JOSE MACIAS, JR., Bar No. 265033
jose@mra-llp.com
HECTOR J. RODRIGUEZ, Bar No. 305446
hector@mra-llp.com
TRAVIS M. ADAMS, Bar No. 303447
travis@mra-llp.com
MACIAS RODRIGUEZ ADAMS LLP
1550 The Alameda, Suite 332
San Jose, CA 95126
Telephone: 408.455.1243

Attorneys for Plaintiffs

VINCENT J. ADAMS, Bar No. 249696
vadams@fisherphillips.com
ABBY H. PUTZULU, Bar No. 335055
aputzulu@fisherphillips.com
FISHER & PHILLIPS, LLP
One Montgomery Street, Suite 3400
San Francisco, California 94104
Telephone: 415.490.9000
Facsimile: 415.490.9001

Attorneys for Defendants
COPIA RESOURCES, INC. and SAMUEL T. CHUN

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

PEDRO MARTINEZ, an individual; JORGE GUZMAN, an individual; JUAN IBARRA MONTALVO, an individual; and on behalf of other members of the general public similarly situated, Plaintiffs, v. COPIA RESOURCES, INC. (d/b/a WASTE REMEDY), a California corporation; SAMUEL T. CHUNG, an individual; and DOES 1 through 10, inclusive, Defendants.	Case No. 23CV414279 *[Complex Division]* *Assigned for all purposes to the Honorable Theodore C. Zayner, Dept. 19* **JOINT STIPULATION OF CLASS AND PAGA ACTION SETTLEMENT AND RELEASE**

I.

PREAMBLE

1. This Joint Stipulation of Class and PAGA Action Settlement and Release ("Settlement Agreement," "Settlement," or "Agreement") is entered into between Plaintiffs Pedro Martinez, Jorge Guzman, and Juan Ibarra Montalvo (collectively, the "Plaintiffs"), on the one hand, and Defendants Copia Resources, Inc. dba Waste Remedy and Samuel T. Chun (hereinafter, "Defendants"), on the other hand. The Plaintiffs and Defendants will be referred to collectively herein as "Parties," or individually as "Party."

2. The Plaintiffs are former employees of Defendants who filed a Complaint entitled *Pedro Martinez et al. v. Copia Resources, Inc. et al.*, on April 14, 2023, in Santa Clara County Superior Court, and a First Amended Complaint on November 16, 2023 (the "Action").

3. The Action seeks damages for Plaintiffs and putative Class Members for alleged minimum wage violations, unpaid wages, unpaid overtime, noncompliant and missed meal and rest periods, unreimbursed expenses, waiting time penalties, wage statement penalties, penalties under the Labor Code and California Industrial Welfare Commission ("IWC") wage orders, violation of the Business and Professions Code §17200, *et seq*., and penalties under the Private Attorneys General Act of 2004 ("PAGA"). Defendants expressly deny all the allegations in the Action and make no admission of liability or wrongdoing.

4. The "Class Period" refers to the time period of April 14, 2019, to June 15, 2024.

5. The "PAGA Period" refers to the time period of April 14, 2022, to June 15, 2024.

6. The "Settlement Class" means all current and former individuals employed by Defendants as hourly-paid or non-exempt employees in the State of California from April 14, 2019, until June 15, 2024.

7. Prior to mediating the Action, the Parties engaged in extensive discovery, including the exchange of documents and data related to the time and pay records of putative Class Members and Defendants' corporate-wide policies.

8. On April 25, 2024, the Parties attended an all-day private mediation before Brandon McKelvey, a respected wage and hour employment law neutral. This mediation was hotly contested,

and the Parties were unable to reach an agreement after a half day of mediation. The Parties thereafter participated in second day of mediation on May 15, 2024, with Mr. McKelvey and the Parties were able to reach a settlement in principle on that day.

9. The Parties have now agreed to avoid further litigation and to settle and resolve the Settlement Class' claims against Defendants as set forth in this Settlement Agreement.

10. This Agreement shall become effective upon the "Effective Date," as set forth below. The Parties hereby agree to do all things and to engage in all procedures reasonably necessary and appropriate to obtain final Court approval of this Agreement, in consideration for: (a) the payment by Defendants of the consideration described herein, subject to the terms, conditions, and limitations of this Agreement; and (b) the release by Plaintiffs and members of the Settlement Class, as described herein.

II.

