

CIRCUIT COURT IN THE SEVENTEENTH JUDICIAL CIRCUIT
IN AND FOR BROWARD COUNTY, FLORIDA

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JAKE ERNST, on behalf of himself and others	:	
similarly situated,	:	
	:	
Plaintiff,	:	No.
	:	
v.	:	
	:	
ALLIED UNIVERSAL COMPLIANCE &	:	
INVESTIGATIONS, INC.,	:	
	:	
Defendant.	:	
-----X		

**JOINT STIPULATION OF
SETTLEMENT AND RELEASE**

Subject to its terms and conditions and the approval of the Court, this Joint Stipulation of Settlement and Release (the “Stipulation”) reflecting the terms of the parties’ collective-wide settlement and California Private Attorneys General Act (“PAGA”) settlement (the “Settlement”) is made and entered into by and among the Named Plaintiff Jake Ernst (“Plaintiff” or “Named Plaintiff”), individually and on behalf of the Putative Collective Members (defined below) and PAGA Settlement Members (defined below), and Defendant Allied Universal Compliance & Investigations, Inc. (“AUCI” or “Defendant”). Named Plaintiff and Defendant are jointly referred to in this Stipulation as the “Parties,” and each of them as a “Party.”

I. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the Plaintiff (for himself and on behalf of the Putative Collective Members and PAGA Settlement Members, each defined below) and Defendant, with the assistance of their respective counsel, that the Action, the Named Plaintiff’s General Release Claims, the Qualified Collective Members’ Released Claims, and the PAGA Settlement Members’ Released PAGA Claims (all of

which are defined below) shall be finally and fully compromised, settled, and released, and the Action shall be dismissed with prejudice, upon and subject to the terms and conditions of this Stipulation.

II. DEFINITIONS

In addition to terms defined elsewhere in the Stipulation, as used in this Stipulation the following terms have the meanings indicated below:

1. “Action” means the civil action titled *Ernst, et al. v. Allied Universal Compliance & Investigations, Inc.*, to be filed in the Circuit Court in Broward County in the State of Florida.
2. “Approval Order” means the Court’s Order granting approval of the Settlement, substantially in the form attached to this Stipulation as Exhibit A.
3. “Check Cashing Period” means the period between the date on which the Settlement Administrator mails the Settlement Check to Plaintiff and Putative Collective Members or the PAGA Settlement Payment Check to PAGA Settlement Members and ninety (90) days thereafter. Settlement Checks and PAGA Settlement Payment Checks not cashed within the Check Cashing Period will be void and a stop-payment directive shall be placed by the Claims Administrator with the applicable bank.
4. “Claims Administrator” or “Settlement Administrator” means an administrator to be selected by the Parties.
5. “The Collective” refers to all Putative Collective Members who opt in to the FLSA portion of the action by cashing their settlement checks.
6. “Collective Period” is defined as April 14, 2019 to the date of the Court’s approval of the settlement.
7. “Counsel for Defendant” or “Defendant’s Counsel” means Martenson, Hasbrouck & Simon LLP.
8. “Court” means the Circuit Court, in Broward County, Florida.

9. “Day” or “days” refer to calendar days but if a deadline in this Stipulation lands on a weekend or federal holiday, the deadline will move to the next business day.
10. “Eligible Pay Periods” means, for purposes of calculating the Settlement Shares (defined below) only, each pay period worked by a Named Plaintiff, Putative Collective Member or PAGA Settlement Member during their employment in the non-exempt surveillance investigator position during the Collective Period and as to the PAGA Settlement Payment, the PAGA Period.
11. “Final Order” means the latest of: (i) the date of final affirmance on any appeal of the Court’s Approval Order; (ii) the date of final dismissal, with prejudice, of the last pending appeal from the Court’s Approval Order; or (iii) if no appeal is filed, the expiration date of the time for the filing or noticing of any form of valid appeal from the Court’s Approval Order.
12. “Named Plaintiff” means Jake Ernst.
13. “Net Settlement Fund” means the Gross Fund (defined below) less: (i) approved enhancement/general release award to the Named Plaintiff, (ii) approved Plaintiff’s Counsel’s attorneys’ fees and costs; (iii) the Settlement Administrator’s fees and expenses, including the costs of mailing all notices and checks pursuant to this Settlement; and (iv) the PAGA Payments to the California Labor and Workforce Development Agency (“LWDA”) and the California PAGA Settlement Members.
14. “Notice Materials” means the Settlement Notice, Settlement Checks, and PAGA Settlement Checks to be sent to Putative Collective Members and PAGA Settlement Members.
15. “PAGA Settlement Members” means non-exempt surveillance investigators employed by AUCI in California for at least one pay period from August 11, 2022 to the date of approval (the

“PAGA Period”) and on whose behalf Plaintiff Ernst, as proxy and private attorney general for the LWDA and the State of California, has filed claims under the PAGA.

