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16 HPI FEDERAL LLC

17
18 SUPERIOR COURT OF THE STATE OF CALIFORNIA
19 COUNTY OF SANTA CLARA

20 DAVID SARINANA, on behalf of
21 himself and all others similarly situated,

22 Plaintiff,

23 vs.

24 HPI FEDERAL LLC, a Delaware limited
liability company; and DOES 1 through
25 50, inclusive,

26 Defendants.
27
28

Case No. 22CV405866

**STIPULATION OF CLASS AND PAGA
ACTION SETTLEMENT**

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

2 This Stipulation of Class and PAGA Action Settlement is made and entered into between
3 Plaintiff David Sarinana, as an individual and as representative of the Class and as proxy/agent
4 for the State of California and the California Labor and Workforce Development Agency
5 (“LWDA”) (“Plaintiff”) and Defendant HPI Federal LLC (“HP Federal” or “Defendant”),
6 (collectively the “Parties”). It is hereby stipulated and agreed, by and between the undersigned
7 Parties, subject to approval of the Court, that the settlement of this action shall be effectuated
8 upon and subject to the following terms and conditions:

9 **I. DEFINITIONS**

10 The following terms, when used in this Stipulation of Class Action Settlement shall have
11 the following meanings:

- 12 1. “Action” means the action styled as *David Sarinana v. HPI Federal LLC*, pending
13 before the Superior Court of the State of California for the County of Santa Clara, Case No.
14 22CV405866.
- 15 2. “Aggrieved Employee(s)” means all current and former non-exempt employees of
16 Defendant who worked for Defendant in California at any time during the PAGA Period.
- 17 3. “Applicable Workweeks” shall mean any weeks worked by a Class Member for
18 HP Federal during the Class Period.
- 19 4. “Class” or “Settlement Class” includes the Class Representative and all putative
20 class members covered by the First Amended Complaint, which shall be defined as follows: All
21 current and former non-exempt employees of Defendant who worked for Defendant in California
22 at any time during the Class Period, excluding those who signed releases of claims and those who
23 signed arbitration agreements with class action waivers.
- 24 5. “Class Counsel” means the attorneys representing Plaintiff in this Action: Shaun
25 Setareh, Jose Patino, and Tyson Gibb of SETAREH LAW GROUP.
- 26 6. “Class Member(s)” means all persons eligible to participate in this Settlement who
27 are members of the Settlement Class defined herein.
- 28 7. “Class Notice” means the court-approved Notice of Class Action Settlement and

1 Release, substantially in the same form attached hereto as **Exhibit A**, which the Settlement
2 Administrator shall mail to each Class Member, in accordance with this Agreement

3 8. “Class Period” shall mean the time period from November 2, 2018, through the
4 date of preliminary approval or the date on which the number of Applicable Workweeks exceeds
5 8,673, whichever occurs first.

6 9. “Class Representative” shall mean Plaintiff David Sarinana.

7 10. “First Amended Complaint” shall mean the First Amended Complaint filed in this
8 Action in Santa Clara County Superior Court, Case No. 2CVB405866, on January 6, 2023, and
9 which was originally filed on November 2, 2022.

10 11. “Court” shall mean the Santa Clara County Superior Court.

11 12. “Defendant’s Counsel” means Melinda Riechert and Scott Morrison of Orrick,
12 Herrington, & Sutcliffe, LLP.

13 13. “Effective Date” means the later of: (a) the date of Final Approval if no objections
14 are filed, or if any objections which were filed are withdrawn before the Final Approval date; (b)
15 if one or more objections are filed and not subsequently withdrawn, the Effective Date is the date
16 five calendar days after the deadline to file an appeal, unless an appeal is filed, in which case the
17 Effective Date is the date five calendar days after an appeal is dismissed or the Final Approval
18 order is affirmed on appeal.

19 14. “Fairness Hearing” means the hearing on the Motion for Final Approval of the
20 Settlement.

21 15. “Individual Class Settlement Amount” means the amount allocated to each Class
22 Member pursuant to this agreement.

23 16. “Individual PAGA Payment” means the amount allocated to each Aggrieved
24 Employee pursuant to this agreement.

25 17. “LWDA” means the California Labor & Workforce Development Agency.

26 18. “PAGA” shall mean the California Labor Code Private Attorneys General Act,
27 California Labor Code §§ 2698 *et seq.*

28 19. “PAGA Period” shall mean the time period from November 2, 2021, through the

1 date of preliminary approval or the date on which the number of Applicable Workweeks exceeds
2 8,673, whichever occurs first.

3 20. "PAGA Pay Periods" shall mean any pay periods worked by an Aggrieved
4 Employee during the PAGA Period. PAGA Pay Periods are calculated by taking the number of
5 pay periods that each Aggrieved Employee worked at least one day during the PAGA Period.

6 21. "Participating Class Member" means a Class Member who does not submit a valid
7 and timely Request for Exclusion.

8 22. "Parties" means collectively Plaintiff and Defendant.

9 23. "Request for Exclusion" and "Opt-Out Form" mean a written request from a Class
10 Member to be excluded from this Stipulation of Settlement, pursuant to Paragraphs 63–65.

11 24. "Releasees" shall mean Defendant HP Federal and its past, present or future
12 affiliates and related entities, direct or indirect parents, subsidiaries, predecessors, successors,
13 transferees, divisions, joint ventures and assigns, and each of the aforementioned entities' past,
14 present or future directors, officers, employees, partners, members, principals, agents, successors
15 in interest, insurers, co-insurers, re-insurers, actual or alleged joint employers, vendors, suppliers,
16 clients, contractors, insurers, shareholders, attorneys, and personal or legal representatives, in
17 their individual or corporate capacities.

18 25. "Service Enhancement" means the incentive payment to the Class Representative
19 in an amount not to exceed \$10,000 less applicable taxes and withholdings as further defined
20 herein.

21 26. "Settling Parties" shall mean Plaintiff and Defendant.

22 27. "Settlement Administrator" means ILYM Group, Inc.

23 28. "Settlement Administration Expenses" are those expenses to be paid to the
24 Settlement Administrator for its fees and costs in connection with administering the Stipulation of
25 Settlement.

26 29. "Stipulation of Settlement" or "Settlement" shall mean this Stipulation of Class
27 and PAGA Action Settlement.

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1 **II. DESCRIPTION OF THE LITIGATION AND POSITION OF THE PARTIES**

2 30. On November 2, 2022, Plaintiff filed a Complaint in the San Bernardino County
3 Superior Court alleging seven causes of action on behalf of himself and a putative class against
4 Defendant for: (1) failure to provide meal periods; (2) failure to provide rest periods; (3) failure to
5 pay hourly wages; (4) failure to pay vacation wages; (5) failure to provide accurate written wage
6 statements; (6) failure to timely pay all final wages; and (7) unfair competition.

7 31. On January 6, 2023, Plaintiff filed a First Amended Complaint, which included all
8 of the same claims and added an eighth claim for civil penalties under PAGA.

9 32. Defendant filed an Answer in response to both the Complaint and the First
10 Amended Complaint, generally and specifically denying all allegations and alleging numerous
11 affirmative defenses.

12 33. Defendant denies Plaintiff's claims, and asserts that, for any purpose other than
13 settlement, the Action is not appropriate for class action treatment pursuant to the California Code
14 of Civil Procedure or representative treatment under PAGA. Defendant further contends that it
15 has complied with all state wage and hour laws. Consequently, Defendant does not believe that
16 any liability to Plaintiff, Class Members, or Aggrieved Employees exists or that Plaintiff, Class
17 Members, or Aggrieved Employees are entitled to any recovery.

18 34. The Parties exchanged extensive data, information, and documents concerning the
19 claims, defenses, and alleged damages at issue in the Action, including putative class and PAGA
20 timekeeping and earnings data, Plaintiff's wage statements and personnel file, relevant policy
21 documents, and exemplar arbitration agreements that include class action waivers.