PAYMENTS TO THE SETTLEMENT CLASS, CLASS COUNSEL, PLAINTIFFS, AND THE SETTLEMENT ADMINISTRATOR

11. Subject to Court approval, and the provisions of this Agreement, Defendants agree to pay Four Hundred Fifteen Thousand Dollars ($415,000) (the "Gross Settlement Amount" or "GSA") to be paid in consideration for the settlement of the Action and the related release of claims the members of the Settlement Class may have against Defendants, as described herein. This GSA is subject to an escalator clause as detailed below in Paragraph 48.

12. The Gross Settlement Amount will cover compensation to the Settlement Class, payment to the State of California Labor & Workforce Development Agency ("LWDA") and the Settlement Class for PAGA claims for Class Members who are PAGA Aggrieved Employees, additional compensation to the Plaintiffs as Class Representatives, the cost of claims administration and notice, attorneys' fees and reimbursement of litigation costs and expenses to Class Counsel, and any and all other expenses relating to settlement of this Action. The GSA will not, however, include the employer share of any payroll taxes, which shall remain Defendants' responsibility.

//

//

III.

CLASS SETTLEMENT FOR CERTIFICATION PURPOSES ONLY

13. Solely for the purpose of effectuating this Settlement, and subject to Court approval, the Parties hereby stipulate to certification of the Settlement Class, which consists of approximately 348 individuals. Settlement Class Members who also worked during the PAGA Period, are "PAGA Aggrieved Employees" and will be settling PAGA claims as described herein.

14. The above-described payments by Defendants, the certification of the Settlement Class, the Parties' settlement of the Action, and their rights and obligations hereunder, are contingent upon final approval by the Court of this Agreement.

15. In the event that: (1) the Court does not approve this Agreement and execute an Order of Final Approval; (2) the Court does not finally approve of the settlement as proposed by the Parties; (3) the Order of Final Approval as submitted by the Parties does not become final for any reason, or the terms and conditions set forth in this Agreement are modified in any material respect; or (4) the Order of Final Approval, as defined herein, does not occur, this Agreement shall be deemed null and void and shall be of no force or effect whatsoever, and shall not be admitted, referred to, or utilized by any Party for any purpose whatsoever.

16. Defendants deny all of Plaintiffs' claims as to liability and damages, as well as Plaintiffs' claims that any appropriate class may exist or could be certified, and that the claims alleged in the Action are manageable, and Defendants expressly reserve all rights to challenge all such claims upon all procedural and substantive grounds, including the assertion of any and all defenses, in the event that this settlement is not approved by the Court or is otherwise not consummated. Moreover, this Agreement is for the purpose of settlement only, and the Court and the Parties agree that the Agreement, Order of Preliminary Approval, Order of Final Approval, and Final Judgment are made only for the purposes of settlement and are not determinative of the propriety of the class claimed by Plaintiffs or any class, other than in connection with the settlement, and will not have any collateral estoppel or res judicata effect on any class certification issue in any future claim or action, except a claim or action based on or barred by the Order of Final Approval.

IV.

APPOINTMENT OF PLAINTIFFS' COUNSEL AS CLASS COUNSEL

17. Subject to the Court's approval, the Parties hereby stipulate to the Court's appointment of Class Counsel as follows: Macias Rodriguez Adams LLP.

V.

SETTLEMENT APPROVAL PROCEDURES, APPOINTMENT OF SETTLEMENT ADMINISTRATOR, AND NOTICE TO CLASS MEMBERS

18. The Parties' settlement of the Action, and their rights and obligations hereunder, are expressly conditioned on both the Court's preliminary and final approval of this Settlement as to the Settlement Class, as defined herein.

19. Class Counsel shall file a motion with the Court for preliminary approval of the Settlement Agreement, and for an order certifying the Settlement Class for settlement purposes only and setting a date for the settlement fairness hearing ("Final Approval Hearing"). In conjunction with this request, Class Counsel shall submit this Agreement and supporting papers, including proposed forms of all notices and other documents, as attached hereto, necessary to implement the Settlement Agreement. The Order for Preliminary Approval shall provide for notice of the Agreement and related matters ("Class Notice") to the Settlement Class as specified herein, including notice of the procedure to withdraw from the Settlement Class or object to the Settlement (with regard to the Settlement Class, with the exception of the Plaintiffs). Said Class Notice shall be substantially in the form attached hereto as **Exhibit A**, and as further described in this Agreement.

20. The Parties and their counsel shall use their best efforts to cause the Court to give preliminary and final approval to this Settlement Agreement as promptly as practical, to take all steps contemplated by this Settlement Agreement to effectuate its terms and conditions, to perform all acts and execute and deliver all documents, data, and declarations necessary to effectuate all provisions of this Settlement Agreement, including but not limited to declarations from the Parties in support of class certification, and to oppose any appeal by any objector.

