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11 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
12 **COUNTY OF SAN LUIS OBISPO**
13

14 DESIREE GARCIA, individually, and on
15 behalf of other members of the general public
16 similarly situated;

17 Plaintiff,

18 vs.

19 SESLOC FEDERAL CREDIT UNION, an
20 unknown business entity; and DOES 1 through
21 100, inclusive,

22 Defendants.
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Case No.: 22CV-0295

*Assigned for All Purposes to: Hon. Rita
Federman, Dept. 2*

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

Complaint Filed: June 8, 2022

Trial Date: None Set

This Joint Stipulation of Class Action and PAGA Settlement is entered into by and between Plaintiff Desiree Garcia, individually and on behalf of the Settlement Class, and Defendant SESLOC Federal Credit Union.

1. “Action” means the court action entitled “*Garcia v. SESLOC Federal Credit Union*”, Case No. 22CV-0295, pending before the San Luis Obispo County Superior Court.

3. “Class” or “Class Members” means all current and former non-exempt employees of Defendant who were employed by Defendant in the state of California at any time during the Class Period.

5. “Class Counsel’s Fees and Costs” means attorneys’ fees for Class Counsel’s litigation and resolution of this Action and their expenses and costs incurred in connection with the Action, which shall be paid from the Gross Settlement Amount. Class Counsel will request attorneys’ fees not to exceed Thirty-Five Percent (35%) of the Gross Settlement Amount, *i.e.*, Two Hundred Sixty-Two Thousand Five Hundred Dollars (\$262,500.00), and the reimbursement costs and expenses associated with the litigation and settlement of the Action, not to exceed Twenty-Five Thousand Dollars (\$25,000.00), subject to the Court’s approval. Defendant has agreed not to oppose Class Counsel’s request for fees and reimbursement of costs and expenses in the amount set forth above.

6. “Class List” means a complete list of all Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator within fourteen (14) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include Class Member’s: (1) full name; (2) last known home address; (3) last known telephone number; (4) social security number; (5) start and end dates of active employment as a non-exempt employee

of Defendant in the state of California; (6) total Workweeks during the Class Period; (7) total Pay Periods during the PAGA Period; and (8) any other information required by the Settlement Administrator in order to effectuate the terms of the Settlement.

7. “Class Period” means the period from June 8, 2018, and ending on either the date of preliminary approval of the settlement by the Court, or January 29, 2024, whichever date occurs earlier.

8. “Class Representative” means Plaintiff Desiree Garcia in her capacity as representative of the Participating Class Members.

9. “Class Representative Incentive Payment” means the amount that the Court authorizes to be paid to Plaintiff in addition to her Individual Settlement Payment, in recognition of the efforts and risks she has taken in assisting with the prosecution of the Action and in exchange for the General Release of her claims as provided herein.

10. “Court” means the Superior Court of the State of California for the County of San Luis Obispo.

11. “Defendant” means SESLOC Federal Credit Union.

12. “Effective Date” means: the later of: (a) if no timely objections are filed or if all objections are withdrawn, the date upon which the Court enters Final Approval; (b) if an objection is filed and not withdrawn, the date for filing an appeal and no such appeal being filed; or (c) if any timely appeals are filed, the date of the resolution (or withdrawal) of any such appeal in a way that does not alter the terms of the Settlement.

13. “Final Approval” means the Court entering an order granting final approval of the Settlement Agreement.

14. “Gross Settlement Amount” means the sum of Seven Hundred Fifty Thousand Dollars (\$750,000.00). The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will return to Defendant, and includes all: (1) payments to the Class; (2) Class Counsel’s fees; (3) Class Counsel’s costs; (4) Settlement Administration Costs; (5) Incentive Payment to Plaintiff; and (6) Payment of PAGA Penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”) and PAGA Members. In no event will Defendant

1 be required to pay more than the Gross Settlement Amount, except that Defendant shall pay the
2 employer's share of the payroll taxes separately from and in addition to the Gross Settlement
3 Amount, or as provided in Paragraph 41. Any interest that accrues in the escrow account created
4 by the Settlement Administrator shall also be added to the Gross Settlement Amount.

