THE SETTLING PARTIES.**
23 The Parties and counsel for the Settling Parties indicate by signing below their approval of the form of
24 this Joint Stipulation of Settlement (and exhibits thereto), and, in the case of Class Counsel and the Class,
25 their representation and warranty of authority to bind the Class as certified and the Class described herein
26 (subject to the final approval of the Court) and their acceptance of the provisions regarding attorneys'
27 fees.

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1 **33. DISPUTES.** All disputes arising out of or related to this Joint Stipulation of Settlement
2 (except disputes as to claims of Class Members, which are governed by the provisions of Paragraph 8.9)
3 shall be resolved by the Court, as set forth in Paragraph 28 above.

4 **IT IS SO STIPULATED.**

5
6 DATED: 12/11/23

Karen Berry
PROFESSIONAL MAINTENANCE SYSTEMS, INC.
Karen Berry
Chief Executive Officer

8
9 DATED: 12/13/2023

DocuSigned by:
Andy Montanez
ANDY MONTANEZ

10
11 **APPROVED AS TO FORM:**

12
13 DATED: 12/13/23

KOUL LAW FIRM

14
15 By: Nazo Koulloukian
16 Nazo Koulloukian
17 Attorney for Plaintiff
ANDY MONTANEZ and the Class

18 DATED: 12/13/23

MAJARIAN LAW GROUP, APC

19
20 By: Sahag Majarian
21 Sahag Majarian
22 Garen Majarian
Attorneys for Plaintiff
ANDY MONTANEZ and the Class

23
24 DATED: 12/11/23

JACKSON LEWIS P.C.

25
26 By: John P. Nordlund
27 John P. Nordlund
Stephanie A. Kierig
Attorneys for Defendant
28 PROFESSIONAL MAINTENANCE SYSTEMS, INC.

4853-5030-0566, v. 1