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Attorneys for Defendants CLASS LEASING, LLC
and SCHOOLHOUSE MANUFACTURING, LLC

SUPERIOR COURT OF CALIFORNIA

COUNTY OF RIVERSIDE

JOSEPH SAENZ, individually and on
behalf of all others similarly situated,

Plaintiff,

v.

CLASS LEASING, LLC; SCHOOLHOUSE
MANUFACTURING, LLC; and DOES 1
through 50, inclusive,

Defendants.

Case No. CVRI2205259

Assigned for All Purposes to:
Hon. Harold W. Hopp
Dept. 10

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

Action Filed: December 6, 2022
Trial Date: None set

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

2 It is stipulated and agreed by and between Plaintiff Joseph Saenz ("Plaintiff") and Defendants
3 Class Leasing, LLC and Schoolhouse Manufacturing, LLC (collectively "Defendants") (Plaintiff and
4 Defendants are collectively referred to herein as the "Parties"), subject to the approval of the Court
5 pursuant to the California Rules of Court, that the Settlement of this Action shall be effectuated upon
6 and subject to the following terms and conditions. Capitalized terms used herein shall have the
7 meanings set forth in Article I or as defined elsewhere in this Joint Stipulation of Class Action and
8 PAGA Settlement ("Settlement").

9 This Settlement is made by and between the Parties following a full day mediation session on
10 June 5, 2023 with Mike Young, Esq.

11 The Parties agree that the Action shall be, and is, ended, settled, resolved, and concluded by
12 agreement of Defendants to pay the settlement amount of Four Hundred and Twenty-Five Thousand
13 Dollars and Zero Cents (\$425,000.00), as provided in Section III(D)(7)(a) below ("Gross Settlement
14 Amount") pursuant to the terms and conditions of this Settlement and for the consideration set forth
15 herein, including but not limited to, a release of all claims by Plaintiff, Class Members, and Aggrieved
16 Employees as set forth herein.

17 **I. DEFINITIONS**

18 Unless otherwise defined herein, the following terms used in this Settlement shall have the
19 meanings ascribed to them as set forth below:

20 A. "Action" means the action filed on December 6, 2022 in the Riverside Superior Court,
21 titled *Saenz v. Class Leasing, LLC, et al.*, Case No. CVRI2205259.

22 B. "Aggrieved Employees" means all persons currently or formerly employed as non-
23 exempt employees in California by Defendants at any time during the PAGA Period (defined below).
24 Aggrieved Employees may not exclude themselves from the PAGA release and will be bound by the
25 PAGA Released Claims, as set forth in Section V(B) below.

26 C. "Class" or "Class Members" means all persons currently or formerly employed as non-
27 exempt employees in California by Defendants at any time during the Class Period (defined below).

28 D. "Class Counsel" means the attorneys for the Class, as follows:

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E. "Class Notice" means the Notice of Proposed Class Action Settlement in a form substantially similar to the notice attached hereto as **Exhibit A**, subject to Court approval.

F. "Class Period" means December 6, 2018 through June 5, 2023.

G. "Court" means the Riverside Superior Court, where the Action is pending.

H. "Defendants" mean Class Leasing, LLC and Schoolhouse Manufacturing, LLC.

I. "Defense Counsel" means counsel for Defendants, who are:

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J. "Disposition" means the method by which the Court approves the terms of the Settlement and retains jurisdiction over its enforcement, implementation, construction, administration, and interpretation.

K. "Effective Date" means the later of the following: (1) the date the Final Approval Order is signed if no objections are filed to the Settlement; (2) if objections are filed and overruled, and no appeal is taken of the Final Approval Order, sixty (60) calendar days after the Final Approval Order is signed; or (3) if an appeal is taken from the Court's overruling of objections to the Settlement, ten (10) calendar days after the appeal is withdrawn or after an appellate decision affirming the final approval decision becomes final.

1 L. "Enhancement Award" means an amount of up to Ten Thousand Dollars and Zero
2 Cents (\$10,000.00) for Plaintiff JOSEPH SAENZ, subject to Court approval, in exchange for his
3 general release and in recognition of Plaintiff's effort prosecuting the Action on behalf of all Class
4 Members.

5 M. "Final Approval Order" means the final formal court order signed by the Court and
6 entering a judgment approving this Settlement on substantially the terms provided herein or as the
7 same may be modified by subsequent written agreement of the Parties as approved by the Court
8 following the Final Approval Hearing in accordance with the terms herein.

9 N. "Gross Settlement Amount" means Four Hundred and Twenty-Five Thousand Dollars
10 and Zero Cents (\$425,000.00), unless increased on a pro rata basis pursuant to Section III(D)(5) to be
11 paid by Defendants pursuant to the terms of this Settlement to settle this Action. All claims of the
12 Settlement Class, including all wages, damages, interest, penalties, and all administration costs,
13 attorney's fees and costs, Enhancement Award, and LWDA Payment (defined below) pursuant to
14 Section III(D)(7) below, shall be paid out of the Gross Settlement Amount. The employer's share of
15 payroll taxes arising from the payments made under this settlement shall be paid by Defendants
16 separate from and in addition to the Gross Settlement Amount. No part of the Gross Settlement amount
17 shall revert to Defendants.

18 O. "Individual Class Payment" means the *pro rata* share of the Net Class Settlement
19 Amount that shall be paid to Participating Class Members less the employee's portion of required
20 federal and state withholdings. Individual Class Payments will be each Participating Class Member's
21 proportional share of the Net Class Settlement Amount (which shall be determined by the calculations
22 provided in this Settlement).

23 P. "Individual PAGA Payment" means each Aggrieved Employee's *pro rata* share of
24 25% of the PAGA Penalties ("Net PAGA Settlement Amount"), which shall be calculated in
25 accordance with the Individual PAGA Payment calculations described below.

26 Q. "Judgment" refers to the judgment entered by the Court in conjunction with the Final
27 Approval Order.

28 R. "LWDA Payment" means 75% of the PAGA Penalties that will be paid to the Labor

1 and Workforce Development Agency ("LWDA") pursuant to Section III(D)(7)(e) of this Settlement.

2 S. "Net Class Settlement Amount" means the Gross Settlement Amount less the Court-
3 approved settlement administration costs, attorney's fees and costs, Enhancement Award, and PAGA
4 Penalties, pursuant to Section III(D)(7) below.

5 T. "Non-Participating Class Member(s)" means those Class Members who submit to the
6 Settlement Administrator a valid and timely Exclusion Form pursuant to Section III(D)(2) below.

7 U. "Objection" means the Objection Form that will be enclosed with the Class Notice that
8 Class Members can use to opt out or exclude themselves from the Settlement. In order for an Objection
9 to be valid, the Objection Form must be completed, signed, and postmarked by the Response Deadline,
10 as provided for in Sections III(C) and III(D)(2) below, and mailed to the Settlement Administrator at
11 the address specified in the Class Notice.

12 V. "PAGA Penalties" means the Ten Thousand Dollars and Zero Cents (\$10,000.00)
13 portion of the Gross Settlement Amount allocated to settlement of all PAGA claims in the Action,
14 subject to Court approval.

15 W. "PAGA Period" means November 22, 2021 through June 5, 2023.

16 X. "Participating Class Member(s)" means those Class Members who do not submit to
17 the Settlement Administrator a valid and timely Exclusion Form pursuant to Section III(D)(2) below
18 and will therefore receive his or her share of the Settlement proceeds automatically without the need
19 to return a claim form to be paid his/her Individual Class Payment.

20 Y. "Plaintiff" means JOSEPH SAENZ.

21 Z. "Preliminary Approval Date" means the date the Court preliminarily approves the
22 Settlement.

23 AA. "Qualifying Pay Periods" means any pay period during which an Aggrieved Employee
24 was employed by Defendants in a non-exempt position and performed work during the PAGA Period.

25 BB. "Qualifying Workweeks" means any week during which a Class Member was
26 employed by Defendants in a non-exempt position during the Class Period.

27 CC. "Response Deadline" means the date by which Class Members must submit to the
28 Settlement Administrator a Request for Exclusion, Objection, and/or Workweek Dispute, which shall

1 be the date that is forty-five (45) calendar days from the initial mailing of the Class Notice by the
2 Settlement Administrator (or fifteen (15) calendar days after the Settlement Administrator re-mails
3 the Class Notice to the Class Member, whichever is later). If the date of the Notice Deadline falls on
4 a Sunday or federal holiday, the Response Deadline will be extended to the next calendar day on which
5 the U.S. Postal Service is open.

6 DD. "Request for Exclusion" means the Exclusion Form that will be enclosed with the Class
7 Notice that Class Members can use to opt out or exclude themselves from the Settlement. In order for
8 a Request for Exclusion to be valid, the Exclusion Form must be completed, signed, and postmarked
9 by the Response Deadline, as provided for in Sections III(C) and III(D)(2) below, and mailed to the
10 Settlement Administrator at the address specified in the Class Notice.

11 EE. "Settlement" means this Joint Stipulation of Class Action and PAGA Settlement,
12 including the Class Notice which includes the Exclusion Form and attached as Exhibit A.

13 FF. "Settlement Administration Costs" means an amount of up to Eight Thousand Seven
14 Hundred and Fifty Dollars and Zero Cents (\$8,750.00), subject to Court approval, for all costs incurred
15 by the Settlement Administrator in administration of the Settlement, including, but not limited to,
16 mailing of notice to the class, calculation of Individual Class Payments and Individual PAGA
17 Payment, generation of Individual Class Payment and Individual PAGA Payment checks and related
18 tax reporting forms, redistribution of unclaimed and/or uncashed checks, on a pro rata basis, to the
19 Class Members and/or Aggrieved Employees who cashed their checks, and distribution of checks to
20 Class Counsel for attorneys' fees and costs, to Plaintiff for his Enhancement Award, and to the LWDA.
21 The Settlement Administration Costs shall be paid from the Gross Settlement Amount.

22 GG. "Settlement Administrator" means Phoenix Class Action Administration Solutions,
23 which the Parties have agreed will be responsible for the administration of the Individual Class
24 Payments and Individual PAGA Payments to be made by Defendants from the Gross Settlement
25 Amount and related matters under this Settlement.

26 HH. "Workweek Dispute" means a written letter submitted by a Class Member that: (a)
27 contains the case name and number of the Action; (b) contains the full name, address, telephone
28 number, signature, and the last four digits of the Social Security Number of the disputing Class

1 Member; (c) clearly states that the Class Member disputes the number of Qualifying Workweeks or
2 Qualifying Pay Periods credited to him or her and what he or she contends is the correct number to be
3 credited to him or her during the applicable timeframe; (d) includes information and/or attaches
4 documentation demonstrating the correct number of Qualifying Workweeks or Qualifying Pay Periods
5 that he or she contends should be credited to him or her; and (e) is submitted by mail to the Settlement
6 Administrator at the specified address postmarked on or before the Response Deadline.