22 35. The Parties participated in a mediation on August 31, 2023, with Hon. Amy Hogue
23 (Ret.), where the Parties engaged in arm's-length negotiations. Judge Hogue has extensive
24 experience in labor and employment litigation and, in particular, wage-and-hour class action and
25 PAGA litigation. Subsequently, the Parties reached the settlement agreement reflected herein.

26 36. Discussions between counsel for the Parties, discovery, as well as the investigation
27 and evaluation of the claims of Plaintiff by the Parties, have permitted each side to assess the
28 relative merits of the claims and the defenses to those claims. The Parties agree that the above-

1 described investigation and evaluation, as well as the information exchanged during litigation and
2 settlement negotiations and mediation, are more than sufficient to assess the merits of the
3 respective Parties' positions and to compromise the issues on a fair and equitable basis. Based on
4 their own independent investigations and evaluations, Class Counsel is of the opinion that the
5 Settlement with HP Federal for the consideration and terms set forth below, considering the Class
6 claims, and the risk of loss, is fair, reasonable, and adequate in light of all known facts and
7 circumstances, and is in the best interests of the Class. Class Counsel is also of the opinion that
8 the total consideration and payment set forth in this Stipulation of Settlement is adequate in light
9 of the uncertainties surrounding the risk of further litigation, the possible defenses that HP
10 Federal has asserted, and could assert, and trial.

11 **III. BENEFITS OF THE SETTLEMENT TO THE PROPOSED CLASS, AGGRIEVED**
12 **EMPLOYEES AND DEFENDANT**

13 37. Class Counsel recognizes the substantial monetary benefit to the Class and the
14 Aggrieved Employees and the expenses and length of continued proceedings necessary to
15 prosecute the Action against Defendant through trial and possible appeals. Class Counsel has
16 also taken into account the uncertain outcome and risk of any litigation, especially in complex
17 actions such as class actions, as well as the difficulties and delay inherent in such litigation. In
18 light of these risks, Class Counsel has determined that the settlement set forth in this Stipulation
19 of Settlement is in the best interest of the Class and the Aggrieved Employees.

20 38. HP Federal and its counsel have similarly concluded that it is desirable that the
21 Action be settled in the manner and upon such terms and conditions set forth herein in order to
22 avoid further expense, inconvenience, and distraction of further legal proceedings, and the risk of
23 the outcome of the Action. Therefore, HP Federal has determined that it is desirable and
24 beneficial to put to rest the claims in the Action.

25 **IV. JURISDICTION AND VENUE**

26 39. This Court has jurisdiction over the Parties and the subject matter of this Action.
27 This Court will have continuing jurisdiction over the terms and conditions of this Stipulation of
28 Settlement, until all payments and obligations provided for herein have been fully executed.

1 **V. OPERATIVE TERMS OF SETTLEMENT**

2 The Parties to this Action agree as follows:

3 40. Non-Admission. Nothing in this Stipulation of Settlement, or any
4 communications, papers, or orders related to this Stipulation of Settlement, shall be construed to
5 be or deemed an admission by HP Federal of any liability, culpability, negligence, or wrongdoing
6 toward the Class Representative, the Class Members, the Aggrieved Employees, or any other
7 person, and HP Federal specifically disclaims any liability, culpability, negligence, or
8 wrongdoing toward the Class Representative, the Class Members, the Aggrieved Employees or
9 any other person, or that class action certification or a representative action is appropriate in this
10 or any other matter. Each of the Parties has entered into this Stipulation of Settlement with the
11 intent to avoid further disputes and litigation with the attendant inconvenience, expenses, and
12 contingencies. This Stipulation of Settlement and any communications, papers, or orders related
13 to the Stipulation of Settlement may not be cited or otherwise admitted as evidence of liability or
14 that class action certification is appropriate. There has been no final determination by any court
15 as to the merits of the claims asserted by Plaintiff against HP Federal. It is the desire of the
16 Parties to fully, finally, and forever settle, compromise, and discharge all disputes and claims
17 against HP Federal from or related to the Action. It is the intent of the Parties that this Stipulation
18 of Settlement shall constitute a full and complete settlement and release of the claims averred in
19 the Action.

20 41. Conditional Certification of the Settlement Class. The Parties conditionally
21 stipulate to class certification of the Class for purposes of the Settlement only. As set forth
22 herein, this provision is void and all terms of this Settlement are void if this Settlement is not
23 approved by the Court or if HP Federal withdraws from the Settlement. The Parties further
24 stipulate, for settlement purposes only, that Class Counsel may be appointed and approved as
25 Class Counsel for the Settlement Class and that Plaintiff may be appointed Class Representative
26 for the Settlement Class. HP Federal's stipulation to this Settlement Class shall not be construed
27 as an admission or acknowledgment of wrongdoing of any kind or that any class should be
28 certified or that the Court's order certifying a class is correct. The Settlement Class may be

provisionally certified for class treatment pursuant to the California Code of Civil Procedure for the purposes of the monetary relief provided in this Stipulation of Settlement.

42. Non-Approval by the Court. In the event that this Stipulation of Settlement is not ultimately approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court:

A. The Stipulation of Settlement shall have no force or effect, other than the confidentiality and non-disclosure provisions herein, and the non-admission provisions herein.

B. The Stipulation of Settlement shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural, except to enforce the terms of this Settlement;

C. The preliminary and conditional certification of the class shall become null and void, and HP Federal shall retain the right to dispute the appropriateness of class certification; and

D. None of the Parties to this Stipulation of Settlement will be deemed to have waived any claims, objections, defenses or arguments with respect to the issue of class certification or the merits of Plaintiff's claims.

43. Settlement Amount. Defendant shall pay the amount of \$335,000.00 ("Settlement Amount"), plus the employer's share of the payroll taxes, to resolve the Action, inclusive of all settlement payments to Participating Class Members and Aggrieved Employees, Class Counsel's Court-approved attorneys' fees and reasonable out-of-pocket litigation expenses, the Court-approved Service Enhancement to the Class Representative, Settlement Administration Expenses, interest and the LWDA's share of PAGA penalties.

44. Allocations to be Paid from the Settlement Amount. The Parties agree to the following allocations to be paid from the Settlement Amount, subject to Court approval:

A. Class Counsel Fees and Costs. Class Counsel may seek approval from the Court of a maximum of \$111,666.67 in attorneys' fees (one-third of the Settlement Amount), and a maximum of \$10,000 in actual litigation costs, for serving as Class Counsel, neither of which HP Federal will oppose.

1 B. Service Enhancement. The Class Representative may seek approval from
2 the Court of a Service Enhancement payment (a.k.a. “Enhancement Award”) not to
3 exceed \$10,000 for Plaintiff for a general release of his claims and for serving as a Class
4 Representative, which HP Federal will not oppose.

5 C. Settlement Administration Expenses. The Settlement Administrator shall
6 be paid for its fees and expenses in a reasonable amount not to exceed \$10,000.

7 D. PAGA Allocation. From the Settlement Amount, \$100,000 shall be
8 allocated to PAGA penalties, from which \$75,000 (75%) shall be payable to the LWDA,
9 representing the LWDA’s share of PAGA penalties, and \$25,000 (25%) shall be payable
10 to the Aggrieved Employees. If the Court changes the amount of the PAGA Allocation,
11 such amount will be taken from or added to the Settlement Amount and no additional
12 funds will be required from HP Federal.

13 E. Net Settlement Amount. The portion of the Settlement Amount remaining
14 after subtracting the Settlement Administration Expenses, Court-approved attorneys’ fees
15 and litigation costs, Court-approved Service Enhancement, and the portion of PAGA
16 penalties payable to the LWDA, shall be designated the “Net Settlement Amount” eligible
17 for distribution to Participating Class Members and Aggrieved Employees on a *pro rata*
18 basis consistent with the allocation formulas set forth in Paragraph 51.