5 15. "Individual Settlement Payment" means the amount payable from the Net
6 Settlement Amount to each Participating Class Member and any payment a PAGA Member is
7 eligible to receive from the employee portion of the PAGA Penalties. Individual Settlement
8 Payments shall be paid by a Settlement Check made payable to Participating Class Members
9 and/or PAGA Members.

10 16. "Net Settlement Amount" means the funds available for payments to the Class,
11 which shall be the amount remaining after the following amounts are deducted from the Gross
12 Settlement Amount: (1) Class Counsel's fees; (2) Class Counsel's costs; (3) Settlement
13 Administration Costs; (4) Class Representative Incentive Payment to Plaintiff; and (5) the PAGA
14 Penalties to be paid to the LWDA and PAGA Members.

15 17. "Notice" means the Notice of Proposed Class Action Settlement in a form
16 substantially similar to the form attached hereto as Exhibit A, that will be mailed to Class
17 Members' last known address, and which will provide Class Members with information regarding
18 the Action and information regarding the Settlement of the Action.

19 18. "Objection" means a Class Member's valid and timely written objection to the
20 Settlement Agreement. For an Objection to be valid, it must include: (a) the objector's full name,
21 address, telephone number, last four digits of the employees' social security number or employee
22 ID number; (b) the name of the case and case number; and (c) a written statement of all grounds
23 for the objection accompanied by legal support, if any, for such objection.

24 19. "PAGA" means the California Labor Code Private Attorneys General Act of 2004
25 (Cal. Lab. Code §§ 2698, *et seq.*).

26 20. "PAGA Members" means all current and former non-exempt employees of
27 Defendant who were employed by Defendant in the state of California at any time during the
28 PAGA Period.

21. “PAGA Penalties” means the amount that the Parties have agreed to allocate in order to settle claims arising under the PAGA. The Parties have agreed that Seventy-Five Thousand Dollars (\$75,000.00) of the Gross Settlement Amount will be allocated to the resolution of Plaintiff’s PAGA Claims. Seventy Five Percent (75%) of this amount (\$56,250.00) will be paid to the LWDA in accordance with Labor Code §§ 2698 *et seq.* Twenty Five Percent (25%) of this amount (\$18,750.00) will be distributed to PAGA Members. PAGA Members will receive payment from the employee portion of the PAGA Penalties regardless of their decision to participate in the Class Action if the PAGA Penalties is approved by the Court.

22. “PAGA Period” means the period from June 8, 2021, and ending on either the date of preliminary approval of the settlement by the Court, or January 29, 2024, whichever date occurs earlier.

23. “Participating Class Members” means all Class Members who do not opt out of the settlement by submitting valid and timely Requests for Exclusion.

24. “Parties” means Plaintiff and Defendant, collectively, and “Party” shall mean either Plaintiff or Defendant, individually.

25. “Pay Period” shall mean any pay period, in which a PAGA Member worked at least one (1) day during the PAGA Period.

26. “Plaintiff” means Desiree Garcia.

27. “Preliminary Approval” means the Court order granting preliminary approval of the Settlement Agreement.

28. “Released Class Claims” means all claims, rights, demands, liabilities and causes of action that are alleged, or reasonably could have been alleged based on the facts and claims asserted in the operative Complaint in this Action including the following claims: (i) failure to pay all regular wages, minimum wages and overtime wages due; (ii) failure to provide meal periods or compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu thereof; (iv) failure to reimburse necessary business expenses; (v) failure to provide complete, accurate wage statements; (vi) failure to pay wages timely at time of termination or resignation; (vii) failure to timely pay wages during employment; and (viii) unfair business practices that could

1 have been premised on the claims, causes of action or legal theories of relief described above or
2 any of the claims, causes of action or legal theories of relief pleaded in the operative Complaint.