21. Subject to Court approval, the Parties agree that Phoenix Settlement Administrators will be appointed as Settlement Administrator. Phoenix Settlement Administrators has agreed to cap

its fees at Ten Thousand Dollars ($10,000.00). The Settlement Administrator shall be paid from the GSA. The Settlement Administrator will be responsible for calculating the monies to be made available to each putative member of the Settlement Class and PAGA payments to be made to PAGA Aggrieved Employees; mailing the class notices; receiving and logging the Requests for Exclusion; researching and updating addresses through skip-traces and similar means; answering questions from Settlement Class Members; reporting on the status of the Settlement to the Parties; providing the Parties with data regarding the filing of Requests for Exclusion, and the calculation of distributions; establishing and maintaining a noninterest-bearing distribution account for purposes of distributing settlement checks, PAGA payments, and distributions of attorneys' fees, costs, and Enhancement Awards; calculating withholding amounts and other tax obligations; handling reporting obligations, including processing 1099s and W-2s; and performing such other tasks as the Parties may direct.

22. Not later than thirty (30) calendar days after receipt of notice of the Court's entry of an Order of Preliminary Approval, Defendants must provide to the Settlement Administrator, in Excel or other usable electronic format, a spreadsheet that contains the name, last known mailing address, phone number, social security number, dates of employment, number of weeks worked for each Settlement Class Member, and number of PAGA pay periods assigned to each PAGA Aggrieved Employee (the "Settlement Class Member List").

23. Defendants shall meet-and-confer with the Settlement Administrator regarding the format of the Settlement Class Member List and shall cooperate to provide any additional information which the Settlement Administrator may request that is reasonable and necessary for the purpose of giving Class Notice and otherwise administering this Agreement.

24. Within ten (10) calendar days of delivery of the information described in Paragraph 22, the Settlement Administrator will mail the notice and exclusion form to the Class Members. The Notice shall specify the process by which a Class Member may exclude themselves from the Settlement.

25. The Class Notice shall be accompanied by a statement (a "Request for Exclusion"), in the form and content of **Exhibit B** hereto, which a putative member of the Settlement Class may fill out and return to the Settlement Administrator indicating that the individual does not wish to

participate in this Agreement in any way and instead wishes to preserve his/her rights and be excluded from the Settlement Class. A Request for Exclusion may be submitted via mail. To be effective, a Request for Exclusion must be postmarked no later than the forty-five (45) calendar days after the date that Class Notice is first mailed (the "Exclusion Deadline"). For all Notice materials that are returned to the Settlement Administrator because the address is wrong, the Settlement Administrator shall take additional reasonable steps to try and locate current addresses and resend the Notice materials to any current addresses obtained. To that end, the Settlement Administrator shall re-mail Notice materials to such addresses within five (5) calendar days of the receipt of any Notice materials returned as undelivered and shall indicate on all re-mailed Notices that the response deadline for the affected Settlement Class Member is extended by fifteen (15) additional days. Settlement Class Members who are PAGA Aggrieved Employees shall receive their respective shares of the PAGA payments regardless of whether they submit a valid and timely Request for Exclusion.

26. The Class Notice shall indicate that all members of the Settlement Class shall have the right to file written objections to the Settlement and/or to appear at the Final Approval Hearing (the then-current date of which shall be included in the Class Notice). Written objections, if any, must be submitted to the Settlement Administrator, and mailed with a postmark to the contact persons as set forth herein, no later than forty-five (45) calendar days after the date that Class Notice is first mailed (the "Objection Deadline").

27. The Class Notice shall contain the releases against Defendants contained in this Agreement, and an easily understood statement alerting putative members of the Settlement Class that by failing to submit a Request for Exclusion the individual is executing a release and waiver of all such claims the employee may have against Defendants, whether or not they receive a portion of the Net Settlement Amount. The Class Notice shall also inform Settlement Class Members who are also PAGA Aggrieved Employees that they will receive their respective shares of the PAGA payments regardless of whether they submit a valid and timely Request for Exclusion.

28. The Settlement Administrator shall provide written notice to Class Counsel and Defendants no later than five (5) business days after the Exclusion Deadline with a complete list of all putative members of the Settlement Class who have timely requested exclusion from the class. If

putative members of the Settlement Class representing more than an aggregate total of ten percent (10%) or more of the putative members of the Settlement Class timely and properly submit Requests for Exclusions, Defendants may, at their election, rescind the Settlement Agreement and all actions taken in furtherance of it will be thereby null and void. Defendants must exercise this right of rescission, in writing, to Plaintiffs' counsel within ten (10) calendar days after the Settlement Administrator notifies the Parties of the final report of the total number of opt outs.