7 **II. CONTINGENT NATURE OF THE AGREEMENT**

8 Because the Parties have stipulated to the certification of the Class with respect to all causes
9 of action alleged in the Action for settlement purposes only, this Settlement requires preliminary and
10 final approval by the Court. Accordingly, the Parties enter into this Settlement on a conditional basis.
11 This Settlement is contingent upon the approval and certification by the Court. If the Effective Date
12 does not occur, the fact that the Parties were willing to stipulate for the purposes of this Settlement
13 shall have no bearing on, nor be admissible in connection with, the issue of certification of the Class
14 with respect to all causes of action alleged in the Action, and this Settlement shall not be referred to
15 or used for any purpose whatsoever. Defendants do not consent to certification of the Class for any
16 purpose other than to effectuate settlement of the Action. If the Effective Date does not occur, or if
17 disposition of this Action is not effectuated, any certification of the Class as to Defendants will be
18 vacated and Plaintiff, Defendants, and the Class will be returned to their respective positions in the
19 Action as if the Settlement had not been executed. In the event that the Effective Date does not occur:
20 (a) any Court orders preliminarily or finally approving certification of any class contemplated by this
21 Settlement shall be null, void, and vacated, and shall not be used or cited thereafter by any person or
22 entity; and (b) the fact of the settlement reflected in this Settlement, the fact that Defendants did not
23 oppose the certification of a Class under this Settlement, or that the Court preliminarily approved the
24 certification of the Class, shall not be used or cited thereafter by any person or entity, including in any
25 manner whatsoever, including without limitation any contested proceeding relating to the certification
26 of any class. If the Effective Date does not occur, this Settlement shall be deemed null and void, shall
27 be of no force or effect whatsoever, and shall not be referred to or used for any purpose whatsoever.
28 Defendants expressly reserve the right to challenge the propriety of class certification in the Action

1 for any purpose if the Effective Date does not occur.

2 The Parties and their respective counsel shall take all steps that may be requested by the Court
3 relating to the approval and implementation of this Settlement and shall otherwise use their respective
4 best efforts to obtain Court approval and implement this Settlement. If the Court does not grant the
5 Motion for Preliminary Approval and/or the Motion for Final Approval, the Parties agree to meet and
6 confer in good faith to address the Court's concerns. If the Parties are unable to agree upon a
7 resolution, the Parties agree to seek guidance from the Court to resolve the dispute, and to follow the
8 Court's guidance by taking all reasonable actions to ensure approval of this Settlement.

9 **III. PROCEDURE FOR APPROVAL AND IMPLEMENTATION OF SETTLEMENT**

10 The procedure for obtaining Court approval of and implementing this Settlement shall be as
11 follows:

12 **A. Motion for Conditional Class Certification and Preliminary Approval**

13 Promptly after execution of this Settlement Agreement, Plaintiff shall move the Court for
14 preliminary approval of the Settlement and obtain entry of an order accomplishing the following:

- 15 a. Provisionally certifying the Action under California law as a class action for
16 purposes of this Settlement only;
- 17 b. Preliminarily approving the Settlement subject only to objections of
18 Participating Class Members to the Class Settlement, and final approval by the
19 Court;
- 20 c. Approving as to form and content the proposed Class Notice attached hereto as
21 **Exhibit A**;
- 22 d. Directing the mailing of the Class Notice by first-class mail to the Class
23 Members;
- 24 e. Preliminarily appointing Plaintiff as Class Representative and Plaintiff's
25 Counsel as Class Counsel (only for purposes of effectuating and implementing
26 this Settlement Agreement);
- 27 f. Preliminarily approving the application for Attorneys' Fees and Costs to Class
28 Counsel;

- g. Preliminarily approving the Service Award to the Class Representative;
- h. Preliminarily approving the Settlement Administration Costs to the Settlement Administrator.
- i. Preliminarily approving the PAGA Payment; and
- j. Scheduling a hearing for Final Approval on the question whether the proposed Settlement should be finally approved as fair, reasonable, and adequate to Class Members

The date that the Court grants preliminary approval of this Agreement will be the "Preliminary Approval Date." Pursuant to California Labor Code § 2699(l)(1), Plaintiff shall submit to the LWDA a copy of this Agreement and all supporting approval documents required by the LWDA at the same time that Plaintiff submits them to the Court for approval.

B. The Settlement Administrator

The Parties have chosen Phoenix Class Action Administration Solutions to administer this Settlement and to act as the Settlement Administrator, including but not limited to distributing and responding to inquiries about the Class Notice, determining the validity of exclusions/opt-outs, calculating the Net Class Settlement Amount and Net PAGA Settlement Amount and the Individual Class Payments and Individual PAGA Payments, issuing the Individual Class Payment and Individual PAGA Payments checks and distributing them to Participating Class Members, redistributing unclaimed and/or uncashed checks, on a pro rata basis, to the Class Members and/or Aggrieved Employees who cashed their checks, issuing the payment to Class Counsel for attorneys' fees and costs, the Enhancement Award check to Plaintiff, the LWDA Payment, and the employer payroll taxes to the appropriate taxing authorities. The Settlement Administrator shall expressly agree to all of the terms and conditions of this Settlement.

All costs of administering the Settlement, including but not limited to all costs and fees associated with preparing, issuing and mailing any and all notices to Class Members and/or Participating Class Members, all costs and fees associated with computing, processing, reviewing, and mailing the Individual Class Payments and Individual PAGA Payments, all costs and fees administering and redistributing unclaimed and/or uncashed checks, on a pro rata basis, to the Class

1 Members and/or Aggrieved Employees who cashed their checks, all costs and fees associated with
2 preparing any tax returns and any other filings required by any governmental taxing authority or
3 agency, all costs and fees associated with preparing any other checks, notices, reports, or filings to be
4 prepared in the course of administering disbursements from the Net Class Settlement Amount and Net
5 PAGA Settlement Amount, and any other costs and fees incurred and/or charged by the Settlement
6 Administrator in connection with the execution of its duties under this Settlement ("Settlement
7 Administration Costs"), shall be paid to the Settlement Administrator from the Gross Settlement
8 Amount.

9 **C. Notice to Class Members**

10 No later than ten (10) business days after the Preliminary Approval Date, Defendants will
11 provide the Settlement Administrator with a "Class List" based on its business records, identifying the
12 names of the Class Members and Aggrieved Employees, their last known home addresses, Social
13 Security numbers or, as applicable, other taxpayer identification number, and calculation of their
14 Qualifying Workweeks worked during the Class Period and Qualifying Pay Periods worked during
15 the PAGA Period, respectively. This information shall be treated as confidential and shall not be
16 disclosed to Plaintiff, Class Counsel or any other person without prior approval from Defendants'
17 Counsel.

18 Following Defendants' delivery of the Class List to the Settlement Administrator after
19 Preliminary Approval, the Settlement Administrator shall calculate: (a) the Net Class Settlement
20 Amount, (b) the Individual Class Payment for each Participating Class Member based on the formula
21 specified above, (c) the amount of the Individual Class Payments to be allocated to wages, statutory
22 damages/interest, penalties, and reimbursements, (d) the Net PAGA Settlement Amount, (e) the
23 Individual PAGA Payment for each Aggrieved Employee based on the formula specified above, (f)
24 the employer share of the payroll taxes applicable to the Net Class Settlement Amount allocated to
25 wages, and (g) the employee tax withholding amount based on the allocation of each Individual Class
26 Payment to wages.

27 Within ten (10) business days of receiving the Class List from Defendants, the Settlement
28 Administrator will send Class Members, by first-class mail, at their last known address, the Court

1 approved Class Notice, including notice of this settlement and of the opportunity to opt out of the
2 Settlement Class or object to the Settlement. The Class Notice will include a calculation of the Class
3 Member's estimated share of the Net Class Settlement Amount and Aggrieved Employee's estimated
4 share of the Net PAGA Settlement Amount. Class Members will have forty-five (45) calendar days
5 from the date of mailing in which to postmark Requests for Exclusion or Objections. Prior to the
6 initial mailing, the Settlement Administrator will check all Class Member addresses against the
7 National Change of Address database and shall update any addresses before mailing. The Settlement
8 Administrator will skip trace and re-mail all returned, undelivered mail within five (5) calendar days
9 of receiving notice that a Class Notice was undeliverable. If a Class Member's Class Notice is re-
10 mailed, the Class Member shall have fifteen (15) calendar days from the re-mailing, or forty-five (45)
11 calendar days from the date of the initial mailing, whichever is later, in which to postmark a Request
12 for Exclusion or Objection. Class Members shall not be required to submit claim forms in order to
13 receive their Individual Class Payments and Individual PAGA Payments.

14 If a Class Notice is returned with a forwarding address, the Settlement Administrator shall re-
15 mail the Class Notice to the forwarding address. With respect to those Class Members whose Class
16 Notice is returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall
17 promptly attempt to obtain a valid mailing address by performing a skip trace or mass search on
18 LexisNexis databases based on set criteria and, if another address is identified, shall mail the Class
19 Notice to the newly identified address. It is the intent of the Parties that reasonable means be used to
20 locate Class Members and that the Settlement Administrator be given discretion to take steps in order
21 to facilitate notice of this Settlement and delivery of the Individual Class Payments to the Settlement
22 Class and Individual PAGA Payments to the Aggrieved Employees. If no address can be determined
23 by the Settlement Administrator after these efforts, no further efforts to determine an address shall be
24 required.

25 If the Class Notice is re-mailed, the Settlement Administrator will note for its own records and
26 notify Class Counsel and Defense Counsel of the date of each such re-mailing as part of a weekly
27 status report provided to the Parties.

28 In the event a Class Member's Class Notice remains undeliverable sixty (60) calendar days

1 after the Class Notice was initially mailed, the Settlement Administrator will not mail the Class
2 Member's Individual Class Payment and Individual PAGA Payment. The Settlement Administrator
3 will hold the Class Member's Individual Class Payment and Individual PAGA Payment during the
4 check cashing period on behalf of the Class Member and/or Aggrieved Employee. If at the conclusion
5 of the check cashing period the Class Member's Class Notice and Individual Class Payment and/or
6 Individual PAGA Payment remains undeliverable and/or unclaimed and uncashed, the Settlement
7 Administrator will redistribute the funds from unclaimed/uncashed checks, on a pro rata basis to the
8 Class Members and/or Aggrieved Employees who cashed their checks in accordance with the
9 procedures set forth in Section III(D)(7)(g) below.

10 No later than twenty (20) business days prior to the Final Approval Hearing, the Settlement
11 Administrator shall provide Defense Counsel and Class Counsel with a declaration attesting to
12 completion of the notice process, including any attempts to obtain valid mailing addresses for and re-
13 sending of any returned Class Notices, as well as the number of valid Requests for Exclusion and
14 Objections that the Settlement Administrator received.

15 Compliance with the procedures described in this section shall constitute due and sufficient
16 notice to Class Members of this proposed Settlement and the Final Approval Hearing and shall satisfy
17 the requirements of due process. Nothing else shall be required of the Parties, Class Counsel, Defense
18 Counsel, or the Settlement Administrator to provide notice of the proposed Settlement and the Final
19 Approval Hearing. However, if any Class Member objects to the Settlement and the Final Approval
20 Hearing is continued as a result, the Settlement Administrator shall provide notice to the objecting
21 party of the continuance.