19 F. If the Court approves a lesser amount of attorneys’ fees, litigation costs, or
20 Service Enhancement than those sought by the Class Representative and Class Counsel,
21 any amount disallowed by the Court shall be included in the Net Settlement Amount and
22 the Parties agree that the settlement shall remain binding with such modification(s) and its
23 terms will be otherwise unchanged.

24 45. Class Workweeks and PAGA Pay Periods. Defendant represents that as of August
25 16, 2023, there were an estimated 39 Class Members without class action waivers and releases
26 who had worked an estimated 7,884 class workweeks during the Class Period. Defendant also
27 represents that as of August 16, 2023, there were an estimated 64 Aggrieved Employees who
28 worked an estimated 2,200 pay periods during the PAGA Period. The Class Period and the

PAGA Period shall close either when preliminary approval is granted or the number of workweeks worked by Class Members exceeds 7,884 by 10% (i.e., 8,673), whichever occurs first.

46. Tax Treatment.

A. All settlement payments to Participating Class Members shall be allocated as follows: 15% of each Individual Class Settlement Amount to unpaid wages, subject to withholding and reported on a W-2 form, and 85% to non-wage compensation which shall be reported on an IRS 1099 without withholdings.

B. The payments to the Aggrieved Employees will be allocated to non-wage compensation and shall be reported on an IRS 1099 without withholdings.

C. The Service Enhancement to the Class Representative will be allocated as wage compensation, subject to withholding, and reported on an IRS W-2.

D. The Class Representative, Participating Class Members, and Aggrieved Employees must pay their own portions of payroll and income taxes on the payments they receive under this Settlement and shall be exclusively liable for any and all taxes due on such amounts.

E. All Parties represent that they have not received, and shall not rely on, advice or representations from Class Counsel, Defendant's Counsel, other parties or their agents or attorneys regarding the tax treatment of payments under federal, state, or local law.

47. Class Member Released Claims. Upon the Court granting final approval of the Settlement, the Participating Class Members shall release the Releasees from the following: All claims, demands, rights, liabilities, penalties, fees, and causes of action that were or could have been asserted based on the facts alleged in the operative complaint (whether in tort, contract, statute or otherwise) during the Class Period, including for alleged violation of Labor Code sections 201, 202, 203, 204, 204b, 210, 215, 216, 218.5, 218.6, 223, 225.5, 226, 226.3, 226.6, 226.7, 227.3, 510, 512, 558, 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1198, 1199 and Business and Professions Code sections 17200 *et seq.*, and claims based on the following allegations: failure to pay all wages owed, including minimum, straight, and overtime wages; failure to properly calculate the regular rate of pay; failure to provide compliant meal periods or rest breaks or to pay meal period or rest break premiums; failure to provide accurate and/or

1 compliant wage statements; failure to pay out accrued but unused vacation days at termination;
2 failure to timely pay wages during employment or upon separation; or violation of Cal. Bus. &
3 Prof. Code section 17200 *et seq.* by engaging in the foregoing conduct. Settlement Class
4 Members' Released Claims include all claims for unpaid wages, overtime wages, statutory
5 penalties, civil penalties, interest, attorneys' fees, costs, injunctive relief, restitution, and any other
6 equitable relief under California or federal statute, ordinance, regulation, common law, or other
7 source of law, including the Fair Labor Standards Act ("FLSA"), the California Labor Code,
8 California Business & Professions Code, California Civil Code, and California Industrial Welfare
9 Commission Wage Orders arising from the above released claims.

10 48. PAGA Released Claims. Upon the Court granting final approval of the
11 Settlement, the Aggrieved Employees shall release the Releasees from the following: all claims,
12 demands, rights, liabilities, penalties, fees, and causes of action under PAGA that were or could
13 have been asserted based on the facts alleged in the operative complaint or letter to the LWDA,
14 including those based on alleged failure to pay all wages owed, including minimum, straight, and
15 overtime wages; failure to properly calculate the regular rate of pay; failure to provide compliant
16 meal periods or rest breaks or to pay meal period or rest break premiums; failure to provide
17 accurate and/or compliant wage statements; failure to pay out all accrued but unused vacation
18 days at termination; or failure to timely pay wages during employment or upon separation.

19 49. Class Representative Released Claims. Plaintiff, as the Class Representative, shall
20 separately release the following: any and all claims, obligations, demands, actions, rights, causes
21 of action, and liabilities against Releasees, of whatever kind and nature, character, and
22 description, whether in law or equity, whether sounding in tort, contract, federal, state and/or
23 local law, statute, ordinance, regulation, common law, or other source of law or contract, whether
24 known or unknown, and whether anticipated or unanticipated, including all claims covered by
25 California Civil Code § 1542, arising at any time up to and including the Effective Date, for any
26 type of relief, including without limitation claims for wages, premium and other forms of pay,
27 unpaid/unreimbursed costs, penalties (including waiting time penalties and wage statement
28 penalties), general damages, compensatory damages, liquidated damages, punitive damages,

1 interest, attorneys' fees, litigation and other costs, expenses, restitution, and equitable and
2 declaratory relief. The Class Representative's Released Claims include, but are not limited to, the
3 Released Claims as well as any other claims under any provision of the FLSA, the California
4 Labor Code, any applicable California Industrial Welfare Commission Wage Orders, any city or
5 county Living Wage Ordinances, and claims under state or federal discrimination statutes,
6 including, without limitation, the California Government Code; the Fair Employment and
7 Housing Act, the California Family Rights Act, the Unruh Civil Rights Act, California Civil
8 Code; the California Constitution; the California Business and Professions Code, including but
9 not limited to §§ 17200 *et seq.*; the United States Constitution; the Age Discrimination in
10 Employment Act and the Older Workers Benefit Protection Act; the Uniformed Services
11 Employment and Reemployment Rights Act, Title VII of the Civil Rights Act of 1964, 42 U.S.C.
12 § 2000 *et seq.*; the Family and Medical Leave Act, to the extent not prohibited by law; the
13 Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*; and the Employee Retirement Income
14 Security Act of 1974, 29 U.S.C. § 1001 *et seq.*; the Fair Credit Reporting Act, the Equal Pay Act,
15 the Worker Adjustment and Retraining Notification Act, and all of their implementing regulations
16 and interpretive guidelines.

17 Section 1542 of the California Civil Code provides as follows:

18 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE**
19 **CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT**
20 **TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE**
21 **RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE**
22 **MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE**
23 **DEBTOR OR RELEASED PARTY.**

24 Plaintiff's general release provided herein is made with an express waiver and
25 relinquishment of any claim, right, or benefit under California Civil Code § 1542. Plaintiff
26 warrants that he has read this agreement, including this waiver of California Civil Code § 1542,
27 and that he has consulted with or had the opportunity to consult with his counsel about this
28 agreement and specifically about the waiver of § 1542, and that he understands this agreement
and the § 1542 waiver, and so he freely and knowingly enters into this agreement. Plaintiff further

acknowledges that Plaintiff later may discover facts different from or in addition to those Plaintiff now knows or believes to be true regarding the matters released or described in this agreement, and even so Plaintiff agrees that the releases and agreements contained in this agreement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts.

50. Funding and Allocation of Settlement Amount. Class Members and Aggrieved Employees shall not be required to submit a claim in order to receive a share of the Settlement, and no portion of the Settlement Amount shall revert to HP Federal or result in an unpaid residue.

51. Calculation of Individual Class Settlement Amounts and Individual PAGA Payments. The portion of the Net Settlement Amount allocated to Class Members will be based on the number of Applicable Workweeks they worked during the Class Period. The portion of the Net Settlement Amount allocated to Aggrieved Employees will be based on the number of PAGA Pay Periods they worked during the PAGA Period. HP Federal shall provide the Settlement Administrator with the total Applicable Workweeks and PAGA Pay Periods worked by each Class Member and Aggrieved Employee.