16. “PAGA Settlement Payment” means the portion of the PAGA Settlement Amount allocated and distributable to each PAGA Settlement Member as calculated pursuant to Section II.26.
17. “Plaintiff’s Counsel” means the Shavitz Law Group, P.A.
18. “Putative Collective Member” means non-exempt surveillance investigators employed by AUCI in California during the Collective Period. At the time of mediation, there were approximately 188 Putative Collective Members.
19. “Qualified Collective Member” means Named Plaintiff and all Putative Collective Members who opt in to the Collective by cashing their settlement checks.
20. “Qualified Settlement Fund” or “QSF” means the qualified settlement fund set up by the Settlement Administrator into which the Gross Fund will be deposited.
21. “Released Parties” means (a) Defendant and each and all past or present partners, parents, subsidiaries, joint venturers or affiliated entities (regardless whether such partners, parents, subsidiaries, or affiliates are individuals, corporations, partnerships, limited partnerships, limited liability companies, or other forms of entity) of Defendant; (b) each and all of the predecessor or successor entities of any of those entities identified in subparagraph (a); (c) any other individuals or entities of any kind, including but not limited to any staffing agencies or AUCI clients, which have been or could be alleged to be in any manner responsible (whether on an alter ego, joint employer, integrated enterprise, or any other theory) for any violations alleged in the Action and occurring as a result of providing services to Released Parties as non-exempt surveillance investigators; and (d) all past and present directors, officers, representatives, insurers, benefit

plans, plan administrators, agents, shareholders, partners, members, lawyers, and employees of any of the individuals or entities identified in subparagraphs (a), (b), or (c).

22. “Settlement Checks” mean the checks distributed by the Settlement Administrator to Named Plaintiff and Putative Collective Members for their Settlement Shares.
23. “Gross Fund” means the maximum payment by Defendant pursuant to this Stipulation of Four Hundred Twenty-Five Thousand Dollars and zero cents (\$425,000.00) to fund the QSF. The Gross Fund shall include and be used to satisfy: (1) all Settlement Shares claimed by Qualified Collective Members; (2) any general release award approved for Named Plaintiff; (3) all Plaintiff’ Counsel’s Attorneys’ fees and costs approved by the Court; (4) the reasonable fees and expenses of the Settlement Administrator; (5) the PAGA Payment to the LWDA and the PAGA Settlement Payments to the PAGA Settlement Members approved by the Court; and (6) if any reversion balance remains after the payment of items (1)-(5), AUCI’s share of payroll taxes for the wage portion of the Gross Fund claimed by Named Plaintiff and Qualified Collective Members. If the reversion is insufficient to cover the amount of AUCI’s share of payroll taxes, AUCI shall pay the additional amount to cover its payroll taxes to the QSF. With the exception of Defendant’s share of payroll taxes, Defendant and/or the Released Parties shall not pay or be required to pay any amount in connection with this Settlement above and beyond the Gross Fund. Any amount remaining in the Gross Fund after payment of items (1)-(6) above will revert to Defendant pursuant to Section IX.4 below, except funds for uncashed PAGA Settlement Payment Checks, which shall be reported as unclaimed property pursuant to Section IX.5 below.
24. “Settlement Notice” means the Notice of Settlement to be sent to Putative Collective Members and PAGA Settlement Members after the Court grants approval of the Settlement, substantially in the form attached to this Stipulation as Exhibit B.

25. “Settlement Share” means the amount which each Named Plaintiff and Putative Collective Member is entitled to claim and receive from the Net Settlement Fund by cashing their settlement checks and opting into the Collective. Unclaimed Settlement Shares will revert to Defendant pursuant to Section IX.4.
26. “PAGA Settlement Amount” means the amount the Parties have agreed to pay in connection with the settlement and release of claims for penalties under PAGA. The Parties have agreed that \$50,000 of the Gross Fund will be allocated to the resolution of any PAGA Members’ claims for penalties under PAGA. Pursuant to PAGA, 75%, or \$37,500, of the PAGA Settlement Amount shall be paid to the LWDA (“the PAGA LWDA Settlement Payment”) and 25%, or \$12,500, of the PAGA Settlement Amount will be allocated to PAGA Settlement Members for separate and individual PAGA Settlement Payment Checks, the amount of which will be determined pro-rata based on the individual’s number of Eligible Pay Periods during the PAGA Period.

III. RECITALS

1. In 2023, Plaintiff’s Counsel conducted an investigation regarding allegations that Putative Collective Members were allegedly not paid for all time worked and were denied compliant meal and rest breaks, timely pay during and on termination of employment, accurate wage statements, and reimbursement for business expenses. Plaintiff’ Counsel sent a letter to Defendant regarding these claims. The letter informed Defendant that Named Plaintiff was seeking to recover alleged unpaid wages, liquidated damages, and penalties on behalf of himself and other Putative Collective Members under the Fair Labor Standards Act (“FLSA”) and under California law.

2. Defendant conducted an investigation into Named Plaintiff's claims, and the parties engaged in informal discovery and produced information and data.
3. Named Plaintiff Ernst also threatened California class claims against Defendant as well as PAGA claims on behalf of non-exempt surveillance investigators who worked for Defendant within the State of California. Ernst filed a pre-litigation letter with the LWDA on August 11, 2023.
4. Over the course of the next few months, the parties had numerous communications about the claims, defenses, alleged damages, and other legal issues regarding the claims. On January 30, 2024, the parties mediated the case with Lou Marlin, Esq., an experienced wage and hour mediator. At the end of the mediation, the Parties reached an agreement in principle to settle the claims and executed a Memorandum of Understanding setting forth the material terms.
5. Based on the informal good faith discovery conducted in this case, information exchanged confidentially for purposes of settlement, and their own independent investigation and evaluation, Plaintiff's Counsel is of the opinion that the Settlement is fair, reasonable, and adequate and is in the best interest of the Putative Collective Members and PAGA Settlement Members in light of all known facts and circumstances, including the risk of significant delay, defenses asserted by Defendant as to collective action certification and the merits of the claims, and potential appellate issues.
6. It is the mutual desire of the Parties to fully and finally settle, compromise, and discharge all disputes, allegations, and claims of any nature raised in or related in any way to the Action as more fully set forth below.