22 **D. Responses to Notice**

23 **1. Qualifying Workweek/Pay Period Disputes**

24 If any Class Member disagrees with Defendants' records as to his or her Qualifying
25 Workweeks during the Class Period or Qualifying Pay Periods during the PAGA Period, as reflected
26 in the Class Notice, the Class Member shall set forth the Qualifying Workweeks or Qualifying Pay
27 Periods he or she claims to have worked during the Class Period and submit to the Settlement
28 Administrator along with any supporting documentation no later than the Response Deadline. The

1 Notice will also provide a method for the Class Member to challenge the employment data on which
2 his or her Individual Class Payment and/or Individual PAGA Payment is based. The Settlement
3 Administrator shall contact the Parties regarding the dispute and the Parties will work in good faith to
4 resolve it. If the Parties are unable to resolve the dispute, the Settlement Administrator will be the
5 final arbiter of the Qualifying Workweeks or Qualifying Pay Periods for each Class Member during
6 the Class Period and PAGA Period, respectively, based on the information provided to it. Any dispute
7 not otherwise resolved by the Administrator and the Parties shall be resolved by the Court.

8 **2. Requests for Exclusion from the Class**

9 The Plaintiff may not request exclusion from the Class. In order for any Class Member to
10 validly exclude himself or herself from the Class and this Settlement (*i.e.*, to validly opt out), the
11 Exclusion Form must be completed and signed by the Class Member or his or her authorized
12 representative, and must be mailed to the Settlement Administrator, postmarked by no later than the
13 Response Deadline, which is forty-five (45) calendar days after the date the Settlement Administrator
14 initially mails the Class Notice to the Class Members (or fifteen (15) calendar days after the Settlement
15 Administrator re-mails the Class Notice to the Class Member, whichever is later). The Class Notice
16 shall contain instructions that the Exclusion Form must be mailed, the date by which it must be mailed,
17 state that the exclusion from the Class Settlement will not result in exclusion from any PAGA
18 Settlement, and state the name and address of the Settlement Administrator. The date of the initial
19 mailing of the Class Notice, and the date the signed Exclusion Form was postmarked, shall be
20 conclusively determined according to the records of the Settlement Administrator. Any Class Member
21 who timely and validly requests exclusion from the Class and this Settlement will not be entitled to
22 any Individual Class Payment arising from the Class claims, will not be bound by the terms and
23 conditions of this Settlement as to the Class claims, and will not have any right to object, appeal, or
24 comment thereon. However, the Parties' Settlement includes the settlement of claims for civil penalties
25 under PAGA. Class Members may not request exclusion from the settlement of the release of a PAGA
26 claim in the Action. Thus, if the Court approves the Settlement, even if a Class Member requests
27 exclusion from the Settlement, the Class Member will still receive an individual settlement share for
28 the PAGA claims pursuant to the terms in Section III(D)(7)(e) below, and will be deemed to have

1 released the PAGA claims.

2 Any Class Member who fails to timely submit a Request for Exclusion shall automatically be
3 deemed a Class Member whose rights and claims with respect to the issues raised in the Action are
4 determined by the Court's Final Approval Order, and by the other rulings in the Action.

5 **3. Objections to Settlement**

6 The Plaintiff may not object to the Settlement. For any Class Member to object to this
7 Settlement, or any term of it, the Class Member making the objection must not submit a Request for
8 Exclusion (*i.e.*, must not opt out), and should complete, sign and send the Objection Form using the
9 instructions provided in the Class Notice to the Settlement Administrator, postmarked no later than
10 the Response Deadline, which is forty-five (45) calendar days after the Class Notice was initially
11 mailed to the Class Members (or fifteen (15) calendar days after the Settlement Administrator re-mails
12 the Notice to the Class Member, whichever is later), along with all supporting papers. The date of the
13 initial mailing of the Class Notice, and the date the signed Objection was postmarked, shall be
14 conclusively determined according to the records of the Settlement Administrator. The Settlement
15 Administrator shall send any Objections it receives to Defense Counsel and Class Counsel within three
16 (3) business days of receipt. The Court retains final authority with respect to the consideration and
17 admissibility of any Class Member objections.

18 **4. Encouragement of Class Members**

19 The Parties to this Settlement and the counsel representing such Parties shall not, directly or
20 indirectly, through any person, encourage or solicit any Class Member to exclude himself or herself
21 from this Settlement (opt out), or to object to it. However, Class Counsel may respond to inquiries
22 from Class Members.

23 **5. Plaintiff's Right to Adjust Gross Settlement Amount**

24 When the Parties agreed to settle this matter, Defendants estimated the number of workweeks
25 as 14,500. If the number of workweeks increases by more than 10% (which is more than 15,950
26 workweeks) as of the end of the Class Period, the Gross Settlement Amount will increase by the gross
27 average recovery per workweek for each additional workweek (*i.e.* \$29.31 per workweek) over
28 14,500.

1 **6. Final Approval Hearing**

2 On the date set forth in the Order for Preliminary Approval and Class Notice, a Final Approval
3 Hearing shall be held before the Court in order to (1) review this Settlement and determine whether
4 the Court should give it final approval, and (2) consider any objections made and all responses by the
5 parties to such objections. At the Final Approval Hearing, the Parties shall ask the Court to give final
6 approval to this Settlement and shall submit to the Court a Proposed Final Approval Order.

7 a. Waiver of Right to Appeal

8 Provided that the Final Approval Order is consistent with the terms and conditions of this
9 Settlement, all Class Members who do not submit timely written objections to the Settlement or orally
10 object at the Final Approval Hearing shall have waived any and all rights to appeal from the Final
11 Approval Order and Judgment, including all rights to any post-Final Approval Order proceeding and
12 appellate proceeding, such as a motion to vacate or set-aside the Final Approval Order and Judgment,
13 a motion for new trial, and any extraordinary writ, and the Final Approval Order and Judgment
14 therefore shall become final and non-appealable at the time it is entered. This waiver does not include
15 any waiver of the right to oppose any appeal, appellate proceedings, or post-Final Order proceedings.
16 A modification by the Court of the requested amount of the Enhancement or Class Counsel's fees or
17 costs shall not constitute a basis for appeal of the Final Approval Order within the meaning of this
18 paragraph.

19 b. Vacation, Reversal, or Material Modification of Final Order and
20 Judgment on Appeal or Review

21 If, after a notice of appeal or a petition for a writ of *certiorari* or any other motion, petition, or
22 application, the reviewing court vacates, reverses, or modifies the Final Approval Order such that there
23 is a material modification to the Settlement and the Court's decision is not completely reversed, and
24 the Final Approval Order is not fully affirmed on review by a higher court, then Plaintiff and
25 Defendants shall each have the right, but not the obligation, to void the Settlement, which either Party
26 must do by giving written notice to the other Party, the final reviewing court, and the Court no later
27 than thirty (30) business days after the final reviewing court's decision vacating, reversing, or
28 materially modifying the Final Order becomes final and non-appealable. A vacation, reversal, or

1 modification of the Court's award of the Enhancement or Class Counsel's fees or costs shall not
2 constitute a vacation, reversal, or material modification of the Final Order and Judgment within the
3 meaning of this paragraph.

4 **7. Settlement Payment Procedures**

5 a. Gross Settlement Amount

6 In exchange for the releases set forth in this Agreement, Defendants agree to pay the Gross
7 Settlement Amount in the amount of Four Hundred and Twenty-Five Thousand Dollars and Zero
8 Cents (\$425,000.00), subject to a pro rata increase under the condition set forth in Section III(D)(5).
9 The Gross Settlement Amount includes all claims of the Settlement Class and all Settlement
10 Administration costs, Class Counsel's attorney's fees and costs, LWDA Payment, and the
11 Enhancement Award.

12 No later than ten (10) business days after the Court's final approval of the Settlement (i.e., the
13 date the final approval order is signed), Defendants will transfer the Gross Settlement Amount into an
14 account established by the Settlement Administrator either directly or by sending the funds to the
15 Settlement Administer to be deposited and distributed. All of Defendants' obligations under this
16 Settlement are deemed to be satisfied upon Defendants' timely deposit of the entire Gross Settlement
17 Amount and acknowledgement of receipt of said funds and Defendants shall have no further
18 obligations to the Class including, without limitation, any further obligations to make any other
19 payments of any kind to, or on behalf of, the Class (except for the employer's share of payroll taxes).

20 The Settlement Administrator will use these funds to issue the Individual Class Payments to
21 Participating Class Members and Individual PAGA Payments to Aggrieved Employees, Class
22 Counsel's attorneys' fees and costs, LWDA Payment, the Enhancement Award, and employer and
23 employee tax withholdings applicable to the Net Class Settlement Amount allocated to wages. Ten
24 (10) calendar days after Defendants fully fund the Settlement, the Settlement Administrator will
25 distribute Participating Class Members' Individual Class Payments and Aggrieved Employees'
26 Individual PAGA Payments, Court-approved attorney's fees and costs, settlement administration
27 costs, Enhancement Award, and LWDA Payment.

28 ///

b. Payment of Attorneys' Fees and Costs

Class Counsel shall submit an application for an award of attorneys' fees of up to one-third of the Gross Settlement Amount (which may increase pursuant to Section III(D)(5), i.e., pro rata increase provision), which, based on the current Gross Settlement Amount, is One Hundred Forty-One Thousand, Six Hundred and Sixty Six Dollars and Sixty Seven Cents (\$141,666.67). Class Counsel shall submit an application for an award of costs not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00). Such application for attorneys' fees and costs shall be heard by the Court at the Final Approval Hearing. Defendants shall not object to or oppose any such application in these amounts.

Any fees and costs awarded by the Court shall be paid from the Gross Settlement Amount and shall not constitute payment to any Class Member(s). The attorneys' fees and costs for Class Counsel approved by the Court shall encompass all work performed, costs, and expenses related to the investigation, prosecution, and settlement of the Action incurred through the Effective Date. To the extent that the Court approves less than the amount of attorney's fees and/or costs requested by Class Counsel, the difference between the requested and awarded amounts will be retained in the Net Class Settlement Amount for distribution to Participating Class Members.

Any award of attorneys' fees and costs shall include and satisfy all past and future attorneys' fees and costs incurred to prosecute, settle, and participate in administering the Settlement, including obtaining the Final Approval Order. Defendants shall have no obligation to Class Counsel for any attorneys' fees and costs incurred in prosecuting this Action other than as stated herein, provided that Defendants fully complies with the terms of this Settlement, including but not limited to timely payment of the Gross Settlement Amount.

c. Payment of Settlement Administration Costs

The Settlement Administration Costs shall be paid out of the Gross Settlement Amount and shall not constitute payment to any Participating Class Member(s). The amount shall not exceed Eight Thousand Seven Hundred and Fifty Dollars and Zero Cents (\$8,750.00).

d. Payment of Enhancement Award to Named Plaintiff

Subject to Court approval, Plaintiff will request an Enhancement Award of up to Ten Thousand

1 Dollars and Zero Cents (\$10,000.00), the request for which Defendants will not object to or oppose.
2 The Enhancement Award shall be paid out of the Gross Settlement Amount and shall not constitute
3 payment to any Participating Class Member(s). To the extent that the Court approves less than the
4 amount of Enhancement Award that Class Counsel requests, the difference between the requested and
5 awarded amounts will be retained in the Net Class Settlement Amount for distribution to Participating
6 Class Members.