A. Individual Class Settlement Amounts. The Settlement Administrator will calculate the Individual Class Settlement Amount for each Class Member based on each Class Member's Applicable Workweeks, and the amount to be paid to each Aggrieved Employee based on the Aggrieved Employee's PAGA Pay Periods as reflected in HP Federal's internal records. Class Member distributions shall be divided among all Class Members on a *pro rata* basis, based on the ratio of the number of Applicable Workweeks worked by each Class Member during the Class Period, to the total number of Applicable Workweeks worked by all Class Members during the Class Period.

B. Individual PAGA Payments. 25% of the PAGA Allocation will be divided among Aggrieved Employees on a *pro rata* basis based on the ratio of the number of PAGA Pay Periods worked by each Aggrieved Employee during the PAGA Period, to the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period.

1 52. Eligibility for Individual Class Settlement Amount. Only Participating Class
2 Members will be eligible to receive an Individual Class Settlement Amount.

3 53. No Effect on Employee Benefits. Neither the Settlement nor any amounts paid
4 under the Settlement will modify any previously credited hours or service under any employee
5 benefit plan, policy, or bonus program sponsored by the Releasees. Such amounts will not form
6 the basis for additional contributions to, benefits under, or any other monetary entitlement under
7 the Releasees' sponsored benefit plans, policies or bonus programs. The payments made under
8 the terms of this Stipulation shall not be applied retroactively, currently, or on a going forward
9 basis, as salary, wages, earnings or other forms of compensation for the purposes of the
10 Releasees' benefit plans, policies or bonus programs. The Releasees retain the right to modify the
11 language of their benefit plans, policies and bonus programs to effectuate this intent, and to make
12 clear that any amounts paid pursuant to this Settlement are not for "hours worked", "hours paid,"
13 "hours of service," or any similar measuring terms as defined by applicable plans, policies and
14 bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that
15 additional contributions or benefits are not required by this Stipulation of Settlement.

16 54. Distribution of Settlement Payments. When and if the Court grants Final Approval
17 of the Settlement, and the Effective Date as defined herein has passed, the Settlement
18 Administrator shall then prepare a final list of all Participating Class Members and Aggrieved
19 Employees along with a final breakdown of all disbursements under this Stipulation of Settlement
20 that are required to be funded by HP Federal, including HP Federal's share of applicable payroll
21 taxes. HP Federal shall then provide the total amount required to be funded by HP Federal to the
22 Settlement Administrator within twenty-eight (28) calendar days of the Effective Date. After
23 transfer of the amount required to fund the settlement to the Settlement Administrator, HP Federal
24 shall not be responsible for any losses with respect thereto due to any action or inaction on the
25 part of the Settlement Administrator. The Settlement Administrator shall then pay the
26 Participating Class Members, Aggrieved Employees, the LWDA, the Class Representative
27 Service Enhancements, Class Counsel's attorney fees and litigation costs, and its own Settlement
28 Administration Expenses, in the amounts awarded by the Court, within fourteen (14) calendar

1 days thereafter. Each settlement payment check to a Qualified Claimant will carry a legend
2 notifying the Qualified Claimant that negotiating, cashing or depositing the check will constitute
3 consent to a release of FLSA claims. Specifically, the Qualified Claimant is releasing the Class
4 Member Released Claims as set forth in the Action, the Notice and Stipulation of Settlement.
5 The release language on the check shall be the same or substantially similar to the following: “By
6 endorsing and cashing or depositing this check, I consent to join the Settlement Class in *Sarinana*
7 *v. HPI Federal, LLC*, elect to participate in the settlement, and agree to release all of the Class
8 Member Released Claims covered by the settlement.”

9 55. Court Approval of the Settlement. Subject to HP Federal’s review and approval,
10 Class Counsel shall be responsible for preparing and filing the Motion for Preliminary Approval
11 of the Settlement, the Motion for Final Approval of the Settlement that includes a request for
12 approval of the PAGA settlement and dismissal of the PAGA claims in accordance with the
13 requirements of Labor Code Section 2699(l), including submission of the Stipulation of
14 Settlement and the Order approving the Settlement to the LWDA. Class Counsel will provide to
15 Defendant’s Counsel for review and comment draft Motions for Preliminary and Final Approval
16 at least seven (7) days before filing the motions. Prior to the Final Approval hearing by the
17 Court, subject to HPI’s review and approval, Plaintiff will prepare and submit a proposed Final
18 Order(s): (i) certifying the Class for settlement purposes only; (ii) approving the payments to
19 Aggrieved Employees (iii) finding the settlement fair, reasonable, and in the best interests of the
20 Class Members and Aggrieved Employees; (iv) approving the payment to the LWDA; (v)
21 approving Class Counsel’s application for an award of attorneys’ fees and litigation costs;
22 (vi) approving the Class Representative’s application for a Service Enhancement; and
23 (vii) approving payment of Settlement Administration Expenses. The Order for Final Approval
24 of Settlement shall include the names of all Class Members who submitted timely and valid opt-
25 out requests.

26 56. Notice To Governmental Agencies. Upon filing of the Motion for Preliminary
27 Approval, Class Counsel will file a copy of this Stipulation of Settlement and the Motion for
28 Preliminary Approval with the LWDA pursuant to the requirements specified in Labor Code §§

1 2698-2699.5.

2 57. Right to Revoke and Reservation of Rights. HP Federal has the right to withdraw
3 from this Stipulation of Settlement at any time prior to final approval if: (a) this Stipulation of
4 Settlement is construed in such a fashion that HP Federal is required to pay more than the
5 Settlement Amount, plus employer's share of payroll taxes; or (b) more than 10% of the Class
6 Members affirmatively opt out of the settlement. Each of the Parties has the right to withdraw
7 from this Stipulation of Settlement at any time prior to final approval if: (1) the Court does not
8 certify this Stipulation of Settlement, does not certify a class action releasing the claims set forth
9 above, does not approve the PAGA settlement including the release of the Released PAGA
10 claims, or otherwise makes an order materially inconsistent with any of the terms of this
11 Stipulation of Settlement or the documents prepared to effectuate this Stipulation of Settlement;
12 or (2) the Court denies either preliminary or final approval of this Stipulation of Settlement with
13 prejudice. Plaintiff does not have the right to withdraw from the Settlement if the Court does not
14 award or reduces the amount of attorneys' fees or Service Enhancement payment sought in the
15 Motions for Preliminary or Final Approval. HP Federal represents and warrants that it is not
16 aware of any currently filed state law claims against HP Federal by the Class Members. If for any
17 reason this Stipulation of Settlement is not approved by the Court, or if HP Federal withdraws
18 from this Stipulation of Settlement pursuant to this paragraph, this Stipulation of Settlement and
19 any related settlement documents shall be null and void, except for the provisions concerning
20 Confidentiality and No Admission of Liability, and any class certified for settlement purposes
21 will be vacated. In such an event, neither this Stipulation of Settlement, nor the settlement
22 documents, nor the negotiations leading to the settlement, may be used as evidence for any
23 purpose, and HP Federal shall retain the right to challenge all claims and allegations in the action,
24 to assert all applicable defenses, and to dispute the propriety of class certification or
25 manageability on all applicable grounds.

26 58. Termination of Stipulation of Settlement. If the conditions of the settlement set
27 forth in this Stipulation of Settlement are not satisfied, or if HP Federal voids this Stipulation of
28 Settlement under Paragraph 57 above, or if appellate review is sought and on such review the

1 Court's decision is materially modified or reversed, or, if one or more of the terms of the
2 Stipulation of Settlement is not approved or this Stipulation of Settlement, with respect to one or
3 more such terms, is materially modified or reversed, then this Stipulation of Settlement shall be
4 canceled, terminated, and shall have no force or effect. If Final Approval does not occur, or if
5 this Stipulation of Settlement is terminated, revoked, or canceled pursuant to its terms, the Parties
6 to this Stipulation of Settlement shall be deemed to have reverted to their respective status as of
7 the date and time immediately prior to the execution of this Stipulation of Settlement.