7. This Settlement represents a compromise of highly disputed claims. Nothing in this Settlement, nor any other documents to be prepared related to the Settlement, nor the Settlement itself, is intended to be or will be construed as an admission by Defendant or any of the Released Parties that Plaintiff's claims in the Action have merit or that any of the Released Parties have any liability (all of which is expressly denied by Defendant) to Named Plaintiff or any Putative Collective Members on those claims, or any other claim, or that certification of a proposed collective action would be appropriate. Nothing in this Settlement or the Action shall be construed as an admission by Named Plaintiff that Defendant's defenses in this Action have merit.

IV. DUTIES OF THE PARTIES TO PROMPTLY INITIATE THE ACTION AND MOVE FOR COURT APPROVAL

1. By February 28, 2024, Plaintiff will file a Complaint to initiate the Action (including the PAGA claim) and after a case number and judge are assigned, move the Court for entry of the Approval Order (the "Motion") (including a request for approval of the PAGA settlement). Defendant will not oppose the Motion. Defendant's Counsel also shall simultaneously send the settlement agreement to the LWDA for review.
2. Prior to filing the Complaint and the Motion, Plaintiff's Counsel will provide to Defendant's Counsel the drafts of the Complaint, Motion and the proposed Approval Order (collectively, "Settlement Approval Documents"). No Settlement Approval Documents will be filed by Plaintiff's Counsel absent approval by Counsel for Defendant, which approval shall not be unreasonably withheld.

3. This Settlement shall be conditioned on the Court's Approval Order becoming a Final Order without any material modifications.
4. All disputes concerning the Settlement and its implementation after good faith efforts by the Parties to first resolve such disputes, will be referred to the mediator, Lou Marlin, if necessary.

V. CERTIFICATION OF THE COLLECTIVE ACTION FOR SETTLEMENT PURPOSES ONLY

1. For purposes of the Settlement only, the Parties stipulate that the Court may certify the Action as an FLSA opt-in collective action for all Putative Collective Members, under 29 U.S.C. § 216(b) (together, the "Certification Stipulation").
2. The Certification Stipulation is made solely for purposes of the Settlement. The Certification Stipulation is in no way an admission that collective certification is proper or that certification requirements would be established under governing law or by further discovery.
3. The existence and terms of this Settlement and the Certification Stipulation shall not be admissible in this or any other action or proceeding for any purpose, including as evidence that (i) the proposed collective or any other class or collective proceedings should be certified or not decertified; (ii) the Action or any other action should be certified as a class or collective action or not decertified; or (iii) the Released Parties are liable to Named Plaintiff, the Putative Collective Members, the PAGA Settlement Members or any other putative class or collective action member; other than to approve the Settlement or to enforce the terms of the releases, publicity, and non-admission provisions herein.

VI. APPOINTMENT AND DUTIES OF SETTLEMENT ADMINISTRATOR

1. Subject to the approval of the Court, the Settlement Administrator will perform the following duties in connection with administration of the Settlement: (i) using data and information provided by Defendant to prepare the Notice Materials, Settlement Checks (which shall include language on the back indicating that by endorsing and/or cashing the check, the Putative Collective Member agrees to opt-in to the settlement and release all unpaid wage claims against AUCI and Releasees covered by the settlement) and PAGA Settlement Payment Checks; (ii) obtaining forwarding addresses for Putative Collective Members and PAGA Settlement Members using appropriate methods described below; (iii) calculating the amounts due to each Putative Collective Member and PAGA Settlement Member pursuant to the Settlement; (iv) mailing the Notice Materials, reminder postcard, Settlement Checks, and PAGA Settlement Payment Checks to Putative Collective Members' and PAGA Settlement Members' home addresses; (v) tracking non-delivered Notice Materials, Settlement Checks and PAGA Settlement Payment Checks and taking reasonable steps to re-send them to Putative Collective Members' and PAGA Settlement Members' current addresses; (vi) tracking and timely reporting to Plaintiff's Counsel and Counsel for Defendant updates on the number and value of cashed Settlement Checks and PAGA Settlement Payment Checks; (vii) resolving mailing and notice disputes (if any) by Putative Collective Members and PAGA Settlement Members and notifying Plaintiff's Counsel and Counsel for Defendant of such disputes and their resolution; (viii) establishing the QSF; (ix) disbursing all amounts payable from the QSF and handling all tax reporting and making all tax payments; (x)

disbursing Plaintiff's Counsel's approved attorneys' fees and costs payment; (xi) notifying Counsel for the Plaintiff and Defendant of any Putative Collective Members who have cashed their Settlement Checks and PAGA Settlement Payment Checks by the deadlines set forth below; (xii) monitoring the responses to the Settlement Notice (including tracking participation by number of Qualified Collective Members) and maintaining a toll-free number for Putative Collective Members, (xiii) disbursing PAGA Settlement Payments to LWDA and PAGA Settlement Members, monitoring uncashed PAGA Settlement Payment Checks and transmitting any uncashed PAGA Settlement Payment checks to the California unclaimed property fund under the name of the California PAGA Settlement Member, and (xiv) other duties as determined jointly by the Parties.