7 Because it is the intent of the Parties that the Enhancement Award represents payment to
8 Plaintiff for his service to Class Members, and not wages, the Settlement Administrator will not
9 withhold any taxes from the Enhancement Award. The Enhancement Award will be reported on a
10 Form 1099, which the Settlement Administrator will provide to Plaintiff and to the pertinent taxing
11 authorities as required by law.

12 Although it is the contemplation of the Parties that the Enhancement Award does not represent
13 wages, the Internal Revenue Service, the California Franchise Tax Board, or some other taxing
14 authority may take the position that some or all of the Enhancement Award constitutes wages for
15 income tax and withholding purposes. Plaintiff agrees to assume the responsibility of remitting to the
16 Internal Revenue Service, the California Franchise Tax Board, and any other relevant taxing authority
17 the amounts required by law, if any, inclusive of any sums to be withheld by Defendants from the
18 Enhancement Award paid under this Settlement. In addition, Plaintiff shall hold Defendants, Released
19 Parties and Class Counsel harmless and indemnify Defendants, Released Parties and Class Counsel
20 for all taxes, interest, penalties, other payments and costs, incurred by Defendants by reason of any
21 valid claims by taxing authorities relating to the non-withholding of taxes from the Enhancement
22 Award.

23 e. Payment to the Labor and Workforce Development Agency and the
24 Class for Settlement of PAGA Claims

25 In consideration of claims made under the California Private Attorneys General Act
26 ("PAGA"), Cal. Labor Code §§ 2698 et seq. and the release obtained therefor by virtue of this
27 Settlement, Class Counsel will request that the Court approve allocation of Ten Thousand Dollars and
28 Zero Cents (\$10,000.00) of the Gross Settlement Amount to these claims ("PAGA Penalties").

Seventy-five percent (75%) of the PAGA Penalties will be paid to the California Labor and Workforce Development Agency ("LWDA Payment") and twenty-five percent (25%) will be paid, on a pro rata basis, to all Aggrieved Employees based on the individual Qualifying Pay Periods worked during the PAGA Period by each Aggrieved Employee, regardless of whether or not they opt out of this Settlement ("Individual PAGA Payment"). Defendants will not oppose this request for PAGA Penalties. The LWDA Payment and Individual PAGA Payments will be paid out of the Gross Settlement Amount. The Court's adjustment, if any, of the amount allocated to Plaintiff's PAGA claim will not invalidate this Settlement and the difference between the requested and awarded amounts will be retained in the Net PAGA Settlement Amount for distribution to Aggrieved Employees.

f. Calculating Individual Class Payments and Individual PAGA Payments

The Parties agree that the Net Class Settlement Amount and Net PAGA Settlement Amount shall be used to fund Individual Class Payments and Individual PAGA Payments. After final approval by the Court, the Net Class Settlement Amount and Net PAGA Settlement Amount will be distributed to Participating Class Members and Aggrieved Employees as follows:

Individual PAGA Payments. The Settlement Administrator will calculate the total number of Qualifying Pay Periods for all Aggrieved Employees worked during the PAGA Period. The Individual PAGA Payment that each Aggrieved Employee will be eligible to receive will be calculated by dividing each Aggrieved Employee's individual number of Qualifying Pay Periods worked during the PAGA Period by the total number of Qualifying Pay Periods of all Aggrieved Employees worked during the PAGA Period, and multiplying the resulting fraction by the 25% portion of the PAGA Penalties (\$2,500.00) payable to Aggrieved Employees. The Settlement Administrator will determine the total number of Qualifying Pay Periods worked during the PAGA Period for each Aggrieved Employee.

Individual Class Payments. The Settlement Administrator will calculate the total number of Qualifying Workweeks for all Participating Class Members worked during the Class Period. The Individual Class Payment that each Participating Class Member will be eligible to receive will be calculated by dividing each Participating Class Member's individual number of Qualifying

1 Workweeks by the total number of Qualifying Workweeks of all Participating Class Members worked
2 during the Class Period, and multiplying the resulting fraction by the Net Class Settlement Amount.
3 The Settlement Administrator will determine the total number of qualifying Workweeks worked
4 during the Class Period for each Participating Class Member.

5 g. Distribution of Individual PAGA Payments and Individual Class Payments

6 No later than ten (10) business days after receiving the entire Gross Settlement Amount from
7 Defendants, the Settlement Administrator shall prepare and mail the checks for the Individual Class
8 Payments to Participating Class Members and Individual PAGA Payments to Aggrieved Employees.
9 Defendants shall not bear any liability for lost or stolen checks, forged signatures on checks, or
10 unauthorized negotiation of checks. Individual Class Payments paid from the Net Class Settlement
11 Amount allocated to wages will be reduced by applicable employer and employee tax withholdings,
12 and the Settlement Administrator will issue a Form W-2 for the wage portion of the Individual Class
13 Payments. The Settlement Administrator will issue a Form 1099 to the extent required by law for the
14 non-wage statutory damages and interest portions of the Individual Class Payments and Individual
15 PAGA Payments. Participating Class Members shall have 180 calendar days from the date their
16 Individual Class Payment and Individual PAGA Payment checks are issued to cash their settlement
17 checks. Any amounts from checks that remain unclaimed and/or uncashed after 180 calendar days of
18 issuance will be redistributed to Class Members that cashed their checks, on a pro rata basis, as
19 described in Section III(D)(7)(f) (i.e., based on Class Member's proportionate share of workweeks for
20 the class claims and Aggrieved Employee's proportionate share of pay periods for the PAGA claim).

21 If a check is returned to the Settlement Administrator as undeliverable, the Settlement
22 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or
23 a mass search on LexisNexis databases based on set criteria and, if another address is identified, shall
24 mail the check to the newly identified address. If the Settlement Administrator is unable to obtain a
25 valid mailing address through this process, the Settlement Administrator will also redistribute, on a
26 pro rata basis, the amount represented by the check to the Class Members that cashed their checks.

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h. Allocation and Tax Treatment of Individual PAGA Payments and Individual Class Payments

Each Individual Class Payment will represent wages and penalties allocated using the following formula: 10% allocated to wages and 90% allocated to penalties, interest, and reimbursements. Each Individual PAGA Payment will be allocated as follows: 100% as civil penalties. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms. The employer-side taxes (including employer's portion of FICA, FUTA, SUTA, and all other applicable payroll taxes) will be paid by Defendants separate from and in addition to the Gross Settlement Amount. The amounts paid as non-wage statutory damages, interest, and/or civil penalties shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms. Defendants shall not make as part of this Settlement, nor be required to make, any deductions, nor pay any monthly contributions for any insurance, retirement, 401(k) or profit-sharing plans, or any benefit plans related to monies paid as a result of this Settlement.

i. No Credit Toward Benefit Plans

The Individual Class Payments made to Participating Class Members and Individual PAGA Payments made to Aggrieved Employees under this Agreement, as well as any other payments made pursuant to this Agreement, shall have no effect on, nor will they be utilized to calculate, any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

j. No Effect on Regular Rate or Overtime Compensation

Participating Class Members will receive payment under the Settlement as determined by the Settlement Administrator in accordance with this Agreement. The Parties agree that this payment is not viewed as additional compensation for purposes of calculating a "regular rate" of pay under

California or federal law for the period during which it is received, and no additional overtime compensation is required as a result of such payment.

k. Tax Liability

The Parties and counsel for the Parties make no representation as to the tax treatment or legal effect of the payments called for hereunder. Plaintiff and Participating Class Members are not relying on any statement, representation, or calculation by the Parties, counsel for the Parties, or the Settlement Administrator in this regard. Plaintiff, Participating Class Members, and Plaintiff's Counsel understand and agree that they will be solely responsible for the payment of their own portion of any taxes and penalties assessed on the payments that they receive.

l. No Additional Contribution by Defendants

Other than as set forth above, Defendants shall not be called upon or required to contribute additional monies above the Settlement under any circumstances whatsoever except as specifically set forth herein. In the event that this Settlement is canceled, rescinded, terminated, voided, or nullified, however that may occur, or the Settlement of the Action is barred by operation of law, or invalidated, or ordered not to be carried out by a court of competent jurisdiction, Defendants shall cease to have any obligation to pay any portion of the Settlement to anyone under the terms of this Settlement, except for costs already incurred by the Settlement Administrator, and this action shall resume as though no Settlement had occurred with the Action proceeding in the Riverside County Superior Court.

IV. LIMITATIONS ON USE OF THIS SETTLEMENT

A. No Admission

Defendants deny that they have engaged in any unlawful activity, that they have failed to comply with the law in any respect, that they have any liability to anyone under the claims asserted in the Action, and that, but for this Settlement, a class should not and could not be certified in this Action. This Settlement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Settlement is intended or will be construed as an admission of liability or wrongdoing by Defendants.

B. Non-Evidentiary Use

Whether or not the Effective Date occurs, neither this Settlement nor any of its terms will be:

(a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendants or any other of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or (b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further proceeding in the Action, except for the purposes of effectuating the Settlement pursuant to the terms herein or for Defendants to establish that a Class Member has resolved any of his/her claims released through this Settlement.

C. Defendants' Right to Terminate Settlement

Defendants shall have the right at their sole discretion to terminate the Settlement if Class Members holding 10% or more of the Class, timely elect to opt out of the Settlement. If Defendants elect to exercise their right under this paragraph, Defendants shall be liable solely for administrative costs of the third-party claims administrator selected by the Parties incurred prior to the termination of the Settlement. The Parties agree that they will not in any manner take any actions to encourage Class Members to opt-out.

D. Nullification

The Parties have agreed to the certification of the Class encompassing all claims alleged in the Action for the sole and exclusive purpose of effectuating this Settlement. If (a) the Court should for any reason fail to certify this Class for settlement, or (b) the Court should for any reason fail to approve this Settlement, or (c) the Court should for any reason fail to enter the Final Approval Order, or (d) the Final Approval Order is reversed, or declared or rendered void, or (e) the Court should for any reason fail to dispose of the action in its entirety, then (1) this Settlement shall be considered null and void; (2) neither this Settlement nor any of the related negotiations or proceedings shall be of any force or effect; (3) all Parties to this Settlement shall stand in the same position, without prejudice, as if the Settlement had been neither entered into nor filed with the Court; and (4) the fact that the Parties were willing to stipulate to class certification of all causes of action pled in the Action as part of the Settlement will have no bearing on, and will not be admissible in connection with, the issue of whether the Class should be certified by the Court in a non-settlement context in this Action or any other action, and in any of those events, Defendants expressly reserve the right to oppose certification of the Class.