VI.

THE EFFECTIVE DATE AND TERMINATION

29. If the Parties do not void the Settlement as permitted in this Agreement, this Agreement shall become final and effective (the "Effective Date") on the occurrence of the following: (i) the date that a Final Approval Order is entered if no Class Member submits an objection to the Settlement or all objections submitted are expressly withdrawn, or (ii) when the final approval of the Settlement can no longer be appealed, if any Class Member submits an objection that is not expressly withdrawn, which would be no sooner than 60 days after the order approving the Settlement is signed by the Court.

30. If any Court declines to enter the Preliminary Approval Order, the Final Approval Order, or final judgment in substantially the form submitted by the Parties, or if the Settlement as agreed does not become final because of appellate court action or any other reason, this Settlement Agreement, and any and all obligations of Defendants to pay any monies hereunder shall become null and void and shall terminate. The terminating Party shall give to the other Party (through its counsel) written notice of its decision to terminate no later than ten (10) calendar days after receiving notice that one of the enumerated events has occurred. Termination hereunder shall have the following effects:

(a) The Settlement Agreement shall be terminated and shall have no force or effect, and no Party shall be bound by any of its terms.

(b) Defendants shall have no obligation to make any payments to any Party, Class Member, or attorney.

(c) The Preliminary Approval Order, Final Approval Order, and final judgment, including any order of class certification, shall be vacated.

(d) The Settlement Agreement and all negotiations, statements, and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions prior to the Settlement.

(e) Except as otherwise discoverable and subject to all limitations described herein, neither this Agreement, any ancillary documents, actions, statements, or filings in furtherance of settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in the Action or any other action for any purpose whatsoever.

VII.

ATTORNEYS' FEES, COSTS AND EXPENSES, AND ENHANCEMENT AWARDS

31. The Action alleges a claim for attorneys' fees and costs. The Parties agree that any and all such claims for attorneys' fees and costs have been settled in this Agreement and are included in the Gross Settlement Amount.

32. Class Counsel may petition the Court for attorneys' fees not to exceed one third (1/3) of $415,000, including any interest, plus reasonable costs not to exceed $15,000, subject to approval by the Court. Attorneys' fees paid pursuant to this Settlement Agreement shall be inclusive of all fees in this matter. Defendants agree not to object to Class Counsel's fees of up to one third (1/3) of $415,000 and reasonable costs approved by the Court not to exceed $15,000. The Parties agree that the apportionment of attorneys' fees and costs among Class Counsel is an independent and separate agreement among Class Counsel. Any reduction by the Court of Class Counsel's claimed attorneys' fees and/or reasonable costs shall not be sufficient grounds to void the Settlement. Additionally, Class Counsel will petition the Court to pay the Settlement Administrator out of the GSA, which amount Phoenix Settlement Administrators has agreed to cap at $10,000, and Defendants agree not to object to that amount.

33. Class Counsel may apply to the Court for an additional award to each Plaintiff not to exceed Seven Thousand Five Hundred U.S. Dollars ($7,500) as reasonable additional compensation for the time and effort expended by them in connection with the initiation and maintenance of the Action and in consideration for the claims released herein (the "Enhancement Award"). Defendants will not oppose Class Counsel's application under this Paragraph. Any Enhancement Award will be

in addition to any amount Plaintiffs may be entitled to receive on account of their own individual claims pursuant to Section IX of this Agreement; however, the releases set out in this Agreement shall bind Plaintiffs, and the Enhancement Award shall be adequate consideration for said release.

34. Any awards or amounts pursuant to Paragraphs 35 and/or 36 will be funded solely and completely from the GSA.

VIII.

PLAN OF ALLOCATION AND DISTRIBUTION OF THE SETTLEMENT FUND

35. The GSA shall be allocated, in order, as follows:

(a) First, to attorneys' fees, costs and expenses of Class Counsel, as may be awarded by the Court;

(b) Second, to any Enhancement Award, as may be awarded by the Court;

(c) Third, to costs of settlement administration, as may be awarded by the Court;