2. Defendant will provide the Settlement Administrator with data necessary to perform the Settlement Administrator's duties.
3. All disputes relating to the Settlement Administrator's performance of its duties, after good faith efforts by the Parties to first resolve such disputes, will be referred to the Court, if necessary, which will have continuing jurisdiction over this Settlement until all payments and obligations contemplated by this Settlement have been fully carried out and thereafter to enforce the releases contained herein.

VII. NOTICE TO THE PUTATIVE COLLECTIVE MEMBERS AND PAGA SETTLEMENT MEMBERS OF THE SETTLEMENT AND CLAIMS PROCESS

1. Mailing the Notice Materials to the Putative Collective Members.
 - a. Within ten (10) days after the Court enters the Approval Order and it becomes a Final Order, Defendant will provide to the Settlement Administrator only a list in Excel format of the Named Plaintiff, Putative

Collective Members', and PAGA Settlement Members' names, last known physical addresses, personal email addresses (if available in AUCI's electronic HR system), social security numbers, and Eligible Pay Periods ("Putative Collective Data"). The Settlement Administrator shall use it solely for purposes of administering the settlement of this matter.

- b. Within forty (40) days of the Court's Approval Order becoming a Final Order or as soon thereafter as the Settlement Administrator is able, the Settlement Administrator will mail, by first-class mail to their last known physical address, the Notice Materials to all Putative Collective Members and PAGA Settlement Members, unless modified by any updated address information that the Settlement Administrator obtains in the course of administration of the Settlement.
- c. The Settlement Administrator will use standard devices, including the National Change of Address database or equivalent, to obtain forwarding addresses prior to mailing and will use appropriate skip tracing (up to two attempts) to take appropriate steps to increase the probability that the Notice Materials will be received by all Putative Collective Members and PAGA Settlement Members.
- d. Within 30 days after the initial mailing of the Notice Materials, the Settlement Administrator shall send reminder postcards to Putative Collective Members and PAGA Settlement Members who have not yet cashed their Settlement Checks or PAGA Settlement Payment Checks reminding them of the deadline to do so.

- e. No Settlement Check or PAGA Settlement Payment Check will be valid if cashed after the Check Cashing Period expires.
2. Reports by Settlement Administrator
 - a. After mailing of the Settlement Checks and PAGA Settlement Payment Checks, the Settlement Administrator will, on a weekly basis, provide updates to Plaintiff' Counsel and Counsel for Defendant as to the number of Settlement Checks and PAGA Settlement Payment Checks cashed during the preceding week. To the extent practicable, the weekly updates shall also provide updated information regarding Notice Materials that are returned as undeliverable and of any remailing efforts and results.

VIII. ATTORNEYS' FEES AND COSTS, NAMED PLAINTIFF'S GENERAL RELEASE PAYMENTS, AND PAGA PAYMENTS

1. As part of the motion for approval, Named Plaintiff and Plaintiff's Counsel may move the Court for an award of a general release/enhancement payment from the Gross Fund of Seven Thousand Dollars and Zero Cents (\$7,000.00) for the Named Plaintiff for his services on behalf of the Putative Collective Members and PAGA Settlement Members ("General Release Payment"), in addition to his Settlement Shares. Any portion of the General Release Payment requested, but not approved by the Court, shall be included in the Net Settlement Fund.
2. As part of the motion for approval, Named Plaintiff and Plaintiff's Counsel will move the Court to approve the PAGA Settlement. Subject to Court approval, the Parties agree that the amount of Fifty Thousand Dollars and Zero Cents (\$50,000) from the Gross Fund will be designated for satisfaction of the PAGA Settlement Members' PAGA claims. Pursuant to PAGA, Seventy-Five Percent (75%), or

Thirty-Seven Thousand Five Hundred Dollars (\$37,500), of the PAGA Settlement Amount will be paid to the LWDA, and Twenty-Five Percent (25%), or Twelve Thousand Five Hundred Dollars (\$12,500), of the PAGA Settlement Amount will be allocated to PAGA Settlement Members for separate and individual PAGA Settlement Payment Checks.

3. Each PAGA Settlement Member's PAGA Settlement Payment will be calculated as follows:
 - a. \$12,500 divided by total number of PAGA Settlement Members' Eligible Pay Periods during the PAGA Period to obtain the "Per Pay Period Amount." To obtain each individual PAGA Settlement Member's PAGA Settlement Amount, the Settlement Administrator shall multiply the Per Pay Period Amount by the total number of Eligible Pay Periods worked by each respective PAGA Settlement Member during the PAGA Period.
4. If the Court determines that the PAGA Settlement Amount should be modified, the Parties agree to work in good faith to negotiate another agreeable amount, but in no circumstances will any modification in the PAGA Settlement Amount result in an increase to the Gross Fund. Any PAGA Settlement Payment Check to a PAGA Settlement Member that is not cashed shall revert to the California unclaimed property fund under the name of the PAGA Settlement Member.
5. At the same time as the Settlement Approval Documents, Named Plaintiff and Plaintiff's Counsel also will move the Court for an award of attorneys' fees of one-third of the Gross Fund, plus costs. Any portion of the attorney's fees and

costs requested that are not approved by the Court shall be included in the Net Settlement Fund.