Invalidation of any material portion of this Settlement shall invalidate this Settlement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect.

V. RELEASES

A. Releases by Participating Class Members

Upon the Effective Date and full payment of the Gross Settlement Amount by Defendants, Plaintiff and all Participating Class Members will release Defendants, together with its past, present, and/or future parents, subsidiaries, affiliated or related entities, fictitious business names, franchisors, owners, boards, officers, directors, trustees, shareholders, members, managers, partners, managing agents, employees, agents, payroll processors, independent contractors, insurers, attorneys, representatives, heirs, executors, administrators, successors, predecessors, and assigns and each of their owners, officers, directors, managing agents, trustees, payroll processors, independent contractors, members, managers, employees, attorneys, insurers, assigns, shareholders, successors, predecessors, and agents (collectively, the "Released Parties") from any and all claims, debts, liabilities, demands, actions, or causes of action of every nature and description that accrued during the Class Period, under state law and the Wage Orders of the California Industrial Welfare Commission, that were alleged or which could have been alleged based on the factual allegations in the First Amended Complaint in the Action, including, but not limited to, claims for unpaid wages (including, *inter alia*, minimum, straight time, overtime, and double time wages), claims related to non-compliant meal and rest breaks or periods and nonpayment of premium pay for such, failure to comply with itemized employee wage statement provisions, failure to pay wages due at separation and associated waiting time penalties, failure to timely pay wages during employment, failure to maintain compliant time and payroll records, the failure to reimburse for business expenses, and unfair or unlawful business practices pursuant to California Business and Professions Code § 17200, *et seq.* based on the aforementioned, declaratory relief, statutory and civil penalties, and attorney fees and costs. The Released Claims specifically include, but are not limited to, all claims arising under California Labor Code Sections 201-204, 206, 218.6, 226, 226.7, 510, 512, 1182.12, 1194, 1194.2, 1197, 1198, 2800, 2802, and/or those arising under the Industrial Welfare Commission Wage Orders;

1 and/or those arising under the Industrial Welfare Commission Wage Orders; California Business and
2 Professions Code section 17200 *et seq.*; California Code of Regulations, title 8, Section 11160; the
3 California Civil Code sections 3287, 3289, and 3294; and California Code of Civil Procedure section
4 1021.5 ("Released Claims").

5 The above release language shall also be included in the Class Notice. Plaintiff and
6 Participating Class Members will release these Released Claims from December 6, 2018 through June
7 5, 2023.

8 Class Members who endorse their settlement checks waive and release the Released Claims
9 and any claims under the Fair Labor Standards Act ("FLSA") (29 U.S.C. §§ 201, *et seq.*) arising during
10 the Class Period and based on the factual allegations alleged or which could have been alleged in the
11 Action, including the claims noted above.

12 This release excludes the release of claims not permitted by law.

13 **B. Releases by Plaintiff and the State of California**

14 Any Aggrieved Employee who is also a Non-Participating Class Member will still receive their
15 Individual PAGA Payment. Upon the Effective Date and full payment of the Gross Settlement
16 Amount by Defendants, Plaintiff releases all claims for statutory penalties that could have been sought
17 by the Labor Commissioner for the violations identified in Plaintiff's pre-filing letter to the LWDA
18 dated November 22, 2022; Plaintiff does not release any aggrieved employee's claim for wages or
19 damages ("PAGA Released Claims").

20 The above release language shall also be included in the Class Notice. Plaintiff and the State
21 of California will release these PAGA Released Claims from November 22, 2021 through June 5,
22 2023.

23 This release excludes the release of claims not permitted by law.

24 **C. Plaintiff's General Release**

25 Plaintiff does hereby, for himself, and for his heirs, successors, predecessors, attorneys, agents,
26 representatives and assigns, forever release the Released Parties from any and all charges, complaints,
27 claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of
28 action, injuries, suits, rights, demands, costs, losses, debts, judgments, accounts, attorneys' fees,

1 interest, expenses (including back wages, penalties, liquidated damages, and attorneys' fees and costs
2 actually incurred), and other legal responsibilities arising in law, equity or otherwise, of any kind,
3 nature, and character whatsoever, from the beginning of time through the date of his signature on this
4 Settlement, whether known or unknown, suspected or unsuspected, unforeseen, or unanticipated
5 including but not limited to all claims arising out of, based upon, or relating to his employment with
6 Defendants, the termination or resignation of his employment with Defendants, or the remuneration
7 for such employment, including, but not limited to all claims that were brought, or which could have
8 been brought, in the Action under California Labor Code sections 201, 202, 203, 204, 206, 210, 218.6,
9 222, 223, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198,
10 2698 *et seq.*, 2800 and 2802, the applicable Wage Orders of the California Industrial Welfare
11 Commission. Without limiting the generality of the foregoing, Plaintiff expressly releases all claims
12 which were or could have been raised in the Action and all claims or rights arising out of alleged
13 violations of any contracts, express or implied (including but not limited to any contract of
14 employment); any contract or covenant of good faith or fair dealing (express or implied); any tort,
15 including negligence, fraud, misrepresentation under California Labor Code § 970, negligent infliction
16 of emotional distress, intentional infliction of emotional distress, and defamation; any other common
17 law claim; any "retaliation" claims; any claims relating to any breach of public policy; any claim for
18 costs, fees, interest, or other expenses including attorneys' fees; any legal restrictions on Defendants'
19 right to discharge employees or refuse to hire applicants; and any federal, state, or other governmental
20 statute, regulation, or ordinance, including, without limitation: (1) Title VII of the Civil Rights Act of
21 1964, as amended (race, color, religion, sex, and national origin discrimination or harassment,
22 including retaliation for reporting discrimination or harassment); (2) The Civil Rights Act of 1991, as
23 amended; (3) Sections 1981 through 1988 of Title 42 of the United States Code, as amended; (4) The
24 Age Discrimination in Employment Act of 1967, as amended; (5) The Employee Retirement Income
25 Security Act of 1974, as amended; (6) The Immigration Reform and Control Act, as amended; (7) The
26 Americans with Disability Act, as amended; (8) Sections 503 and 504 of the Rehabilitation Act of
27 1973 (disability discrimination); (9) The Workers Adjustment and Retraining Notification Act, as
28 amended; (10) The Occupational Safety and Health Act, as amended; (11) California Equal Pay Law,

as amended; (12) Equal Pay Act, 29 U.S.C. § 209(4)(1) (equal pay); (13) Americans with Disabilities Act, 42 U.S.C. § 12100 *et seq.* (disability discrimination); (14) Family and Medical Leave Act, 29 U.S.C. § 2601 *et seq.* (family/medical leave); (15) California Fair Employment and Housing Act [*Gov. Code*, §§ 12900, *et seq.*] (discrimination or harassment in employment and/or housing, including discrimination or harassment based on race, religious creed, color, national origin, ancestry, physical or mental disability, marital status, sex (including pregnancy), sexual orientation, genetic, or age, including retaliation for reporting discrimination or harassment); (16) California Family Rights Act, [*Gov. Code*, §§ 12945.1, *et seq.*] (family/medical leave); (17) California Labor Code or any Industrial Welfare Commission Wage Order; (18) FLSA; (19) Executive Order 11246 (race, color, religion, sex, and national origin discrimination or harassment); (20) Executive Order 11141 (age discrimination); (21) California health and safety laws and regulations; and (22) any other federal, state, or local law, regulation or ordinance, including those regulating compensation, and those prohibiting discrimination, harassment, or retaliation of any kind. This release excludes the release of claims not permitted by law.

D. Plaintiff's General Release of Unknown Claims

Plaintiff, in his individual capacity, also expressly waives, as to the Released Claims any and all provisions, rights and benefits conferred by any law or principle of common law or equity, that is similar, comparable, or equivalent, in whole or in part, to California Civil Code § 1542. For the purpose of implementing a full and complete release, Plaintiff expressly acknowledges that the release given in this Settlement is intended to include in its effect, without limitation, claims that each did not know or suspect to exist in his favor at the time of the effective date of this Settlement, regardless of whether the knowledge of such claims, or the facts upon which they might be based, would materially have affected the settlement of this matter, and that the consideration given under the Settlement was also for the release of those claims and contemplates the extinguishment of any such unknown claims. Plaintiff expressly waives the provisions of section 1542 of the Civil Code of California, which provides:

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

1 **or released party.**

2 Thus, subject to and in accordance with this Agreement, even if Plaintiff may hereafter discover facts
3 in addition to or different from those he now knows or believes to be true, Plaintiff, upon the Effective
4 Date, shall be deemed to have fully, finally, and forever settled and released any and all claims against
5 the Released Parties that were alleged or could have been alleged in the Action, as well as any other
6 claims, whether known or unknown, suspected or unsuspected, contingent or non-contingent, that now
7 exist, upon any theory of law or equity, including without limitation, conduct which is negligent,
8 intentional, with or without malice, or a breach of any duty, law, or rule, without regard to the
9 subsequent discovery or existence of such different or additional facts.

10 **E. No Additional Attorneys' Fees or Costs**

11 Except for the attorneys' fees and costs set forth in this Settlement, the Parties agree to bear
12 their own attorneys' fees and costs related to this Action and this Settlement.

13 **VI. MISCELLANEOUS PROVISIONS**

14 **A. Amendments or Modification**

15 The terms and provisions of this Settlement may be amended or modified only by an express
16 written agreement that is signed by all the Parties (or their successors-in-interest) and their counsel
17 and approval by the Court.

18 **B. Assignment**

19 None of the rights, commitments, or obligations recognized under this Settlement may be
20 assigned by any Party, Class Member, Class Counsel, or Defense Counsel without the express written
21 consent of each other Party and their respective counsel. The representations, warranties, covenants,
22 and agreements contained in this Settlement are for the sole benefit of the Parties under this Settlement,
23 and shall not be construed to confer any right or to avail any remedy to any other person.

24 **C. Governing Law**

25 This Settlement shall be governed, construed, and interpreted, and the rights of the Parties shall
26 be determined, in accordance with the laws of the State of California, irrespective of the State of
27 California's choice of law principles.

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1 **D. Entire Agreement**

2 This Settlement, including Exhibit A referred to herein, which forms an integral part hereof,
3 contains the entire understanding of the Parties hereto with respect of the subject matter contained
4 herein. In case of any conflict between text contained in Articles I through VI of this Settlement and
5 text contained in Exhibit A to this Settlement, the former (*i.e.*, Articles I through VI) shall be
6 controlling, unless Exhibit A is changed by or in response to a Court order. There are no restrictions,
7 promises, representations, warranties, covenants, or undertakings governing the subject matter of this
8 Settlement other than those expressly set forth or referred to herein. This Settlement supersedes all
9 prior agreements and all understandings among the Parties hereto with respect to the settlement of the
10 Action, including correspondence between Class Counsel and Defense Counsel and drafts of prior
11 agreements or proposals.