3 29. “Released PAGA Claims” means any and all PAGA claims that could have been
4 asserted under the California Labor Code Private Attorneys General Act of 2004 based on the
5 same or similar factual allegations and claims in the operative Complaint in this Action or any
6 PAGA notice submitted by Plaintiff to the LWDA for the PAGA Period.

7 30. “Released Parties” means Defendant SESLOC Federal Credit Union and each of
8 its former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors,
9 successors, and assigns.

10 31. “Request for Exclusion” means a valid and timely written statement submitted by
11 a Class Member requesting to be excluded from the class settlement. To be effective, the Request
12 for Exclusion must contain (a) the Class Member’s name, address, telephone number, and the last
13 four digits of the Class Member’s Social Security number and/or the Employee ID number and
14 (b) a clear statement requesting to be excluded from the settlement of the Class claims. To be
15 effective, the Request for Exclusion must be post-marked by the Response Deadline and received
16 by the Settlement Administrator. The Request for Exclusion shall not be effective as to the release
17 of claims arising under the PAGA.

18 32. “Response Deadline” means the date sixty (60) calendar days after the Settlement
19 Administrator mails Notice to Class Members and the last date on which Class Members may
20 submit Requests for Exclusion, written objections to the Settlement, or Workweek Disputes. In
21 the event the 60th day falls on a Sunday or Federal holiday, the Response Deadline will be
22 extended to the next day on which the U.S. Postal Service is open. The Response Deadline for
23 Requests for Exclusion, written objections, and workweek disputes will be extended fifteen (15)
24 calendar days for any Class Member who is re-mailed a Notice by the Settlement Administrator,
25 unless the 15th day falls on a Sunday or Federal holiday, in which case the Response Deadline
26 will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline
27 may also be extended by express agreement between Class Counsel and Defendant. Under no
28 circumstances, however, will the Settlement Administrator have the authority to unilaterally

1 extend the deadline for Class Members to submit a Request for Exclusion or objection to the
2 Settlement.

3 33. “Settlement” means the disposition of the Action pursuant to this Agreement.

4 34. “Settlement Administrator” means ILYM Group, Inc. The Parties each represent
5 that they do not have any financial interest in the Settlement Administrator or otherwise have a
6 relationship with the Settlement Administrator that could create a conflict of interest.

7 35. “Settlement Administration Costs” mean the costs payable from the Gross
8 Settlement Amount to the Settlement Administrator for administering this Settlement, including,
9 but not limited to, translating the Notice, printing, distributing, and tracking documents for this
10 Settlement, calculating/confirming the class member Workweeks from the information contained
11 in the Class List, calculating each Participating Class Member’s Individual Settlement Payment,
12 tax reporting, distributing the Gross Settlement Amount, providing necessary reports and
13 declarations, and other duties and responsibilities set forth herein to process this Settlement, and
14 as requested by the Parties. Settlement Administration Costs shall not exceed Nine Thousand
15 Dollars (\$9,000.00).

16 36. “Settlement Class Members” shall mean all Participating Class Members as
17 described in paragraph 60 and the PAGA Members.

18 37. “Tax Rate Information” shall mean the tax rate currently paid by Defendant for
19 the employer’s share of employment taxes in California.

20 38. “Workweek” shall mean any calendar week (*i.e.*, a week beginning with Sunday
21 and ending with Saturday), in which a Class Member worked at least one (1) day during the Class
22 Period.

23 **TERMS OF AGREEMENT**

24 39. Filing of PAGA Notice and Amended Complaint: The Parties shall file a joint
25 stipulation and order to permit Plaintiff to file an amended complaint that shall add a cause of
26 action under the PAGA.