(d) Fourth, PAGA payments to the LWDA and PAGA Aggrieved Employees in the total amount of Forty-One Thousand Five Hundred Dollars ($41,500), which is intended to be distributed to Settlement Class Members who are also PAGA Aggrieved Employees and the LWDA in the following amounts for settlement of the Labor Code Private Attorneys General Act of 2004 ("PAGA") (Labor Code §§ 2698, *et seq.*) claims (or such other amount, if any, ordered by the Court): (i) Ten Thousand Three Hundred Seventy-Five Dollars ($10,375) to PAGA Aggrieved Employees (regardless of whether they have submitted a valid Request for Exclusion), divided among PAGA Aggrieved Employees in proportion to the respective number of PAGA pay periods assigned or credited to each individual PAGA Aggrieved Employee, and (ii) Thirty-One Thousand One Hundred Twenty-Five Dollars ($31,125) to the LWDA; and

(e) Fifth, to the "Net Settlement Amount" or "NSA." The Net Settlement Amount shall be defined as the Gross Settlement Amount less attorneys' fees, any and all costs and expenses, costs of settlement administration, Enhancement Award to the Class Representatives, and PAGA payments to the LWDA and PAGA Aggrieved Employees. The Parties agree that 100% of the Net Settlement Amount will be distributed as described herein.

36. The NSA shall be distributed by the Settlement Administrator as follows:

(a) First, the Settlement Administrator shall mail a Notice and Request for Exclusion form to each Settlement Class Member via First Class U.S. Postage.

(b) Any Notice materials that are returned as undeliverable by the Postal Service with a forwarding address will be re-mailed to the new address and the Settlement Administrator will update the Settlement Class Member List accordingly.

(c) For any Notice materials that are returned as undeliverable by the Postal Service without a forwarding address, the Settlement Administrator will perform a "skip trace" or equivalent address search to locate the most accurate and updated address information. The Settlement Administrator shall then re-mail the Notice materials to any new addresses found within five (5) calendar days of receipt of any Notice materials returned as undelivered and update the Settlement Class Member List.

(d) The Settlement Administrator shall track all Requests for Exclusion filed by the Exclusion Deadline and compile a list of all Settlement Class Members requesting exclusion.

(e) The Settlement Administrator shall then remove from the Settlement Class Member List all Settlement Class Members who submitted a timely, valid Request for Exclusion. This new list shall be called the Member Distribution List.

(f) Payments to Settlement Class Members from the NSA shall only be made to Settlement Class Members appearing on the Member Distribution List ("Qualified Members").

37. Defendants agree that the Settlement Administrator shall allocate and distribute 100% of the NSA to individuals appearing on the Member Distribution List. Payment to Settlement Class Members shall be on a pro-rata basis depending on the number of workweeks each individual worked. No monies will revert back to Defendants. Settlement Class Members who are also PAGA Aggrieved Employees who choose to exclude themselves from the present Settlement will still be entitled to receive their share of the PAGA payment.

38. The Settlement Administrator shall make payments from the NSA only pursuant to the terms of this Settlement Agreement and only after the Effective Date.

39. For the purposes of calculating applicable taxes:

(a) From the NSA, twenty percent (20%) of each Settlement Payment shall be allocated to unpaid wages and eighty percent (80%) to penalties and interest. The Settlement Administrator shall make appropriate withholdings for the payment of taxes and other required withholdings. The Qualified Members shall be individually responsible for the employee's share of taxes attributable to receipt of the Qualified Member's payment. The Settlement Administrator shall be responsible for determining the employer share of any applicable payroll taxes attributable to the class member payouts and remit, along with the appropriate documentation, to the relevant taxing agencies in accordance with applicable laws and regulations. Defendants shall provide the Settlement Administrator with any information reasonably necessary to perform the calculations discussed in this Paragraph.

(b) All PAGA payments to PAGA Aggrieved Employees shall be treated as amounts due to PAGA Aggrieved Employees as part of the state of California's release of PAGA claims arising out of the Action and shall be characterized as penalties (one hundred percent [100%]).

(c) One hundred percent (100%) of the Enhancement Awards will be allocated to ordinary income, payable on a Form 1099.

40. The final approval hearing will be set within forty-five (45) calendar days from the date that notice is first mailed or as soon as the Court is available. Given Defendants' financial condition, Defendants shall fully fund the GSA and also fund the amounts necessary to pay Defendants' share of payroll taxes by transmitting the funds into an escrow account set up by the Settlement Administrator on the following schedule:

Payment #	Date	Amount
1	July 25, 2024	$5,000
2	August 25, 2024	$5,000
3	September 25, 2024	$5,000
4	October 25, 2024	$7,500
5	November 25, 2024	$7,500