6. Defendant will not oppose the motion for Plaintiff's General Release Payment and Plaintiff's Counsel's attorneys' fees and costs to the extent consistent with the terms set forth herein.
7. If the Court does not approve the requested General Release Payment, attorneys' fees, or costs, this Agreement shall nevertheless remain binding but the Named Plaintiff's General Release described below will not be binding on Named Plaintiff if the Named Plaintiff receive no General Release Payment.

IX. CREATION AND DISTRIBUTION OF THE QUALIFIED SETTLEMENT FUND

1. Within ten (10) business days after the Approval Order becoming a Final Order, Defendant shall fund via check or wire transfer the Gross Fund to the QSF established by the Settlement Administrator. The amount shall be deposited into an interest-bearing escrow account to be opened, administered and controlled by the Claims Administrator. The account shall be opened and administered by the Claims Administrator as a "Qualified Settlement Fund" ("QSF") under Section 468B of the IRC and Treas. Reg. § 1.468B-1, 26 C.F.R. § 1.468B-1, et seq. All Form W-2s issued pursuant to this Settlement shall be issued under the name of the QSF only and Settlement Checks and PAGA Settlement Payment Checks shall be issued under the name of the QSF only.
2. Within ten (10) days after the Check Cashing Period expires, the Claims Administrator shall provide Defendant and Plaintiff's Counsel with an excel spreadsheet containing the list of all Qualified Collective Members and their individual respective Settlement Shares. On the same day, the Claims

Administrator shall inform Defendant of the total settlement amount claimed by the Qualified Collective Members and the amount of Defendant's share of payroll taxes. Defendant will need to provide any disputes of the Claims Administrator's calculation of Defendant's share of payroll taxes within fifteen (15) days of receiving them from the Claims Administrator, and Defendant will work with the Claims Administrator in good faith to resolve such disputes. Within thirty (30) days after the deadline to dispute the Claims Administrator's calculation of Defendant's share of payroll taxes, Defendant shall fund any additional amount needed to cover Defendant's share of payroll taxes via wire transfer to the QSF, provided that any dispute Defendant over Claims Administrator's calculation of the Defendant's share of taxes have been resolved.

3. If fewer than all Putative Collective Members cash their settlement checks, a portion of the Gross Fund shall revert to Defendant and Defendant may use such portion to pay its share of payroll taxes associated with the Qualified Collective Members' claimed Settlement Shares.
4. For any Putative Collective Members who do not cash their Settlement Checks within the Check Cashing Period, the Settlement Share amount allocated to each such Putative Collective Member, as well as the Defendant's share of taxes for those Settlement Shares, shall revert back to Defendant. The Settlement Administrator shall wire the amount for any uncashed Settlement Checks (but not uncashed PAGA Settlement Payment Checks) to Defendant within thirty (30) days after the Check Cashing Period expires.

5. Within ten (10) days from the date AUCI funds the Gross Fund to the QSF, the Settlement Administrator shall send the PAGA LWDA Settlement Payment to the LWDA. PAGA Settlement Members do not need to opt in to the PAGA Settlement and cannot opt out of the PAGA Settlement and Release of PAGA claims approved by the Court. The PAGA Settlement Payments to PAGA Settlement Members shall be treated 100% as penalties (1099 if required), not wages. Uncashed PAGA Settlement Payments to PAGA Settlement Members shall be transmitted to the California Unclaimed Property Fund in the name of the PAGA Settlement Member and shall not revert to AUCI.
6. Payment to Plaintiff's counsel of approved attorneys' fees and costs from the Gross Fund shall be made no later than five (5) days after AUCI pays the Gross Fund to the QSF established by the Settlement Administrator.
7. Any approved general release award to Named Plaintiff shall be paid no later than five (5) days after AUCI pays the Gross Fund to the QSF established by the Settlement Administrator.

X. CALCULATING THE SETTLEMENT SHARES

1. Each Plaintiff and Putative Collective Member shall be eligible to receive a payment from the Net Settlement Fund.
2. Each Plaintiff and Putative Collective Member's Settlement Share will be calculated as follows:
 - a. Net Settlement Fund divided by total number of Eligible Pay Periods to obtain the "Per Pay Period Amount." To obtain each individual Named Plaintiff and Putative Collective Member's Settlement Share, the Settlement Administrator shall multiply the Per Pay Period Amount by the

total number of Eligible Pay Periods worked by each respective Named Plaintiff and Putative Collective Member during the Collective Period.