12 **E. Waiver of Compliance**

13 Any failure of any Party, Defense Counsel, or Class Counsel hereto to comply with any
14 obligation, covenant, agreement, or condition herein may be expressly waived in writing, to the extent
15 permitted under applicable law, by the Party or Parties and their respective counsel hereto entitled to
16 the benefit of such obligation, covenant, agreement, or condition. A waiver or failure to insist upon
17 strict compliance with any representation, warranty, covenant, agreement, or condition shall not
18 operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

19 **F. Counterparts and Fax/PDF Signatures**

20 This Settlement, and any amendments hereto, may be executed in any number of counterparts
21 and any Party and/or their respective counsel hereto may execute any such counterpart, each of which
22 when executed and delivered shall be deemed to be an original and all of which counterparts taken
23 together shall constitute one instrument. A fax, electronic, or PDF signature on this Settlement shall
24 be as valid as an original signature, provided sufficient verification is provided to authenticate the
25 signature.

26 **G. Meet and Confer Regarding Disputes**

27 Should any dispute arise among the Parties or their respective counsel regarding the
28 implementation or interpretation of this Settlement, a representative of Class Counsel and a

representative of Defense Counsel shall meet and confer in an attempt to resolve such disputes prior to submitting such disputes to the Court.

H. Agreement Binding on Successors

This Agreement will be binding upon, and inure to the benefit of, the successors in interest of each of the Parties.

I. Cooperation in Drafting

The Parties have cooperated in the negotiation and preparation of this Settlement. This Settlement will not be construed against any Party on the basis that the Party, or the Party's counsel, was the drafter or participated in the drafting of this Settlement.

J. Fair Settlement

Plaintiff, Defendants, Class Counsel, and Defense Counsel believe that this Settlement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Settlement through arm's-length negotiations, taking into account all relevant factors, current and potential, and is consistent with public policy, and fully complies with applicable provisions of law.

K. Headings

The descriptive heading of any section or paragraph of this Settlement is inserted for convenience of reference only and does not constitute a part of this Settlement and shall not be considered in interpreting this Settlement.

L. Notice

All notices, demands, or other communications given under this Settlement must be in writing and addressed as follows:

To Plaintiff and the Class:

Daniel J. Hyun (State Bar No. 309184)
dh@danielhyunlaw.com
LAW OFFICE OF DANIEL J. HYUN
1100 West Town and Country Road, Suite 1250
Orange, California 92868
Telephone: (949) 590-4122
Facsimile: (949) 528-2596

David Alami (State Bar No. 314628)
david@alamilawgroup.com
ALAMI LAW GROUP

620 Newport Center Dr., Suite 1100
Newport Beach, CA 92660
Telephone: 949-287-3594

and

To Defendants:

BRIAN E. KOEGLE (SBN 218800)
brian.koegle@gmlaw.com
RANSOM D. BOYNTON (SBN 333262)
ransom.boynton@gmlaw.com
GREENSPOON MARDER LLP
1875 Century Park East, Suite 1900
Los Angeles, California 90067
Telephone: (323) 880-4520

M. Enforcement of Settlement and Continuing Court Jurisdiction

To the extent consistent with class action procedure, this Settlement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6 and California Rule of Court 3.769(h). The disposition entered by the Court will not adjudicate the merits of the Action or the liability of the Parties resulting from the allegations of the Action. Its sole purpose is to adopt the terms of the Settlement and to retain jurisdiction over its enforcement. To that end, the Court shall retain continuing jurisdiction over this Action and over all Parties and Class Members, to the fullest extent to enforce and effectuate the terms and intent of this Settlement.

N. Mutual Full Cooperation

The Parties agree fully to cooperate with each other to accomplish the terms of this Settlement, including but not limited to execution of such documents, and to take such other action as may reasonably be necessary to implement the terms of this Agreement. The Parties to this Settlement shall use their best efforts, including all efforts contemplated by this Settlement, to effectuate this Settlement and the terms set forth herein. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of the Settlement, the Parties agree to seek the assistance of the Court.

O. Authorization to Act

Class Counsel warrants and represents that they are authorized by Plaintiff, and Defense

Counsel warrants that they are authorized by Defendants, to take all appropriate action required to effectuate the terms of this Settlement, except for signing the documents, including but not limited to this Settlement, that are required to be signed by the Parties.

P. No Reliance on Representations

The Parties have made such investigation of the facts and the law pertaining to the matters described herein and to this Settlement as they deem necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact or law, made by any of the other parties, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Settlement, or with respect to any other matters. No representations, warranties, or inducements have been made to any party concerning this Settlement.

Q. No Collateral Attack

This Settlement shall not be subject to collateral attack by any Class Member or any recipient of the Class Notice after the Effective Date. Such prohibited collateral attacks shall include but not be limited to claims that the Class Member failed for any reason to receive timely notice of the procedure for disputing the calculation of his or her Individual Class Payment and/or Individual PAGA Payment.

R. Invalidity of Any Provision

Before declaring any provision of this Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable. If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provisions or application and, to this end, the provisions of this Agreement are declared to be severable. Notwithstanding the foregoing, no portion of any release contained herein may be deemed severed or deleted from this Agreement, except upon waiver in writing by the applicable party.

EXECUTION BY PARTIES

The Parties hereby execute this Settlement.

1 Dated: _____

JOSEPH SAENZ

2 By: _____
3 (Signature)

4 Dated: 8/10/2023

CLASS LEASING, LLC

5 By: Michael bollero
6 (Signature)

7 Michael bollero
8 (Printed Name)
9 President
(Title)

10 Dated: 8/10/2023

MANUFACTURING
SCHOOLHOUSE LEASING, LLC

11 By: Michael bollero
12 (Signature)

13 michael bollero
14 (Printed Name)
15 President
(Title)

16 Approved only as to form:

17 Dated: July 21, 2023

LAW OFFICE OF DANIEL J. HYUN &
ALAMI LAW GROUP

19 
20 By: _____
21 Daniel J. Hyun
22 David Alami
Attorneys for Plaintiff JOSEPH SAENZ

23 August 11, 2023

24 Dated: _____

GREENSPOON MARDER LLP

25 
26 By: _____
27 Brian Koegle
28 Ransom Boynton
Attorneys for Defendants CLASS LEASING, LLC
& SCHOOLHOUSE LEASING, LLC

1 Dated: _____

JOSEPH SAENZ

2 By: Joseph Saenz
3 Joseph Saenz (Jul 21, 2023 17:39 PDT)
4 (Signature)

5 Dated: _____

CLASS LEASING, LLC

6 By: _____
7 (Signature)

8 _____
9 (Printed Name)

10 _____
11 (Title)

12 Dated: _____

SCHOOLHOUSE LEASING, LLC

13 By: _____
14 (Signature)

15 _____
16 (Printed Name)

17 _____
18 (Title)

19 Approved only as to form:

20 Dated: July 21, 2023

LAW OFFICE OF DANIEL J. HYUN &
ALAMI LAW GROUP

21 By: 
22 _____

Daniel J. Hyun

David Alami

Attorneys for Plaintiff JOSEPH SAENZ

23 Dated: _____

GREENSPOON MARDER LLP

24 By: _____

Brian Koegle

Ransom Boynton

Attorneys for Defendants CLASS LEASING, LLC
& SCHOOLHOUSE LEASING, LLC

EXHIBIT A

THIS IS AN IMPORTANT COURT APPROVED NOTICE. READ CAREFULLY.

Joseph Saenz v. Class Leasing, LLC; Schoolhouse Leasing, LLC
Riverside County Superior Court
Case No. CVRI2205259

If you worked as an hourly employee for Defendants Class Leasing, LLC and/or Schoolhouse Leasing, LLC (collectively “Defendants”) in California at any time from December 6, 2018 through June 5, 2023, you are eligible to receive compensation from a class action settlement.

- You have been identified as a Class Member (defined below) in a Lawsuit (defined below) brought by a former employee of Defendants. Defendants deny all allegations in the Lawsuit and contends it fully complies with California law. However, to avoid the continuing expense of litigation, Plaintiff and Defendants (collectively the “Parties”) have reached a settlement of highly disputed claims (the “Settlement”). The Court has determined that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable, and any final determination of those issues will be made at the Final Approval Hearing.
- The Class Settlement will affect all of Defendants’ hourly California employees who were employed from December 6, 2018 through June 5, 2023 (the “Class Period”). The Private Attorneys General Act Settlement will affect all of Defendants’ hourly California employees from November 22, 2021 through June 5, 2023 (the “PAGA Period”). California’s Private Attorney General Act of 2004, commonly referred to as “PAGA,” provides for monetary penalties and other relief, for some Labor Code violations. You cannot object to or opt out of the PAGA portion of the Settlement.
- If the Court grants final approval of the Settlement, you will receive a settlement payment.

*A court authorized this notice. This is not an advertisement.
You are not being sued. Your rights will be affected by this notice and settlement.*

YOUR LEGAL RIGHTS AND OPTIONS	
PARTICIPATE IN THE SETTLEMENT – <u>NO ACTION REQUIRED</u>	Stay in this Lawsuit. Receive a payment. Give up certain rights. By doing nothing, you become part of the Settlement Class (defined below), will receive a settlement payment, and will give up certain rights to sue Defendants separately about the legal claims raised in this Lawsuit.
OBJECT TO THE SETTLEMENT – <u>ACTION REQUIRED</u>	Stay in this Lawsuit. May give up certain rights. If you object to the Settlement, you will remain a member of the Class (defined below), and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object.
ASK TO BE EXCLUDED – <u>ACTION REQUIRED</u>	Opt out of the Settlement. Receive no payment from the settlement for the Class claims, but receive an individual settlement share for civil penalties under PAGA. Keep rights to individually pursue only the Class claims. If you opt out of the Settlement, you won’t receive any share of the

	Class payment, but you retain the right to sue Defendants separately about the Class claims in this Lawsuit. However, even if you opt out, you will still receive an individual settlement share for claims for civil penalties pursuant to PAGA and will be deemed to have released the PAGA claims.
--	---

- To object to the Settlement or to ask to be excluded, you must act before [DATE], 2023.
- **Any questions?** Read on or contact Class Counsel (defined below) or the Settlement Administrator (defined below).

WHAT THIS NOTICE CONTAINS

BASIC INFORMATIONPAGE 3-5

1. Why did I get this notice?
2. What is the Lawsuit about?
3. What is a class action and who is involved?
4. Why is this Lawsuit a class action?
5. What are the terms of the proposed Settlement?

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6. Am I part of this Class?
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YOUR RIGHTS AND OPTIONSPAGE 6-8

8. What is my approximate Individual Settlement Payment?
9. What rights am I releasing if I participate in the Settlement?
10. How do I object to the Settlement?
11. Why would I ask to be excluded?
12. How do I ask to be excluded from the Class?