8 **VI. SETTLEMENT ADMINISTRATION**

9 59. Selection and Compensation of Settlement Administrator. The Settlement
10 Administrator shall calculate and provide its Settlement Administration Expenses and costs to the
11 Parties and the Court prior to the Final Approval hearing, and the proposed Final Approval Order
12 shall request approval of the Settlement Administration Expenses to be paid out of the Settlement
13 Amount. All costs associated with claims administration shall come out of the Settlement
14 Amount.

15 60. Responsibilities of Settlement Administrator. The Settlement Administrator shall
16 be responsible for, and the Settlement Administration Expenses shall cover: (a) calculating each
17 Class Member's potential Individual Class Settlement Amount from the Net Settlement Amount;
18 (b) preparing and mailing Class Notice to the Class Members; (c) taking appropriate steps to
19 trace, update and locate any individual Class Member whose address or contact information as
20 provided to the Settlement Administrator is inaccurate or outdated; (d) receiving and providing to
21 Class Counsel and Defendant's Counsel, and the Court, Requests for Exclusion and copies of
22 written objections; (e) providing to Class Counsel and Defendant's Counsel a weekly report of
23 activity; (f) maintaining prior to disbursement all settlement funds in an interest-bearing account
24 at a federally insured banking institution; (g) calculating and paying the Individual Class
25 Settlement Amounts due to be paid to Participating Class Members after calculation of the Net
26 Settlement Amount for Class Members who opt out of the settlement; (h) calculating and paying
27 the amount owed to the Aggrieved Employees; (i) reporting to Class Counsel, Defendant's
28 Counsel, and the Court regarding the completion of the tasks identified in this paragraph; and

1 (j) calculating HP Federal's share of payroll taxes, including FICA and FUTA, on the portion of
2 each Individual Class Settlement Amount allocated to unpaid wages.

3 61. Class Data. HP Federal will provide the full name, last known home address,
4 Social Security number, and the total Applicable Workweeks worked by each Settlement Class
5 Member and PAGA Pay Periods worked by the Aggrieved Employees to the Settlement
6 Administrator, only. ("Class Data"). Class Data shall be provided in a format to be determined by
7 the Settlement Administrator and HP Federal. HP Federal will provide the Class Data to the
8 Settlement Administrator no later than twenty-eight (28) calendar days after the Court grants
9 Preliminary Approval of the settlement. Class Data shall be used by the Settlement Administrator
10 only for the purposes of: (i) calculating Individual Class Settlement Amounts and the payments to
11 the Aggrieved Employees and the LWDA; (ii) preparing and mailing Settlement Documents to
12 the Class Members, and (iii) locating Class Members whose Class Notices are returned as
13 undeliverable. Class Data shall not be disclosed to Class Counsel, the Class Representative, or
14 any other Class Members without the prior, written consent of HP Federal. The Settlement
15 Administrator shall run the Class Data through the National Change of Address database and will
16 use the most recent address for each Class Member—either from HP Federal's records or the
17 National Change of Address database—when mailing the Class Notice. The Settlement
18 Administrator shall mail the Settlement Documents to Class Members by First Class Mail. It will
19 be conclusively presumed that if an envelope so mailed has not been returned within thirty (30)
20 calendar days of the mailing that the Class Member received the Settlement Documents. With
21 respect to any returned Class Notice envelopes, the Settlement Administrator shall take all
22 reasonable steps to locate any Class Member whose Class Notice is returned as undeliverable,
23 such as a skip trace procedure or other independent research, to obtain a current address and, if an
24 updated address is located, then re-mail the Class Notice to such address within five (5) business
25 days of obtaining an updated address. If the Settlement Administrator remains unable to locate the
26 Class Member, the Settlement Administrator will not send a check to that Class Member but will
27 instead send it to the State Controller's Unclaimed Property Fund to be held in the name of the
28 Class Member.

1 62. Class Notice. Within fourteen (14) calendar days from the date the Settlement
2 Administrator receives the Class Data, and after obtaining the Parties' approval of the formatted
3 Settlement Documents and estimated settlement amounts, or as soon as practically and
4 economically feasible as determined by the Settlement Administrator, the Settlement
5 Administrator shall mail Settlement Documents to the Class Members described herein. All costs
6 associated with the Class Notice shall be paid from the Settlement Amount.

7 63. Opt-Out Period. Class Members shall have forty-five (45) days from the date of
8 mailing of the Settlement Documents to return a valid Request for Exclusion from the Settlement
9 to the Settlement Administrator (the "Opt-Out Period"). If the 45th day falls on a Sunday or
10 holiday, the deadline to return Claims Forms will be the next business day that is not a Sunday or
11 holiday. Participating Class Members will receive their Individual Class Settlement Amount
12 from the Net Settlement Amount pursuant to this agreement as calculated by the Settlement
13 Administrator.

14 64. Challenges to Class Member's Employment Data. In calculating the amount of
15 each Class Member's and Aggrieved Employee's payment, HP Federal's records regarding
16 Applicable Workweeks and PAGA Pay Periods shall be presumed to be correct. Class Members
17 who challenge HP Federal's records must submit a challenge in writing to the Settlement
18 Administrator and will bear the burden of proof, *i.e.*, a Class Member who fails to provide written
19 proof establishing the correctness of his or her challenge will have his or her challenge denied.
20 All such challenges must be sent within the Opt-Out Period. The Settlement Administrator will
21 inform Plaintiff's Counsel and Defendant's Counsel in writing of any timely filed challenges.
22 The Settlement Administrator will investigate the challenge, including by consulting with HP
23 Federal and Defendant's Counsel, and shall make the final decision whether any additional
24 amount is owed to the Class Member making the challenge. In no case will a challenge result in a
25 payment by HP Federal in excess of the Settlement Amount.

26 65. Opt-Outs/Requests for Exclusion from the Settlement. The Class Notice shall
27 explain that Class Members who wish to exclude themselves from the class and Settlement must
28 submit a Request for Exclusion. The Request for Exclusion must: (1) state the name, address,

1 telephone number, approximate dates of employment, and last four digits of the Class Member
2 requesting exclusion; (2) contain a statement that the Class Member is requesting to opt out of, or
3 be excluded from, the Settlement; and (3) be signed by the Class Member. The Request for
4 Exclusion from the Settlement must be postmarked with a date within the Opt-Out Period. If a
5 Class Member submits a deficient Request for Exclusion, the Settlement Administrator shall
6 notify the Class Member of the deficiency within five (5) business days of receipt. The Class
7 Member shall have until the end of the Opt-Out Period, or an additional ten (10) calendar days if
8 notice of the deficiency is provided not more than five (5) days before the end of the Opt-Out
9 Period, to cure said deficiencies, at which point his or her Request for Exclusion will be rejected
10 if not received. Class Members submitting untimely or invalid Requests for Exclusions shall be
11 bound by this Stipulation of Settlement and its releases.

12 66. Objections and Final Approval of Settlement. Only Class Members who do not
13 opt out of this Stipulation of Settlement may object to the Settlement. Written objections may be
14 filed with the Court and served upon all counsel of record within forty-five (45) calendar days
15 after the mailing of the Class Notice. Class Members also have the right to appear at the Fairness
16 Hearing in order to have their objections heard by the Court. Any Class Member or purported
17 Class Member who fails to object in this manner shall be deemed to have waived any objections
18 and shall be foreclosed from filing any appeal from any Final Approval Order issued by the
19 Court. The Parties may file responses to any objections submitted by objecting Class Members at
20 or prior to the hearing for Final Approval of the Settlement.