- b. Because the Settlement Shares include sums in settlement of claims for wages, interest, liquidated damages, and penalties, twenty-five percent (25%) of each Settlement Share is intended to constitute a settlement of a claim for unpaid wages, for which the Settlement Administrator will issue a Form W-2 to the Qualified Collective Member under the name of the QSF only, and payroll tax withholding and deductions will be taken; and the remaining seventy-five percent (75%) of each Settlement Share is intended to constitute a settlement of claims for interest, liquidated damages, and penalties, for which no payroll tax withholding and deductions will be taken and the Settlement Administrator will issue a Form 1099 to the Qualified Collective Member. Qualified Collective Members are responsible for all federal, state, and local tax liabilities that may result from such Settlement Share payments subject to reporting on a Form 1099 and Form W-2, and the Released Parties shall bear no responsibility for such liabilities. Defendant will pay its share of employer's payroll tax obligations on the wage portion of the Settlement Shares paid to Qualified Collective Members. The Settlement Administrator will calculate the amount of such Company tax obligations and Defendant shall separately transmit any necessary additional amount to the Settlement Administrator as set forth above.

- c. The PAGA Settlement Members who become Qualified Collective Members shall also receive their separate pro rata share of the PAGA Settlement pursuant to Section VIII.3 above.
- d. Any approved general release payment to Named Plaintiff, and Plaintiff's Counsel's approved attorneys' fees and costs payment, shall be reported on Form 1099s to Named Plaintiff and Plaintiff's Counsel, respectively. Any approved PAGA Settlement Payments to PAGA Settlement Members also shall be reported on Form 1099s. The Settlement Administrator shall wire Plaintiff's Counsel's approved attorneys' fees and costs to Shavitz Law Group, P.A. Named Plaintiff, the PAGA Settlement Members, and Plaintiff's Counsel are respectively responsible for all federal, state, and local tax liabilities that may result from the foregoing payments and the Released Parties shall bear no responsibility for such liabilities.
- e. The Settlement Administrator will report all payments to government authorities including the IRS as required by law, and shall make all legally required deductions, withholdings and/or employment tax payments out of the QSF. The Settlement Administrator shall also transmit 75% of the total PAGA Settlement Amount to the LWDA. All taxes (including any estimated taxes, interest, or penalties) arising with respect to the income earned by the QSF, if any, including any taxes or tax detriments that may be imposed on Defendant with respect to income earned for any period during which the QSF does not qualify as a "Qualified Settlement Fund" for federal and state income tax purposes (hereinafter "Settlement Fund

Taxes”), and shall be treated as a cost of administration of the QSF.

However, any expenses and costs incurred in connection with any determination that the QSF does not qualify as a “Qualified Settlement Fund” (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) any returns described herein or otherwise required to be filed pursuant to applicable authorities) (hereinafter “Settlement Fund Tax Expenses”) shall not be treated as a cost chargeable to the QSF, but instead as an expense that must be paid by the Settlement Administrator, without resort to any of the Parties to this Agreement, to the extent that these expenses are a direct cause of the Settlement Administrator’s negligence.

- f. Defendant, Counsel for Defendant, and Plaintiff’s Counsel make no representations with respect to the taxability of any payments pursuant to this Settlement, the Settlement Notice will advise Putative Collective Members and PAGA Settlement Members to seek their own tax advice as necessary, and the Parties agree that each Putative Collective Member and PAGA Settlement Member will have sufficient opportunity to seek such advice after receiving the Settlement Notice. Plaintiff, Qualified Collective Members, and PAGA Settlement Members acknowledge and agree that they have not relied upon any advice from Defendant or Defendant’s or Plaintiff’ Counsel as to the taxability of the payments received pursuant to this Agreement. Plaintiff, Qualified Collective Members, and PAGA

Settlement Members acknowledge and agree that they will be solely and ultimately responsible for paying any federal, state, or other employees' share of taxes that they owe as a result of payments made pursuant to this Agreement. In addition, Plaintiff, Qualified Collective Members, and PAGA Settlement Members agree to hold Defendant and Released Parties harmless from any claims, demand, taxes, deficiencies, fines, penalties, levies, assessments, executions, judgments, interest, costs, or any recoveries by any governmental agency against Defendant or Released Parties for any amounts claimed due with respect to the employees' share of taxes on account of this Agreement as a result of improper allocations or failure of Plaintiff, Qualified Collective Members, or PAGA Settlement Members, or their counsel to report and/or pay taxes as legally required.

XI. NO EFFECT ON OTHER BENEFITS

The Settlement Shares, PAGA Settlement Payments and Named Plaintiff's General Release Payments will not create any credit or otherwise affect the calculation of benefits provided under any benefit or compensation plan or program provided by Defendant (such as 401(k), pension, bonus, severance, or deferred compensation plans), and no payment made pursuant to this Settlement will be compensation for purposes of such plans/programs, require any contribution or award under such plans/programs, or otherwise require or modify coverage, contributions, or benefits under such plans/programs, and the Qualified Collective Members and PAGA Settlement Members will be deemed to have waived all such benefit or compensation plan or program claims, whether known or unknown by them, as part of their releases of claims under this Settlement.