6	December 25, 2024	$7,500
7	January 25, 2025	$15,000
8	February 25, 2025	$15,000
9	March 25, 2025	$15,000
10	April 25, 2025	$20,000
11	May 25, 2025	$20,000
12	June 25, 2025	$20,000
13	July 25, 2025	$25,000
14	August 25, 2025	$25,000
15	September 25, 2025	$25,000
16	October 25, 2025	$32,500
17	November 25, 2025	$32,500
18	December 25, 2025	$32,500
19	January 25, 2026	$50,000
20	February 25, 2026	$50,000
Total		**$415,000**

Defendants shall authorize the payments due to Plaintiffs, Class Counsel, the Settlement Administrator, PAGA Aggrieved Employees' shares of the PAGA payments, the LWDA's share of the PAGA payments, and the Qualified Members. All settlement checks which are not cashed within One Hundred and Eighty (180) calendar days of payment to Qualified Members shall be donated to Sacred Heart Community Service, a non-profit organization which, among other things, provides essential services to individuals and families in need, and with respect to which the Parties and their counsel have no connection or affiliation.

41. The Settlement Administrator shall deposit all GSA installment payments, in a noninterest-bearing distribution account immediately upon receipt of the fund transfers. The

Settlement Administrator shall pay class member payouts, less applicable taxes and withholdings, by mailing the payments via first-class mail to the Qualified Members within five (5) business days of receipt of the total GSA.

42. The Settlement Administrator shall pay Class Counsel any attorneys' fees, costs and expenses approved by the Court within five (5) business days of receipt of the total GSA.

43. The Settlement Administrator shall pay Plaintiffs any Enhancement Award approved by the Court within five (5) business days of receipt of the total GSA.

44. The Settlement Administrator shall pay the LWDA and to PAGA Aggrieved Employees any amount allocated to settlement of the PAGA claims approved by the Court within five (5) business days of receipt of the total GSA.

IX.

RELEASES

45. Settlement Class Members' Released Claims: Upon the Effective Date, the Qualified Members will release all claims they may have under the California Labor Code, Wage Orders, regulations, and/or any other provisions of state and federal law against Defendants, their present and former parent companies, affiliates and their present owners, former owners, subsidiaries, shareholders, officers, directors, employees, agents, attorneys, insurers, reinsurers, successors, and assigns and any individual or entity which could be jointly liable with any of them (collectively, the "Released Parties") as alleged in the First Amended Complaint and PAGA Notice, or which could have been alleged, based upon the same factual predicate as the claims raised in the First Amended Complaint and PAGA Notice, including, but not limited to, claims for unpaid wages, overtime pay, minimum wage, regular wages, noncompliant and/or missed meal period pay, noncompliant and/or missed rest period pay, unreimbursed expenses, claims for interest, attorneys' fees, costs, penalties, waiting time penalties, wage statement penalties, premium pay, Business & Professions Code Section 17200 *et seq.*, and penalties under PAGA (Private Attorney General's Act), (collectively, the "Released Claims").

46. Release of PAGA Claims: Upon the Effective Date, the State of California, by and through Plaintiffs, its deputized PAGA representatives, shall be deemed to have released its PAGA

claims against the Released Parties arising during the PAGA Period. Neither the Settlement Administrator's distribution of individual PAGA payment checks to, nor the use or enjoyment of any individual PAGA payment by PAGA Aggrieved Employees shall constitute consideration offered or exchanged for the release of any PAGA Aggrieved Employee's individual, private rights of action against any person. The State of California's release of PAGA claims shall include all claims that arise under PAGA during the PAGA Period as alleged in Plaintiffs' April 14, 2023, PAGA notice to the LWDA and to Defendants, to the extent such claims were pled, or could arise out of the facts pled in the operative First Amended Complaint filed in the Action. PAGA Aggrieved Employees shall receive their respective shares of the PAGA payments whether or not they submit a valid and timely Request for Exclusion, and based on the State of California's release of PAGA claims as provided in this Paragraph, PAGA Aggrieved Employees will not be able to pursue any of the released PAGA claims as representatives of the State of California, private attorneys general, or otherwise – i.e., claims that arise under PAGA during the PAGA Period as alleged in Plaintiffs' April 14, 2023, PAGA notice to the LWDA and to Defendants, to the extent such claims were pled, or could arise out of the facts pled in the operative First Amended Complaint filed in the Action.