21 **VII. MISCELLANEOUS PROVISIONS.**

22 67. Drafting. The Parties hereto agree that the terms and conditions of this Stipulation
23 of Settlement are the result of lengthy, intensive, arm's-length negotiations between the Parties
24 and that neither party shall be considered the "drafter" of this Stipulation of Settlement for
25 purposes of having terms construed against that party. Paragraph titles are inserted as a matter of
26 convenience and for reference, and in no way define, limit, extend, or describe the scope of this
27 Stipulation of Settlement or any of its provisions.

28 68. Class Data Confidential. Class Data shall be kept strictly confidential and secure

1 by the Settlement Administrator, who will not release such information to Class Counsel, and if
2 any Class Data needs to be filed to effectuate the settlement, it will be filed under seal. Class
3 Counsel agrees that any information they receive or have received in connection with this
4 Stipulation of Settlement may be used for this Action only and may not be used for any purpose
5 or in any other action or proceeding.

6 69. Non-Disclosure. Class Representative and Class Counsel agree not to disclose the
7 terms of this Settlement except in court papers or if required by legal process. HP Federal and
8 Defendant's Counsel acknowledge that this non-disclosure shall not serve to interfere with the
9 duties or obligations of Class Counsel to represent, or otherwise to respond to questions or
10 inquiries of, Class Members or Aggrieved Employees about the terms of the Settlement.
11 Nevertheless, Class Representative and Class Counsel agree they will not issue a press release or
12 hold a press conference regarding the Settlement, publish information about the Settlement on
13 any website in a way that connects the Settlement to HP Federal, or otherwise publicize the
14 Settlement. Class Representative and Class Counsel will refer press inquiries or reporters to the
15 papers filed with the Court.

16 70. Uncashed Settlement Checks. Any checks issued by the Settlement Administrator
17 to Participating Class Members and Aggrieved Employees shall be negotiable for at least 180
18 calendar days. Those funds represented by settlement checks returned as undeliverable and those
19 settlement checks remaining un-cashed for more than 180 calendar days after issuance shall be
20 tendered to the California State Controller's Office Unclaimed Property Fund under the
21 procedures provided for by Code of Civil Procedure section 1300, *et seq.*

22 71. Cooperation. The Parties agree to cooperate fully with one another to accomplish
23 and implement the terms of this Stipulation of Settlement. Such cooperation shall include, but not
24 be limited to, execution of such other documents and the taking of such other action as may
25 reasonably be necessary to fulfill the terms of this Stipulation of Settlement. The Parties to this
26 Stipulation of Settlement shall use their best efforts, including all efforts contemplated by this
27 Stipulation of Settlement and any other efforts that may become necessary by Court order, or
28 otherwise, to effectuate this Stipulation of Settlement and the terms set forth herein. The Parties

1 agree to have mediator Hon. Amy D. Hogue (Ret.) seek to resolve any and all disputes that may
2 arise in connection with interpreting the terms of this agreement.

3 72. Extensions of Time. If a party cannot reasonably comply with an obligation under
4 this Stipulation of Settlement by the deadline set forth herein applicable to that obligation, that
5 party may apply to the Court for a reasonable extension of time to fulfill that obligation. Consent
6 to such a request for an extension will not be unreasonably withheld by the other party.

7 73. Notices. Unless otherwise specifically provided herein, all notices, demands, or
8 other communications given hereunder shall be in writing and shall be deemed to have been duly
9 given as of the third business day after mailing by United States certified mail, return receipt
10 requested, addressed as follows:

11 To the Plaintiff Class:

12 SETAREH LAW GROUP
13 Shaun Setareh (SBN 204514)
14 Jose Maria D. Patino, Jr. (SBN 270194)
15 Tyson Gibb (SBN 339154)
16 9665 Wilshire Boulevard, Suite 430
17 Beverly Hills, California 90212
18 Telephone: 310-888-7771

19 To the Defendant:

20 ORRICK, HERRINGTON & SUTCLIFFE LLP
21 Melinda Riechert (SBN 65504)
22 Scott Morrison (SBN 320167)
23 1000 Marsh Road
24 Menlo Park, CA 94025-1015
25 Telephone: +1 650 614 7400

26 74. Integration and Modification. This Stipulation of Settlement contains the entire
27 agreement among the Parties relating to any and all matters addressed in the Stipulation of
28 Settlement, and all prior or contemporaneous agreements, understandings, representations, and
statements, whether oral or written and whether by a party or such party's legal counsel, with
respect to such matters are extinguished. This Stipulation of Settlement may not be changed,
altered, or modified, except in writing signed by counsel for the Parties hereto and approved by
the Court. This Stipulation of Settlement shall be binding upon and inure to the benefit of the
Parties hereto and their respective heirs, trustees, executors, administrators, successors, and

1 assigns. The releases contained within this Stipulation of Settlement shall be in addition to and
2 cumulative with any other release by an individual Class Member. However, this Stipulation of
3 Settlement shall not supersede any prior or current arbitration agreements and/or release
4 agreements concerning a Class Member. The releases contained within this Stipulation of
5 Settlement shall be in addition to and cumulative with any other release by an individual Class
6 Member.

7 75. Governing Law. The rights and obligations of the Parties hereunder shall be
8 construed and enforced in accordance with, and shall be governed by, the laws of the State of
9 California, and of the United States, without regard to principles of conflict of laws.

10 76. Counterparts. Because the members of the proposed Class are so numerous, the
11 Parties agree that it is impossible or impractical to have each Class Member sign this Stipulation
12 of Settlement. It is agreed that, for purposes of seeking Court approval of the Settlement, this
13 Stipulation of Settlement may be executed on behalf of the proposed Class by Class Counsel.
14 This Stipulation of Settlement shall become effective upon its execution by all of the undersigned.
15 The Settling Parties may execute this Stipulation of Settlement in any number of counterparts,
16 and a facsimile signature shall have the same force and effect as an original.

17 IN WITNESS WHEREOF, each of the undersigned has agreed to and accepted the
18 foregoing terms and conditions by executing this Stipulation of Settlement as of the date indicated
19 below.

20 Dated: 5/20/2024

21 By: 
22 ID zovuPNTeH9e4duD8qQBTZAj7
23 David Sarinana, Plaintiff

24 Dated: _____

25 By: _____
26 HPI Federal LLC, Defendant
27
28

1 assigns. The releases contained within this Stipulation of Settlement shall be in addition to and
 2 cumulative with any other release by an individual Class Member. However, this Stipulation of
 3 Settlement shall not supersede any prior or current arbitration agreements and/or release
 4 agreements concerning a Class Member. The releases contained within this Stipulation of
 5 Settlement shall be in addition to and cumulative with any other release by an individual Class
 6 Member.

7 75. Governing Law. The rights and obligations of the Parties hereunder shall be
 8 construed and enforced in accordance with, and shall be governed by, the laws of the State of
 9 California, and of the United States, without regard to principles of conflict of laws.

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 16 and a facsimile signature shall have the same force and effect as an original.

17 IN WITNESS WHEREOF, each of the undersigned has agreed to and accepted the
 18 foregoing terms and conditions by executing this Stipulation of Settlement as of the date indicated
 19 below.

20
 21 Dated: _____

22 By: _____
 David Sarinana, Plaintiff

23 Dated: 5/18/2024
 24 _____

25 By: Todd Gustafson
 HPI Federal LLC, Defendant
 26 President

1 APPROVED AS TO FORM:

2 Dated: 5/20/2024

SETAREH LAW GROUP

3 By: 
ID uoV6jqC945a8qQ7qf5bBFBw

4 Shaun Setareh

Jose Maria D. Patino, Jr.