XII. RELEASE OF CLAIMS BY THE NAMED PLAINTIFF, QUALIFIED COLLECTIVE MEMBERS, AND PAGA SETTLEMENT MEMBERS

1. **Qualified Collective Members' Released Claims:** Conditioned upon the Court's Approval Order becoming a Final Order and in exchange for the monetary consideration recited in this Stipulation, Named Plaintiff and the Qualified Collective Members, on behalf of themselves and their heirs, successors, and assigns, hereby forever release and discharge, the Released Parties from any and all wage and hour claims under federal law (Fair Labor Standards Act) and California state or local law, including all claims alleged in the Action and specifically, all claims for failure to pay wages owed for all hours worked, failure to provide compliant meal breaks, failure to provide compliant rest breaks, failure to provide compliant wage statements, failure to timely pay all wages owed during employment, failure to keep accurate records of hours worked, failure to pay all wages owed on termination of employment, and failure to reimburse business expenses arising from August 14, 2019 to the date of the Approval Order, including all claims for unpaid wages, penalties, attorneys' fees, costs, and/or liquidated damages. (the "Release").
2. **Named Plaintiff's General Release of Known and Unknown Claims:** In addition to the Release contained in Section XII.1, conditioned upon the Court's Approval Order becoming a Final Order, and in consideration of the General Release Payment granted by the Court, Named Plaintiff shall generally release any and all known or unknown claims he has or may have against Releasees that arose at any time prior to and up to the date of signing this Joint Stipulation of Settlement and Release. Named Plaintiff further understands and agrees that as a

condition of this Agreement, Named Plaintiff waives any rights Named Plaintiff may have under Section 1542 of the Civil Code of the State of California. That Section reads as follows:

"§ 1542. [Certain claims not affected by general release.] 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."

Notwithstanding the provision of Section 1542, and for the purpose of implementing a full and complete release and discharge of the Releasees, and each of them, Named Plaintiff expressly acknowledges that this Agreement is intended to include and does include in its effect, without limitation, all claims which Named Plaintiff does not know or suspect to exist in Named Plaintiff's favor against any of the Releasees at the time of Named Plaintiff's execution hereof, and that this Agreement expressly contemplates the extinguishment of all such claims.

3. **PAGA Settlement Members' Released PAGA Claims.** In addition to the releases above, upon the Court's Approval Order granting approval of the PAGA settlement becoming a Final Order, the PAGA Settlement Members, on behalf of themselves and their respective heirs, successors, and assigns, shall be deemed to have fully, finally, and forever released, dismissed with prejudice, relinquished, and discharged claims against Releasees under PAGA that were alleged, or reasonably could have been alleged, based on the facts and legal theories stated in the Complaint or the PAGA Notice Letter, including, but not limited to, claims under PAGA arising under Labor Code Sections 201, 202, 203, 204, 210, 218.5,

218.6, 223, 225.5, 226, 226(e), 226.3, 226.7, 248.5, 256, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and 2699, the “Minimum Wages,” “Hours and Days of Work,” and “Records” sections of the applicable IWC Wage Order, and any civil penalties based on alleged violations of any of the foregoing sections, including claims based on allegations that Releasees failed to pay all wages owed for work performed, failed to provide compliant meal or rest breaks, failed to timely pay all wages owed during employment, failed to provide compliant wage statements, failed to timely pay all wages owed on termination of employment, failed to keep accurate records of hours worked, and/or failed to reimburse business expenses at any time from August 11, 2022 to the date of the Approval Order (collectively, the “PAGA Released Claims”). All PAGA Settlement Members are bound by this release of PAGA claims on the date the Court’s Order approving the PAGA Settlement become a Final Order, regardless of whether they cash their PAGA Settlement Payment check.

XIII. FULL COOPERATION

The Parties will fully cooperate with each other and use reasonable efforts, including all efforts contemplated by this Settlement and any other efforts ordered by the Court, to accomplish the terms of this Settlement, including but not limited to, executing such documents and taking such other action as may reasonably be necessary to obtain approval of this Settlement without material modifications and to implement its terms. If the settlement is not approved, the parties will work in good faith with the assistance of the mediator to renegotiate the terms that resulted in the denial of approval and resubmit an amended agreement for approval. If the agreement is once again denied and/or the parties could not reach agreement on an amended settlement

agreement, Plaintiff will voluntarily dismiss the case without prejudice and refile in any court of competent jurisdiction.

XIV. NO PRIOR ASSIGNMENTS

Named Plaintiff represents, covenants, and warrants that he has not directly or indirectly, assigned, transferred, encumbered, sold or purported to assign, transfer, or encumber or sell to any person or entity any portion of any claims, causes of action, demands, rights, and liabilities of every nature and description released under this Settlement.

XV. EFFECT OF NON-APPROVAL

In the event that the Agreement is not approved by the Court for any reason in the form submitted by the Parties, the Parties will attempt in good faith with the assistance of mediator Lou Marlin to address any concerns raised by the Court and resubmit a revised settlement agreement for approval. If the Court denies the approval of a renegotiated settlement agreement and/or the Parties could not reach an agreement on a renegotiated settlement agreement, Plaintiff will dismiss the Florida action without prejudice and may re-file the case in any court of competent jurisdiction. Additionally, if this Agreement or a renegotiated settlement agreement is not approved and/or either Party invokes their right to withdraw from the Agreement as permitted herein, the Agreement shall be null and void except as to any Non-Admission of Liability provisions reflected herein.