27 40. Settlement Consideration: Defendant shall fund the Gross Settlement Amount and
28 all applicable employer-side payroll taxes following Final Approval by the Court and within

fourteen (14) days of the occurrence of the Effective Date. The following will be paid out of the Gross Settlement Amount: the sum of the Individual Settlement Payments, the Class Representative Incentive Payment, Class Counsel's Fees and Costs, the PAGA Penalties, and the Settlement Administration Costs, as specified in this Agreement. Except for any employer-side taxes due on the Individual Settlement Payments, or as a result of an increase in the number of Workweeks as set forth below, Defendant shall not be required to pay more than the Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will revert to Defendant.

41. Potential Increase to the Gross Settlement Amount: The Gross Settlement Amount is based on Defendant's representation that the Class Members worked a total of 35,800 Workweeks during the Class Period. Should the qualifying Workweeks worked by the Class Members during the Class Period ultimately increase by more than 10% (*i.e.*, by more than 3,580 Workweeks), Defendant shall increase the Gross Settlement Amount on a *pro-rata* basis equal to the percentage increase in the number of Workweeks worked by the Class Members above 10%. For example, if the number of Workweeks increases by 11% the Gross Settlement Amount will increase by 1%.

42. Funding of the Gross Settlement Amount: Within fourteen (14) calendar days of the Effective Date of the Settlement, Defendant will deposit the Gross Settlement Amount and all applicable employer-side payroll taxes into a Qualified Settlement Fund ("QSF") to be established by the Settlement Administrator. Defendant shall provide all information necessary for the Settlement Administrator to calculate necessary payroll taxes including its official name, 8-digit state unemployment insurance tax ID number, and other information requested by the Settlement Administrator, no later than seven (7) calendar days of the Effective Date.

43. Distribution of the Gross Settlement Amount: Within fourteen (14) calendar days of the funding of the Settlement, the Settlement Administrator will issue payments for: (a) Individual Settlement Payments; (b) the PAGA Penalties to the LWDA; (c) the Class Representative Incentive Payment; (d) Class Counsel's Fees and Costs; and (e) Settlement Administration Costs.

1 44. Attorneys' Fees and Costs: Defendant agrees not to oppose any application or
2 motion by Class Counsel for attorneys' fees of not more than Two Hundred Sixty-Two Thousand
3 Five Hundred Dollars (\$262,500.00) plus the reimbursement of costs and expenses associated
4 with the litigation and settlement of the Action, in an amount not to exceed Twenty-Five
5 Thousand Dollars (\$25,000.00), both of which will be paid from the Gross Settlement Amount.
6 Any portion of the requested fees or costs that are not awarded to the Class Counsel shall be
7 reallocated to the Net Settlement Amount and distributed to Participating Class Members as
8 provided in this Agreement.

9 45. Class Representative Incentive Payment: Defendant agrees not to oppose or object
10 to any application or motion by Plaintiff for a Class Representative Incentive Payment of Seven
11 Thousand Five Hundred Dollars (\$7,500.00) for Plaintiff. The Class Representative Incentive
12 Payment is in exchange for the General Release of the Plaintiff's individual claims and for her
13 time, effort, and risk in bringing and prosecuting the Action. Any portion of the requested Class
14 Representative Incentive Payment that is not awarded to the Class Representative shall be
15 reallocated to the Net Settlement Amount and distributed to Participating Class Members as
16 provided in this Agreement.

17 46. Settlement Administration Costs: The Settlement Administrator will be paid for
18 the reasonable costs of administration of the Settlement and distribution of payments from the
19 Gross Settlement Amount as further set forth in this Agreement. Settlement Administration Costs
20 shall not exceed Nine Thousand Dollars (\$9,000.00).