5 Tyson Gibb

Attorneys for Plaintiff

6 DAVID SARINANA and CLASS

7 MEMBERS

8 Dated: _____

ORRICK, HERRINGTON & SUTCLIFFE
LLP

9
10 By: _____
11 Melinda Riechert
12 Scott Morrison

13 Attorneys for Defendant

14 HPI FEDERAL LLC
15
16
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25
26
27
28

1 APPROVED AS TO FORM:

2 Dated: _____

SETAREH LAW GROUP

3 By: _____

4 Shaun Setareh

Jose Maria D. Patino, Jr.

5 Tyson Gibb

Attorneys for Plaintiff

6 DAVID SARINANA and CLASS

7 MEMBERS

8 Dated: 5/18/2024 _____

ORRICK, HERRINGTON & SUTCLIFFE
LLP

9
10 By: Melinda Riechert _____

11 Melinda Riechert

12 Scott Morrison

13 Attorneys for Defendant

14 HPI FEDERAL LLC

EXHIBIT A

Notice of Class Action Settlement

*David Sarinana v. HP Federal LLC
Superior Court of California, Santa Clara County, Case No. 22CV405866*

Please read this Notice carefully. If you worked for HP Federal LLC (“HP Federal”) in California as a non-exempt employee, you may be entitled to payment from a class and PAGA action settlement.

A court authorized this notice. This is not a solicitation from a lawyer.

- On [PRELIMINARY APPROVAL DATE], the Honorable [insert] of the Superior Court of Santa Clara County granted preliminary approval of a proposed class action settlement in the above-referenced Action. The Court has authorized the dissemination of this Notice to inform you of your options under the Settlement. This notice explains the lawsuit, the Settlement, your legal rights, and what benefits are available.
- Former HP Federal employee David Sarinana filed a lawsuit against HP Federal alleging that HP Federal violated the California Labor Code, including the Private Attorneys General Act (“PAGA”), by failing to pay for all hours worked, failing to pay all money owed, and failing to provide meal and rest breaks.
- You have received this notice because HP Federal’s records indicate that you were employed as a non-exempt employee in the state of California sometime between November 2, 2018, and [date].
- HP Federal has denied and continues to deny the factual and legal allegations in the Action and believes that it has valid defenses to Plaintiff’s claims. By agreeing to settle, HP Federal is not admitting either liability, the truth of any factual allegations, or that the Action can or should proceed as a class or representative action. The Parties entered into this settlement solely with the intention to avoid further disputes and the inconvenience and expense of litigation. The Court has not made any final ruling on the merits of the claims, and no party has prevailed in this action.
- The settlement has two main parts: (1) the settlement and resolution of Released Class Claims, which is based on the number of weeks you worked for HP Federal in a non-exempt role; and (2) the settlement and resolution of Released PAGA Claims, which is based on the number of pay periods you worked for HP Federal in a non-exempt role.
- You have a choice to make now, which will affect your legal rights:

CALIFORNIA CLASS MEMBERS YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	If you wish to participate in the Settlement and be eligible to receive a Settlement Payment, no further action is required on your part. You will automatically receive your Settlement Check from the Settlement Administrator if and when the Settlement receives final approval by the Court. If the Court grants final approval of the settlement, you will be mailed a Settlement Check for your share of the Settlement Amount. In addition, you will be deemed to have released or waived the Released Class Claims and Released PAGA Claims.
EXCLUDE YOURSELF	If you do not want to participate in the Settlement and want to retain your right to sue HP Federal for unpaid wages under not only federal law but also under California state law, you must submit a written Request for Exclusion to the Claims Administrator, as discussed in Section 10 below. If you submit a Request for Exclusion, you will not be eligible to receive a Settlement Payment.
OBJECT	If you have not submitted a Request for Exclusion, you may write to the Court about why you object to the Settlement. More information about objecting is set forth in Section 14 below.

- **THESE RIGHTS AND OPTIONS—AND THE DEADLINES TO EXERCISE THEM—ARE SET FORTH IN THIS NOTICE.**
- **HP FEDERAL WILL NOT RETALIATE IN ANY MANNER AGAINST ANY SETTLEMENT CLASS MEMBER FOR PARTICIPATING OR NOT PARTICIPATING IN THIS SETTLEMENT.**

BASIC INFORMATION

1. Why did I get this notice?

The Court ordered that you be sent this notice because you have a right to know about the proposed class action settlement of the Action, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after any objections and appeals are heard, Settlement Payments will be mailed to Class Members who do not opt out.

2. Am I covered by this Settlement?

HPI's records state that you were employed by HP Federal in a non-exempt position in California sometime between November 2, 2018, through [date].

3. What is the Action about?

The Action is about whether HP Federal failed to pay non-exempt employees in California employees all of their wages, including overtime compensation for the hours they worked in excess of 8 hours per day or 40 hours per week, failed to provide meal or rest breaks, failed to timely pay wages upon termination including accrued but unused vacation time, issued inaccurate wage statements, and failed to calculate the regular rate of pay for purposes of overtime, meal premium payments, rest premium payments, and sick pay.

HP Federal denies these allegations and believes that non-exempt employees received all wages and other benefits to which they were entitled. The Parties have entered into this Settlement solely with the intention to avoid further disputes and the inconvenience and expense of litigation.

The Court has not made any ruling on the merits of the claims, and no party has prevailed in this action.

4. Why is there a settlement?

The Court has not decided in favor of Plaintiff or HP Federal. Both sides believe they will prevail in the Action, but there was no decision in favor of either party. Instead, the Parties have agreed to resolve this matter solely in order to avoid the burden, expense and risks associated with continuing the Action. The Plaintiff and Class Counsel think the settlement is in the best interests of all Class Members.

THE SETTLEMENT BENEFITS – WHAT YOU GET

5. What does the Settlement provide?

HP Federal has agreed to pay a total of up to \$335,000.00 (the “Gross Settlement Amount”). The Gross Settlement Amount will be used to pay: (1) Individual Settlement Payments to all Class Members who did not opt out or sign an arbitration agreement with HP Federal; (2) Class Counsel’s approved attorneys’ fees of up to \$111,666.67 (one-third of the Maximum Settlement Amount) and costs of approximately \$_____; (3) awards of \$10,000 to the Plaintiff; (4) _____ settlement of claims under the Private Attorneys General Act of 2004 (“PAGA”), inclusive of a \$_____ payment to the California Labor and Workforce Development Agency (“LWDA”) in connection with the PAGA, and a \$_____ payment (the “PAGA Settlement Amount”) to PAGA Members; and (5) the Claims Administrator’s fees and costs of approximately [\$TBD].

6. How much will my Settlement Payment be?

According to HP Federal’s records, you have a total of _____ Eligible Workweeks during the Class Period. Accordingly, your estimated payment from the Net Settlement Amount is approximately \$_____. Fifteen percent (15%) of this payment is subject to payroll deductions for applicable taxes and withholdings like any other paycheck, for which you will receive a W-2, and eighty-five percent (85%) of this payment is not subject to deductions and will be reported on

a 1099. Neither Class Counsel nor HP Federal's counsel can advise you regarding the tax consequences of the Settlement. You may wish to consult with your own personal tax advisor in connection with the Settlement.

According to HP Federal's records, you have a total of [REDACTED] PAGA Pay Periods during the PAGA Period. Accordingly, your estimated payment from the PAGA Settlement is approximately \$[REDACTED].

The formula that has been approved by the Court and used to calculate your Settlement Payment considers the number of weeks and pay periods you worked in California. The Settlement Agreement contains the exact allocation formula. You may obtain a copy of the Settlement Agreement by contacting the Claims Administrator at (XXX) XXX-XXXX.

The Claims Administrator used information from HP Federal's records to calculate your payment. If you have questions about your calculation, you may contact the Claims Administrator at (XXX) XXX-XXXX or using the information in Section 7 below. If you dispute HP Federal's records and/or the calculation of your Settlement Payment, you must provide written documentation supporting your dispute and submit it to the Claims Administrator. HP Federal's records are presumed to be correct unless you prove otherwise with documentary evidence. The Claims Administrator will evaluate the information you provide and will make the final decision as to any dispute.