THE LAWYERS REPRESENTING YOUPAGE 9

13. Do I have a lawyer in this case?
14. How will the lawyers be paid?

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16. When is the Final Approval Hearing and do I have to attend?
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GETTING MORE INFORMATION.....PAGE 9-10

18. Are more details available?

BASIC INFORMATION

1. Why did I get this notice?

Records show that you are a potential member of the Class because you worked for Defendants in California as an hourly employee during the Class Period. The Court granted preliminary approval of the Settlement of a class action lawsuit that may affect your legal rights and ordered that this Notice be sent to you to explain your rights in connection with the Settlement. However, the Court has not made any ruling on the merits of Plaintiff's claims or Defendants' defenses.

The lawsuit is known as *Joseph Saenz v. Class Leasing, LLC; Schoolhouse Leasing, LLC*, Case No. CVRI2205259 (the "Lawsuit"). You can view the Lawsuit's records online by visiting the Court's website (<https://epublic-access.riverside.courts.ca.gov/public-portal/>), selecting the section titled "Case Number Search," creating an account, typing in the case number into the "Search by Case Number" box, selecting "I'm not a robot," and selecting "Search."

2. What is this Lawsuit about?

The Lawsuit is about whether Defendants failed to pay minimum, regular, overtime, and double time wages for all hours worked, failed to provide proper meal and rest breaks, failed to provide accurate itemized wage statements, failed to pay all wages timely upon separation of employment, and failed to reimburse business expenses to its hourly employees as required by applicable California laws. Based on these alleged violations, the Lawsuit also alleges violations of California's Labor Code and Unfair Competition Law ("UCL") and seeks penalties under PAGA.

Defendants deny any liability or wrongdoing associated with the claims alleged in the Lawsuit.

3. What is a class action and who is involved?

In an employment class action lawsuit such as this, a person called the "Class Representative" sues his or her employer or former employer on behalf of other current or former employees who may have similar claims. The people who may have similar claims are called "Class Members," and Class Members are collectively referred to as "the Class." The Class Representative is also called the Plaintiff. There is one Plaintiff/Class Representative in this Action, Joseph Saenz. The companies that were sued (in this case Class Leasing, LLC and Schoolhouse Leasing, LLC) are called the Defendants. In class action litigation, one Court resolves the issues for everyone in the Class in one lawsuit, except for those people who choose to exclude themselves from the Class.

4. Why is this Lawsuit a class action?

As part of the Settlement, Plaintiff and Defendants agreed to conditionally certify the Lawsuit as a class action for all of Plaintiff's alleged claims for settlement purposes only and to ask the Court to approve the Settlement.

By agreeing to the terms of the settlement, Defendants do not admit to any of the allegations of wrongdoing in this Action or that any Class Member has suffered any damages. Defendants settled the Lawsuit to avoid additional expense, inconvenience, and interference with their business operations. The Court has not ruled on the merits of Plaintiff's claims or the defenses of Defendants. Defendants retain

the right to defend themselves against any of the allegations involved in the Lawsuit if for any reason the Settlement is not approved by the Court.

5. What are the terms of the proposed Settlement?

The major terms of the Settlement are as follows:

1. Defendants has agreed to pay \$425,000. This \$425,000 total settlement figure is known as the “Gross Settlement Amount,” unless increased on a pro rata basis according to the terms of the Settlement Agreement.
2. Plaintiff Joseph Saenz has agreed to a general release of all of his claims against Defendant.
3. Plaintiff seeks the following allocation of the Gross Settlement Amount:
 - a. Up to one-third (1/3) of the Gross Settlement Amount (or currently approximately \$141,666.67) for Class Counsel’s attorneys’ fees;
 - b. Up to \$25,000 for reimbursement of Class Counsel’s litigation costs;
 - c. An enhancement award of up to \$10,000 for Plaintiff Joseph Saenz for dedicating personal time and performing work in connection with the Lawsuit, assisting Class Counsel in investigating the alleged claims, being available to answer Class Counsel’s questions, providing a general release of claims, and undertaking the risks of filing the Lawsuit;
 - d. All costs of the Settlement Administrator, which are currently estimated to be no more than \$8,750; and
 - e. \$10,000 as PAGA civil penalties. Per Labor Code Section 2699(i), seventy-five percent (75%) of this amount (\$7,500) will be payable to the California Labor and Workforce Development Agency (“LWDA”). The remaining twenty-five percent (25%), or \$2,500, will be payable to certain employee in the Class as the “PAGA Amount.”
4. After the above deductions from the Gross Settlement Amount, the remaining funds will be distributed to Class Members on a proportional basis. To ensure timely payment, please contact and inform the Settlement Administrator listed in Section 18, below, of any changes to your mailing address.

If the Court approves this proposed allocation, the Parties estimate that \$229,583.33 (the “Net Class Settlement Amount”) will be distributed to Class Members who do not request exclusion (the “Participating Class Members”) according to the following formula:

The Settlement Administrator will calculate the total number of Qualifying Workweeks for all Participating Class Members worked during the Class Period. The Individual Class Payment that each Participating Class Member will be eligible to receive will be calculated by dividing each Participating Class Member’s individual number of Qualifying Workweeks by the total number of Qualifying Workweeks of all Participating

Class Members worked during the Class Period, and multiplying the resulting fraction by the Net Class Settlement Amount.

“Qualifying Workweeks” means any week during which a Class Member was employed by Defendants in an hourly position during the Class Period.

The PAGA Amount will be distributed to Aggrieved Employees according to the following formula:

The Settlement Administrator will calculate the total number of Qualifying Pay Periods for all Aggrieved Employees worked during the PAGA Period. The Individual PAGA Payment that each Aggrieved Employee will be eligible to receive will be calculated by dividing each Aggrieved Employee’s individual number of Qualifying Pay Periods worked during the PAGA Period by the total number of Qualifying Pay Periods of all Aggrieved Employees worked during the PAGA Period, and multiplying the resulting fraction by the 25% portion of the PAGA Penalties (\$2,500.00) payable to Aggrieved Employees (“Net PAGA Settlement Amount”).

“Qualifying Pay Periods” means any pay period during which an Aggrieved Employee was employed by Defendants in an hourly position and performed work during the PAGA Period.

Your estimated Individual Settlement Payment is listed in Section 8 of this Notice. Employee-side payroll deductions will be made to your Individual Settlement Payment for state and federal withholding taxes and any other applicable payroll deductions owed by you as a result of the payment, with 10% allocated to wages, which will be subject to W-2 reporting, and 90% allocated to penalties, interest, and reimbursements, which will be subject to 1099 reporting. Each Individual PAGA Payment will be allocated as follows: 100% as civil penalties, which will be subject to 1099 reporting. Defendants will pay employer-side taxes separate and apart from the Gross Settlement Amount.

NOTHING IN THIS NOTICE OR THE SETTLEMENT IS INTENDED TO BE TAX ADVICE. YOU SHOULD CONSULT YOUR TAX ADVISOR FOR ANY TAX ISSUES PERTAINING TO THIS SETTLEMENT.

WHO IS IN THE CLASS?

6. Am I part of this Class?

The “Settlement Class” consists of all persons who worked as hourly employees in California for Defendants at any time from December 6, 2018 through June 5, 2023.

7. I’m still not sure if I am included.

If you still are not sure whether you are included in the Class, you can get free help by contacting Phoenix Class Action Administration Solutions, the “Settlement Administrator,” at the designated phone number for this matter at [insert telephone number], or by calling or writing the lawyers representing the Class in this case (“Class Counsel”), at (949) 590-4122.

YOUR RIGHTS AND OPTIONS

You have to decide whether to stay in the Class, object to the Settlement, or ask to be excluded from the Settlement. These options are further explained below, including the dates by which you need to take any action.

8. What is my approximate Individual Settlement Payment?

According to payroll records maintained by Defendants, your total number of Qualifying Workweeks during the Class Period is [REDACTED] and Qualifying Pay Periods during the PAGA Period is [REDACTED]. As a result, your estimated Individual Settlement Payment will be \$ [REDACTED]. [Where applicable for Aggrieved Employees: Your estimated Individual PAGA Payment will be \$ [REDACTED].]

You do not need to do anything further to receive your Individual Settlement Payment, other than to ensure that the Settlement Administrator has an accurate mailing address for you. It is important that you contact and inform the Settlement Administrator listed in Section 18, below, of any changes to your mailing address for timely payment.

If you believe your total number of Qualifying Workweeks or Qualifying Pay Periods (shown above) are not accurate, you may submit a signed written dispute to the Settlement Administrator, indicating what you believe is the correct number of Qualifying Workweeks or Qualifying Pay Periods. To submit a Workweek Dispute, a Class Member must submit a written letter that: (a) contains the case name and number of the Action (*Joseph Saenz v. Class Leasing, LLC*; Schoolhouse Leasing, LLC, Case No. CVRI2205259); (b) contains the full name, address, telephone number, signature, and the last four digits of the Social Security Number of the disputing Class Member; (c) clearly states that the Class Member disputes the number of Qualifying Workweeks or Qualifying Pay Periods credited to him or her and what he or she contends is the correct number to be credited to him or her during the applicable timeframe; (d) includes information and/or attaches documentation demonstrating the correct number of Qualifying Workweeks or Qualifying Pay Periods that he or she contends should be credited to him or her; and (e) is submitted by mail to the Settlement Administrator at the address listed below in Section 18 postmarked on or before [DATE], 2023.

Please be advised that your number of Qualifying Workweeks and Qualifying Pay Periods is presumed to be correct, unless you submit documents to support your contention to the Settlement Administrator no later than [DATE], 2023.

9. What rights am I releasing if I participate in the Settlement?

If the Court grants final approval of the Settlement, each Class Member who does not validly opt-out will be mailed an Individual Settlement Payment. In addition, each Class Member who does not validly opt-out, on behalf of themselves, and on behalf of all those who claim by and through them, or in their stead, including, but not limited to agents, attorneys, representatives, predecessors, successors and assigns will be deemed to forever release, acquit, and discharge, and covenant not to sue, Defendants, together with its past, present, and/or future parents, subsidiaries, affiliated or related entities, fictitious business names, franchisors, owners, boards, officers, directors, trustees, shareholders, members, managers, partners, managing agents, employees, agents, payroll processors, independent contractors, insurers, attorneys, representatives, heirs, executors, administrators, successors, predecessors, and assigns and each of their owners, officers, directors, managing agents, trustees, payroll processors,

independent contractors, members, managers, employees, attorneys, insurers, assigns, shareholders, successors, predecessors, and agents (collectively, the “Released Parties”) from any and all claims, debts, liabilities, demands, actions, or causes of action of every nature and description that accrued during the Class Period, under state law and the Wage Orders of the California Industrial Welfare Commission, that were alleged or which could have been alleged based on the factual allegations in the First Amended Complaint in the Action, including, but not limited to, claims for unpaid wages (including, *inter alia*, minimum, straight time, overtime, and double time wages), claims related to non-compliant meal and rest breaks or periods and nonpayment of premium pay for such, failure to comply with itemized employee wage statement provisions, failure to pay wages due at separation and associated waiting time penalties, failure to timely pay wages during employment, failure to maintain compliant time and payroll records, the failure to reimburse for business expenses, and unfair or unlawful business practices pursuant to California Business and Professions Code § 17200, *et seq.* based on the aforementioned, declaratory relief, statutory and civil penalties, and attorney fees and costs. The Released Claims specifically include, but are not limited to, all claims arising under California Labor Code Sections 201-204, 206, 218.6, 226, 226.7, 510, 512, 1182.12, 1194, 1194.2, 1197, 1198, 2800, 2802, and/or those arising under the Industrial Welfare Commission Wage Orders; and/or those arising under the Industrial Welfare Commission Wage Orders; California Business and Professions Code section 17200 *et seq.*; California Code of Regulations, title 8, Section 11160; the California Civil Code sections 3287, 3289, and 3294; and California Code of Civil Procedure section 1021.5 (“Released Claims”).