47. **Waiver of California Civil Code Section 1542**. As to the claims of Plaintiffs Pedro Martinez, Jorge Guzman, and Juan Ibarra Montalvo, shall be deemed to have, and by operation of final judgment shall have, expressly waived and relinquished to the fullest extent permitted by law the provisions, rights and benefits of Section 1542 of the California Civil Code, which provides as follows:

> **"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 OR RELEASED PARTY."**

Plaintiffs understand fully the statutory language of Civil Code § 1542, and, with this understanding, assume all risks for claims released hereunder that have already arisen or may in the future arise, whether known or unknown, suspected or unsuspected, and specifically waive all rights they may have under California Civil Code § 1542 with respect to the claims released in paragraphs 45-46. Plaintiffs understand that, if any of the facts relating in any manner to the Action, or to the release and dismissal of claims as provided in this Agreement, are hereafter found to be other than or different from the facts now believed to be true, they have expressly accepted and assumed that risk and agrees that this Agreement and the release of claims contained herein shall nevertheless remain effective.

X.

ESCALATOR CLAUSE

48. The GSA is subject to an escalator clause. The number of workweeks during the Class Period is estimated to be 9,408. The Parties agree to a 10% escalation of the estimated workweeks without any increase to the GSA. If the number of actual workweeks during the Class Period exceeds 10% of the estimated workweeks, Defendants will either (a) increase the GSA by a pro-rata dollar value equal to the number of workweeks in excess of 9,408 workweeks (the 10% escalation limit – i.e. the number of workweeks increases above 10,349), or (b) elect to set the end date for the Class and PAGA Period on the date when the total workweeks for the Class Period would be 10,349.

XI.

ADDITIONAL TERMS AND CONDITIONS

49. <u>No Admission of Liability, Class Certification or Representative Manageability for Other Purposes.</u> This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the First Amended Complaint, or any prior version thereto, have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties'

willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

50. Settlement Fair and Reasonable

Class Counsel has considerable experience in litigating and settling wage-and-hour class actions of this type and is sufficiently familiar with the facts of this case and the applicable laws and regulations to make an informed judgment as to the fairness of this Settlement. In light of this experience, and for reasons that will be more fully explained in Class Counsel's motion for preliminary approval, Class Counsel and the Plaintiffs believe that the settlement terms herein are fair and reasonable with regard to the interests of the Settlement Class.

51. Settlement the Result of Arm's-Length Bargaining.

The terms of the Settlement Agreement are the result of over one year of litigation with extensive informal discovery and following lengthy arm's-length negotiations before a respected mediator.

52. Notices.

Except for Settlement Class Member notices which are required herein to be made to or by the Settlement Administrator, all notices, requests, demands, and other communications related to or in connection with this Agreement shall be in writing, and shall be provided by appropriate method depending on the urgency (e.g., personal delivery, facsimile, overnight delivery, or first-class U.S. mail) to:

TO THE SETTLING CLASS:	**TO DEFENDANTS:**
Jose Macias, Jr. **MACIAS RODRIGUEZ ADAMS LLP** 1550 The Alameda, Suite #332 San Jose, California 95126 Tel: 408-455-1243 Email: jose@mra-llp.com	Vincent J. Adams **FISHER & PHILLIPS, LLP** 1 Montgomery Street, Suite #3400 San Francisco, California 94104 Tel: 415-490-9063 Email: vadams@fisherphillips.com

53. Modification by Writing Only.

This Agreement, and its terms and Exhibits, may be modified only in a writing signed by all counsel of record for the Parties, and will not become effective unless and until approved by the Court or otherwise as ordered by the Court.

54. Representations.

1. The Plaintiffs, on behalf of themselves and the Settlement Class, have expressly authorized Class Counsel to take all appropriate actions required or permitted to be taken pursuant to this Agreement to effectuate its terms.

(a) Each attorney executing this Agreement or any of its Exhibits on behalf of any Party hereto hereby warrants that full authority to do so has been given by his/her client(s).

(b) The Parties represent and agree that neither have received and/or relied upon any advice and/or representations from the other party and/or its attorneys as to the necessity for withholding or the taxability of the consideration paid pursuant to this Agreement, whether pursuant to federal, state or local income tax statutes or otherwise.

55. Mutual Cooperation. The Parties and their counsel shall use their best efforts to cause the Court to give preliminary and final approval to this Settlement Agreement as promptly as practical, to take all steps contemplated by this Settlement Agreement to effectuate its terms and conditions, to perform all acts and execute and deliver all documents, data and declarations necessary to effectuate all provisions of this Settlement Agreement, including but not limited to declarations from the Parties in support of class certification, and to oppose any appeal by any objector.

56. Construction and Integration.

This Agreement, including its exhibits, constitutes the entire agreement and understanding between the Parties, and supersedes any previous agreements or understandings between the Parties. No representations, warranties, or inducements have been made to any party concerning the subject matter of this Agreement and/or exhibits other than the representations, warranties and covenants contained in such documents. This Agreement and related exhibits shall be construed each as a whole, and with reference to one another, according to their fair meaning and intent. Each of the Parties represent that its/their counsel has participated and cooperated in the drafting and preparation of this Agreement and related exhibits; hence, in any construction to be made of this Agreement and/or exhibits, the same shall not be construed against any party on the basis that said party was the drafter.