XVI. NOTICES

Unless otherwise specifically provided by this Settlement, all notices, demands or other communications given under this Settlement will be in writing and be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return-receipt requested, or as of the first business day after it is deposited with an overnight delivery service, addressed as follows:

To Plaintiff and Putative Collective Members:

Gregg Shavitz, Esq.
Shavitz Law Group, P.A.
951 Yamato Road, Suite 285
Boca Raton, Florida 33431
gshavitz@shavitzlaw.com

To Defendant:

Robin Largent, Esq.
Martenson, Hasbrouck & Simon LLP
455 Capitol Mall
Suite 400
Sacramento, CA 95814
rlargent@martensonlaw.com

Copies of all notices, demands or other communications given in writing pursuant to this Section XVI shall also be sent via electronic mail to the above-referenced recipients.

XVII. CONSTRUCTION

This Settlement is the result of lengthy, arms-length negotiations between the Parties. This Settlement will not be construed in favor of or against any Party by reason of the extent to which any Party or his or its counsel participated in the drafting of this Stipulation and related documents.

XVIII. CAPTIONS AND INTERPRETATIONS

Section titles, headings, or captions contained in this Stipulation are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement or any of its provisions. Each other term of this Stipulation is contractual and not merely a recital.

XIX. MODIFICATION/WAIVER

This Stipulation may not be changed, altered, or modified, except in writing and signed by authorized representatives for the Parties and approved by the Court. This Settlement may not be discharged except by performance in accordance with its terms as approved by the Court or by a writing signed by the Parties. No waiver of any term or provision of this Stipulation shall be binding unless in writing and signed by the waiving Party.

XX. CIRCULAR 230 DISCLAIMER

Each Party acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure made to that Party by another Party or by another Party's attorneys or other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department circular 230 (31 CFR part 10, as amended); and (2) each Party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other Party to avoid any tax penalty that may be imposed on that Party.

XXI. APPLICABLE LAW

All terms and conditions of this Stipulation and its exhibits will be governed by and interpreted according to the laws of the state of Florida, without giving effect to any conflict of law or choice of law principles. The Parties agree that the Circuit Court in the Seventeenth Judicial Circuit in and for Broward County, Florida has jurisdiction to approve this Stipulation. The Parties agree to personal jurisdiction in the Circuit Court in the Seventeenth Judicial Circuit

in and for Broward County, Florida solely for this Stipulation and approval of the settlement herein.

XXII. INTEGRATION CLAUSE

This Stipulation and its exhibits constitute the entire agreement between the Parties and their respective counsel relating to the Settlement and transactions contemplated by the Settlement. All prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or a Party's counsel, are merged into this Stipulation. No rights under this Stipulation may be waived except in a writing signed by an authorized representative for the waiving Party. In deciding to sign this Agreement, neither Party has relied on any promises, statements, representations or commitments, whether spoken or in writing, made to such Party by the other Party, except for what is expressly stated in this Agreement. Upon the Court's Approval Order becoming a Final Order, any tolling agreement the Parties previously entered into shall be considered *void ab initio*.

XXIII. BINDING ON ASSIGNS

This Stipulation will be binding upon and will inure to the benefit of the Parties and their respective heirs, trustees, executors, administrators, successors and assigns.

XXIV. SEVERABILITY

Should any part, term or provision of this Stipulation be declared or determined by any court or other tribunal of appropriate jurisdiction to be invalid or unenforceable, other than the release provisions or the settlement payment terms, the remaining portions shall remain in full force and effect.

XXV. ATTORNEYS' FEES

The Parties shall bear all their own attorneys' fees and costs in connection with the Action, the Settlement, and the Stipulation, except as specified above.

XXVI. COUNTERPARTS

This Stipulation may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart will be deemed an original, and, when taken together with other signed counterparts, will constitute one Stipulation, which will be binding upon and effective as to all Parties, subject to Court approval. This Stipulation may be executed by facsimile and/or pdf electronic signatures, which shall have the same force and effect as if they were original signatures.

XXVII. PUTATIVE QUALIFIED COLLECTIVE MEMBERS BOUND BY SETTLEMENT

Because of the number of Putative Collective Members likely to become Qualified Collective Members, it is impractical to have each Qualified Collective Member execute this Settlement. The Settlement Notice will inform all Putative Collective Members of the binding nature of the releases described above.

XXVIII. PARTIES' AUTHORITY TO SIGN

The signatories to this Stipulation hereby represent that they are fully authorized to enter into this Stipulation on behalf of themselves or their respective principals.

XXIX. PUBLICITY

Named Plaintiff and Plaintiff's Counsel agree that they will not issue, send or post, or cause to be issued, sent or posted, any press release, posting, e-mail, or other verbal or written communication to any electronic, print, or digital media, blogs, or social networking sites, including but not limited to Facebook, LinkedIn, SnapChat, Instagram, and Twitter (collectively,

the “Media”), regarding this litigation, the parties’ settlement discussions, the existence and/or terms of the settlement, and/or the facts and events leading up to same.

EXECUTION BY PARTIES

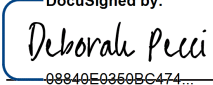
The Parties hereby execute this document to evidence their acceptance of an agreement to the Stipulation.

DATED: 2/27, 2024

By: 

Jake Ernst

2/29/2024
DATED: _____, 2024

By: 

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Allied Universal Compliance &
Investigations, Inc.