Class Members who endorse their settlement checks waive and release any claims under the Fair Labor Standards Act (“FLSA”) (29 U.S.C. §§ 201, *et seq.*) arising during the Class Period and based on the factual allegations alleged or which could have been alleged in the Lawsuit, including the claims noted above.

This release excludes the release of claims not permitted by law.

For members of the Class who do not validly opt out, the release period shall run from December 6, 2018 through June 5, 2023 for hourly employees.

The proposed Settlement also includes the settlement of claims for civil penalties under PAGA. An employee may not request exclusion from the settlement of a PAGA claim. Thus, if the Court approves this Settlement, then even if you request exclusion from the Settlement, you will still receive an individual settlement share for the PAGA claims and will be deemed to have released the PAGA claims. A request for exclusion will preserve your right to individually pursue only the remaining Class claims.

In addition, if the Court grants final approval of the Settlement, Plaintiff and the State of California release all claims for statutory penalties that could have been sought by the Labor Commissioner for the violations identified in Plaintiff’s pre-filing letter to the LWDA dated November 22, 2022; Plaintiff does not release any aggrieved employee’s claim for wages or damages (“PAGA Released Claims”).

Plaintiff and the State of California will release these PAGA Released Claims from November 22, 2021 through June 5, 2023 for Defendants’ hourly California employees.

“Aggrieved Employees” means all persons currently or formerly employed as hourly employees in California by Defendants at any time during the PAGA Period.

This release excludes the release of claims not permitted by law.

10. How do I object to the Settlement?

If you are a Class Member and would like to object to the Settlement, you must not submit a request for exclusion (*i.e.*, must not opt out).

If you submit both a request for exclusion and an objection, you will be excluded from the Settlement (see sections 11 and 12 below), and your objection will not be considered.

To object, you must complete, sign and mail or otherwise deliver the enclosed Objection Form to the Settlement Administrator (at the address in Section 18, below) setting forth the grounds for objection, along with any supporting documents by [DATE], 2023, which is 45 days from the date that this Notice was mailed, or (2) appear and object at the Final Approval Hearing. If the Objection Form is mailed, it must be postmarked on or before [DATE], 2023. The date of the postmark on the mailing envelope shall be the exclusive means used to determine whether an Objection Form has been timely submitted unless otherwise delivered.

You may also appear personally or through an attorney, at your own expense, at the Final Approval Hearing to present your objection directly to the Court located at the following address:

Riverside Historic Courthouse
4050 Main Street, Department 10
Riverside, California 92501

If you object, but the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as a Class Member who does not object.

11. Why would I ask to be excluded?

You have the right to exclude yourself from the Settlement. If you exclude yourself from the Class — sometimes called “opting-out” of the Class — you will not receive any compensation from the Settlement for the Class claims. Even if you exclude yourself from the Settlement, you will still receive your Individual PAGA Payment, but only if you have Qualifying Pay Periods in the PAGA Period. If you exclude yourself, you will not be legally bound by the Court’s disposition of the Class claims, but you will still be deemed to have released the PAGA claims.

12. How do I ask to be excluded from the Class?

If you are a member of the Class described above and would like to exclude yourself from the Class, you must complete, sign and mail or otherwise deliver the enclosed Exclusion Form to the Settlement Administrator at the address below in Section 18 on or before [DATE], 2023. If the Exclusion Form is mailed, it must be postmarked on or before [DATE], 2023. The date of the postmark on the mailing envelope shall be the exclusive means used to determine whether a request for exclusion has been timely submitted unless otherwise delivered. Any Class Member who requests to be excluded from the Class will only receive an individual settlement share for the PAGA claims, will release only his or her PAGA claims, will not receive any compensation from the Settlement for the Class claims, and will not have any right to object, appeal, or comment thereon. Class Members who fail to submit a valid and timely request for exclusion on or before [DATE], 2023, will be bound by all terms of the Settlement and any final disposition entered in this Class Action if the Court approves the Settlement.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court preliminarily decided that the Law Office of Daniel J. Hyun and Alami Law Group are qualified to represent you and all Class Members in this Lawsuit. These law firms are also called “Class Counsel” in the context of this case.

14. How will the lawyers be paid?

As part of the Settlement with Defendants, Class Counsel has requested one-third of the Gross Settlement Amount (currently, that is equal to approximately \$141,666.67) in attorneys’ fees, plus costs not to exceed \$25,000 to be paid from the Gross Settlement Amount to compensate Class Counsel for their work on this matter. You will not have to pay Class Counsel’s fees and costs from your Individual Settlement Payment.

THE SETTLEMENT, APPROVAL, AND PAYMENT PROCESS

15. Who is handling the Settlement Administration process?

The Settlement Administrator, Phoenix Class Action Administration Solutions, will handle the process. The Settlement Administrator’s contact information is provided in Section 18, below.

16. When is the Final Approval Hearing and do I have to attend?

The Final Approval Hearing has been set for [DATE], 2023 at [TIME] [] in Department 10 of the Superior Court of the State of California, County of Riverside, located at 4050 Main Street, Riverside, California 92501. You do not need to attend the hearing to be a part of the Settlement. However, if you wish to object to the Settlement, you may appear at the hearing. If physical access to the Court is restricted due to COVID-19 or other reasons, please contact the Settlement Administrator regarding alternative options to appear at the hearing.

17. When will I get money after the hearing?

Your Individual Settlement Payment from the net settlement amount for the class and PAGA claims will be made within approximately [INSERT] days after the Court’s final approval of the Settlement, or, if an objection is filed, then approximately [INSERT] days after the Court’s final approval of the Settlement, or, if an appeal is filed, then after all rights to appeal expire (assuming that the Court’s approval stands), whichever date is later.

GETTING MORE INFORMATION

18. Are more details available?

A copy of the entire Settlement Agreement was filed in this case as Exhibit 1 to the Declaration of Daniel J. Hyun in Support of Motion for Preliminary Approval, filed on [DATE], 2023.

You may contact the Settlement Administrator, whose contact information is below:

Phoenix Class Action Administration Solutions

[ADDRESS]

[PHONE]

[FAX]

You may also contact Class Counsel, whose contact information is below:

Daniel J. Hyun
LAW OFFICE OF DANIEL J. HYUN
1100 West Town and Country Road, Suite 1250
Orange, California 92868
Telephone: (949) 590-4122
Facsimile: (949) 528-2596
Email: dh@danielhyunlaw.com

David Alami
ALAMI LAW GROUP
620 Newport Center Dr., Suite 1100
Newport Beach, CA 92660
Telephone: (949) 287-3594
Email: david@alamilawgroup.com

Defendants are represented by:

BRIAN E. KOEGLE
brian.koegle@gmlaw.com
RANSOM D. BOYNTON
ransom.boynton@gmlaw.com
GREENSPOON MARDER LLP
1875 Century Park East, Suite 1900
Los Angeles, California 90067
Telephone: (323) 880-4520
Facsimile: (954) 771-9264

**PLEASE DO NOT CALL OR WRITE TO THE JUDGE OR TO THE COURT REGARDING
THIS NOTICE OR THE LAWSUIT.**

Joseph Saenz v. Class Leasing, LLC, Schoolhouse Manufacturing, LLC

Case No. CVRI2205259

EXCLUSION FORM

MAIL OR FAX TO:

c/o [Administrator]

P.O. Box *****

*****, CA *****

Fax: (***) ***-****

COMPLETE THIS FORM **ONLY IF** YOU WISH TO EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS. IF YOU EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS, YOU **WILL NOT** RECEIVE COMPENSATION FROM THE SETTLEMENT FOR THE CLASS ACTION CLAIMS.

I, _____, request to be excluded from the Settlement Class in the matter of *Joseph Saenz v. Class Leasing, LLC; Schoolhouse Manufacturing, LLC*, Case No. CVRI2205259 (Riverside County Superior Court). I have received and reviewed the Notice of Class Action and Proposed Settlement. I understand that by submitting this Exclusion Form, I will no longer be eligible for compensation from the settlement for the class action claims but I will still receive my proportional share from the net settlement amount for the Private Attorneys General Act claim.

Dated: _____

(Signature)

(Typed or Printed Name)

(Address)

(City, State, Zip Code)

(Telephone Number, Including Area Code)

(Social Security Number – last 4 digits only)

By signing this form, I hereby certify that I request exclusion from the Settlement Class as specified above and that the last four digits of my social security number are

Joseph Saenz v. Class Leasing, LLC, Schoolhouse Manufacturing, LLC

Case No. CVRI2205259

EXCLUSION FORM

true and accurate to the best of my knowledge.

TO BE TIMELY, A REQUEST MUST BE MAILED OR DELIVERED ON OR BEFORE _____, 2023. IT MUST BE SENT TO THE FOLLOWING ADDRESS OR FAX NUMBER:

c/o [Administrator]

P.O. Box *****

*****, CA *****

Fax: (***) ***-****

[BAR CODE OR CLASS MEMBER ID WILL BE INCLUDED HERE]

OBJECTION FORM

JOSEPH SAENZ V. CLASS LEASING, LLC; **SCHOOLHOUSE MANUFACTURING, LLC**

Superior Court of California, County of Riverside
Case No. CVRI2205259

YOUR LEGAL RIGHTS & OPTIONS IN THIS SETTLEMENT	
DO NOTHING	No action is required to get your share of this Settlement.
EXCLUDE YOURSELF	<u>Get no payment.</u> This is the only option that allows you to file your own lawsuit against Defendants Class Leasing, LLC and Schoolhouse Manufacturing, LLC.
OBJECT	If you so choose, you may object to this Settlement.

If you wish to object to the Settlement, you may submit this form (or any other written statement) stating the basis for your objection, along with any documents that support your objection, to the Settlement Administrator on or before [REDACTED], 2023 as follows:

Settlement Administrator:

Phoenix Class Action
Administration Solutions

[REDACTED]

[REDACTED]

[REDACTED]

Even if you object to the Settlement, you will still receive your proportional share of the net settlement amount for the class action and Private Attorneys General Act claims, if the Court approves the Settlement.

I object to the proposed settlement for the following reasons:

(If you need more space, please attach additional pages to this form.)

Dated: _____

(Signature)

(Typed or Printed Name)

(Address)

(City, State, Zip Code)

(Telephone Number, Including Area Code)

(Social Security Number – last 4 digits only)