Settlement checks that are not cashed within 180 days will be null and void.

HOW YOU GET A PAYMENT

7. How can I get my payment?

If want to participate in the Settlement, then no further action is required on your part. You will automatically receive your Settlement Check from the Settlement Administrator if and when the Settlement receives final approval by the Court.

In addition, you will be deemed to have released or waived the Released Class Claims and Released PAGA Claims.

It is your responsibility to keep the Claims Administrator informed of any changes in your name or address. Payments will be mailed to the last known address the Claims Administrator has on file for you. You can contact the Claims Administrator at [REDACTED] to update your contact information.

8. When will I get my Settlement Payment?

The Court will hold a hearing on [REDACTED], at [REDACTED] to determine whether to finally approve the Settlement. If the Court approves the Settlement, and there are no appeals, settlement checks will be mailed within 10 days after the expiration date of the time for an appeal to have

been filed. If there is an appeal, settlement checks will be mailed within 10 days after the date of the final affirmance on appeal of the Settlement or after the date of final dismissal of the appeal, whichever is later. Please be patient.

9. What am I giving up by releasing my claims?

Releasing your claims means that you cannot sue, continue to sue, or be part of any other legal action against HP Federal based on alleged violations of federal and/or California wage and hour laws and related laws with regard to your work for HP Federal in a non-exempt role from November 2, 2018, through [insert]. The full language of the release is included on the final page of this Notice.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not wish to release your claims, then you must take steps to exclude yourself. This is sometimes referred to as “opting out” of the settlement.

10. How do I opt out of the Settlement?

If you wish to exclude yourself from the Settlement, you must submit a written Request for Exclusion to the Claims Administrator. The Request for Exclusion must be in writing and must: (i) contain the name, address, and telephone number, of the Class Member requesting exclusion; (ii) state the Class Member does not wish to be included in the Settlement; (iii) be signed by the Class Member; (iv) be returned via mail or fax to the Settlement Administrator as specified in the Class Notice; and (v) be postmarked or fax stamped on or before **[INSERT DATE 45 DAYS FROM NOTICE MAILING]**.

If you submit a Request for Exclusion, you will not be eligible to receive a Settlement Payment. You will retain the right to bring your own legal action against HP Federal based on the claims that are covered by this Settlement, should you choose. You should be aware that your claims are subject to a statute of limitations, which means that they will expire on a certain date.

If you ask to be excluded, you cannot object to the settlement.

11. If I exclude myself, can I get money from this Settlement?

No. If you exclude yourself, you will not be eligible to receive a Settlement Payment.

THE LAWYERS REPRESENTING YOU

12. Do I have a lawyer in this case?

The Court has decided that the lawyers at the law firm of Setareh Law Group are qualified to represent you and all class members. These lawyers are called “Class Counsel.” You will not be charged for these lawyers. You do not need to retain your own attorney in order to participate as a Class Member. If you do not opt out of the class and want to be represented by your own lawyer, you may hire one at your own expense.

13. How will the lawyers be paid?

Class Counsel will ask the Court to approve payment of up to one-third of the Gross Settlement Amount (\$111,666.67) for their attorneys' fees. These fees would compensate Class Counsel for investigating the facts, litigating the case, and negotiating the settlement. Class Counsel will also ask the Court to approve payment of up to \$[REDACTED] for the out-of-pocket costs they incurred litigating the case. The Court may award less than these amounts. HP Federal has agreed not to oppose the fee and cost requests provided the request is consistent with the Settlement Agreement.

OBJECTING TO THE SETTLEMENT

As a Class Member who worked in California, you can tell the Court that you do not agree with the settlement or some part of it.

14. How do I tell the Court that I disapprove of the Settlement?

If you are a Class Member and have not submitted a Request for Exclusion, you may object in writing to any portion of the Settlement with which you disapprove. You can give reasons why you think the Court should not approve it. The Court will consider your views. The Notice of Objection should include the following: (a) the Action's name and case number (*David Sarinana v. HP Federal LLC*, Superior Court of California, Santa Clara County, Case No. 22CV405866); (b) the objector's full name, address, and telephone number; (c) a written statement of all grounds for the objection; (d) copies of any papers, briefs, or other documents upon which the objection is based, if any; (e) a statement whether the objector intends to appear at the Final Approval hearing; and (f) the objector's signature. You may also appear at the Final Approval Hearing at your expense, either in person, telephonically, or through an attorney, provided you notify the Court of your intention to do so.

All written Notices of Objection, supporting papers and/or notices of intent to appear at the Final Approval Hearing must be (a) submitted to the Court either by mailing the objection to: Clerk of the Court, Superior Court of California, County of Santa Clara, 191 N. 1st Street, San Jose, California 95113, or by filing in person at the same location; and (b) mailed to the Claims Administrator at:

[CLAIMS ADMINISTRATOR CONTACT]

Your objection must be postmarked by or otherwise received on or before **[INSERT DATE 45 DAYS FROM NOTICE MAILING]**.

As an objector, you also have the right to appear at the Fairness Hearing before the Court (explained in Sections 16 and 17 below) either in person or through your own counsel. If you wish to appear at the Fairness Hearing, you should state your intention to do so in your Notice of Objection.

15. What's the difference between objecting and requesting an exclusion/opting out?

Objecting is telling the Court that you do not like something about the Settlement and asking the Court not to approve the Settlement as is. You can object only if you stay in the Class.

Opting out (filing a Request for Exclusion) is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you. If you submit both a Notice of Objection and a Request for Exclusion, it will be presumed that you intended to exclude yourself, and your objection will not be considered.

THE COURT'S FAIRNESS HEARING

16. When and where will the Court decide whether to approve the Settlement?

The Court will hold the Fairness Hearing on [REDACTED] at [REDACTED], at the Santa Clara County Superior Court, at 191 N. First Street, San Jose, CA 95113.

At the hearing, the Court will determine whether the settlement is fair, adequate, and reasonable and will consider any properly submitted objections.

17. Do I have to come to the Fairness Hearing?

No. Class Counsel will attend to answer questions the Court may have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to Court in person. As long as you have not excluded yourself and have mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

GETTING MORE INFORMATION

18. Are there more details about the Settlement?

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you are referred to the detailed Settlement Agreement, which is on file with the Clerk of the Court. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined (a) online on the Superior Court of California, County of Santa Clara's Electronic Filing and Service Website at www.sccscourt.org and www.sccfiling.org or (b) in person at Records, Superior Court of California, County of Santa Clara, 191 N. 1st Street, San Jose, California 95113, between the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays and closures, or you may contact Class Counsel.

You also can get a copy of the Settlement Agreement from the Claims Administrator or Class Counsel using the contact information below.

19. How do I get more information?

If you have other questions about the settlement, you can contact the Claims Administrator at:

[CLAIMS ADMINISTRATOR CONTACT]

You can also contact Class Counsel at the addresses and/or telephone numbers below.

Shaun Setareh
shaun@setarehlaw.com
Jose Patino
Jose@setarehlaw.com
Tyson Gibb
Tyson@setarehlaw.com
Setareh Law Group
9665 Wilshire Boulevard, Suite 430
Beverly Hills, California 90212

DATED: _____, 20____

**PLEASE DO NOT TELEPHONE THE COURT OR DEFENDANT'S COUNSEL FOR
INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS**

RELEASE LANGUAGE

David Sarinana v. HPI Federal LLC, Case No. 22CV405866, Santa Clara Superior Court

Settlement Agreement and Release

(You can get a complete copy of the Settlement Agreement from the Claims Administrator or Class Counsel.)

[Insert Settlement Agreement Release Language]