57. Governing Law.

This Agreement and the Exhibits hereto shall be deemed to have been negotiated, executed and delivered, and to be wholly performed, in the State of California. The rights and obligations of the parties under the Agreement shall be construed and enforced in accordance with, and be governed by, the substantive and procedural laws of the State of California without regard to California's choice of law principles.

58. No Public Comment

Other than necessary disclosure made to or by order of the Court, necessary disclosures to be made to the LWDA, or to the Settlement Class members, Plaintiffs and Class Counsel shall not directly or indirectly disclose the facts, Gross Settlement Amount, or terms of this Settlement to the media, the press, or on any website, or otherwise issue any public statements or advertisements in any form or media concerning the settlement. This provision shall not prohibit Class Counsel from responding to specific questions from Settlement Class members, and nothing herein shall be interpreted as preventing any good faith communication by Class Counsel and/or any Parties with the Court, the Settlement Class members, or the Claims Administrator. Nothing in this provision shall be construed as preventing the Parties from disclosing the Settlement to third parties without identifying the case name, case number, or names of any of the Parties or Released Parties. Class Counsel shall also be allowed to refer to the Action and Settlement in other litigations to support their adequacy as attorneys for a putative class or PAGA group or to justify an award of attorneys' fees.

59. Counterparts.

This Agreement may be executed in one or more faxed, email, or electronically signed (i.e. DocuSign) counterparts, which may be filed with the Court. All executed counterparts, and each of them, shall be deemed to be one and the same instrument. Once available, a complete set of executed counterparts shall be filed with the Court. Copies of the complete set of executed counterparts may be used for all purposes in lieu of the originals and shall have the same force and effect as the originals.

60. Attorneys' Fees, Costs and Expenses.

Except as otherwise specifically provided for herein, each party shall bear its/her own attorneys' fees, costs and expenses, taxable or otherwise, incurred by them in or arising out of the Action, and shall not seek reimbursement thereof from any other party to this Agreement.

61. Continuing Jurisdiction.

Except as otherwise specifically provided for herein, the Superior Court of the State of California, County of Santa Clara shall retain jurisdiction to construe, interpret and enforce this Agreement and the settlement, to supervise all notices, the administration of the settlement and this Agreement and distribution of the Settlement Fund, and to hear and adjudicate any dispute arising from or related to the settlement and/or this Agreement.

62. The signatories hereto represent and warrant that they have the authority to sign on behalf of their designated parties. This Settlement Agreement is intended to have a binding effect to the maximum extent permitted under state and federal law.

63. Stay of Litigation.

The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement, pursuant to Code of Civil Procedure § 583.330, they agree to extend the date to bring a case to trial under Code of Civil Procedure § 583.310 for the entire period of this settlement process.

64. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court.

65. No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants nor Defendants' Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

66. No Prior Assignments. The Parties separately represent and warrant that they have not

directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

67. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

IN WITNESS WHEREOF, the undersigned Parties and their duly-authorized representatives accept and agree to the terms of this Agreement and hereby execute it voluntarily and with a full understanding of its consequences.

Dated: 7/11/2024

DocuSigned by:
3EEDA56A9ED24A7...
Pedro Martinez, individually, and on behalf of the Settlement Class and as Class Representative

Dated: 7/11/2024

DocuSigned by:
A6A66D32D797473...
Jorge Guzman, individually, and on behalf of the Settlement Class and as Class Representative

Dated: 7/11/2024

DocuSigned by:
Juan Montalvo
AAC62C902A6242E...
Juan Ibarra Montalvo, individually, and on behalf of the Settlement Class and as Class Representative

Dated: 06/25/2024

Samuel Chun
Samuel T. Chun, on behalf of himself and Defendant Copia Resources, Inc.

APPROVED AS TO CONTENT AND FORM:

Dated: 7/11/2024

DocuSigned by:
Jose Macias, Jr.
801BA632849D4BB

JOSE MACIAS, JR.
HECTOR RODRIGUEZ
TRAVIS M. ADAMS
MACIAS RODRIGUEZ ADAMS LLP
Attorneys for Plaintiffs and the Putative Class

Dated: 06/25/2024

Abby Putzulu

VINCENT J. ADAMS
ABBY PUTZULU
FISHER & PHILLIPS LLP
Attorneys for Defendants