21 47. PAGA Penalties: Subject to Court approval, Seventy-Five Thousand Dollars
22 (\$75,000.00) shall be allocated from the Gross Settlement Amount for settlement of claims for
23 civil penalties under the PAGA. The Settlement Administrator shall pay Seventy-Five Percent
24 (75%) of the PAGA Penalties, or Fifty-Six Thousand Two-Hundred Fifty Dollars (\$56,250.00),
25 to the LWDA. Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750.00) will be distributed
26 to PAGA Members on a *pro rata* basis based on the total number of Pay Periods worked by each
27 PAGA Member during the PAGA Period. PAGA Members shall receive their portion of the
28 PAGA Penalties regardless of their decision to opt-out of the Class settlement.

48. Net Settlement Amount for Payment of Class Claims: The Net Settlement Amount will be used to satisfy the class portion of Participating Class Members' Individual Settlement Payments in accordance with the terms of this Agreement. The estimated Net Settlement Amount is as follows:

Gross Settlement Amount	\$	750,000.00
Incentive Payment:	\$	7,500.00
Class Counsel's Fees:	\$	262,500.00
Class Counsel's Costs:	\$	25,000.00
PAGA Penalties	\$	75,000.00
Settlement Administration Costs:	\$	9,000.00
Estimated Net Settlement Amount	\$	371,000.00

49. Individual Settlement Payment Calculations: Individual Settlement Payments will be paid from the Net Settlement Amount and the Twenty-Five Percent (25%) portion of the PAGA Penalties allocated for PAGA Members and shall be paid pursuant to the formula set forth herein:

a) Calculation of Class Portion of Individual Settlement Payments: The Settlement Administrator will calculate the total Workweeks for all Participating Class Members by adding the number of Workweeks worked by each Participating Class Member during the Class Period. The respective Workweeks for each Participating Class Member will be divided by the total Workweeks for all Participating Class Members, resulting in the Payment Ratio for each Participating Class Member. Each Participating Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member's estimated share of the Net Settlement Amount.

b) Calculation of PAGA Portion of Individual Settlement Payments: The Settlement Administrator will calculate the total Pay Periods for all PAGA Members by adding the number of Pay Periods worked by each PAGA Member during the PAGA Period. The

1 respective Pay Periods for each PAGA Member will be divided by the total Pay Periods for all
2 PAGA Members, resulting in the Penalties Ratio for each PAGA Member. Each PAGA
3 Member's Penalties Ratio will then be multiplied by the employee portion of the PAGA Penalties
4 to calculate each PAGA Member's estimated share of the PAGA Penalties. PAGA Members shall
5 receive this portion of their Individual Settlement Payment regardless of whether they opt out of
6 the participation regarding the Class claims.

7 c) Allocation of Individual Settlement Payments: All Individual Settlement
8 Payments will be allocated as follows: Twenty Percent (20%) of each Individual Settlement
9 Payment will be allocated as wages; Forty Percent (40%) shall be allocated as interest; and Forty
10 Percent (40%) shall be allocated as penalties. The portion of the Individual Settlement Payment
11 allocated to wages will be reported by the Settlement Administrator on an IRS Form W-2. The
12 remaining non-wage payments will be reported on an IRS Form-1099 by the Settlement
13 Administrator.

14 50. No Credit Toward Benefit Plans: The Individual Settlement Payments made to
15 Participating Class Members under this Settlement, as well as any other payments made pursuant
16 to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans
17 to which any Class Members may be eligible, including, but not limited to profit-sharing plans,
18 bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and
19 any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not
20 affect any rights, contributions, or amounts to which any Class Members may be entitled under
21 any benefit plans.

22 51. Settlement Administration Process: The Parties agree to cooperate in the
23 administration of the Settlement and to make all reasonable efforts to control and minimize the
24 costs and expenses incurred in administration of the Settlement. The Settlement Administrator
25 will provide the following services:

- 26 a) Establish and maintain a Qualified Settlement Fund.
27 b) Calculate the Individual Settlement Payment each Participating Class
28

Member is eligible to receive and the portion of the PAGA Penalties each PAGA Member shall receive.

- c) Translate the Notice from English to Spanish.
- d) Print and mail the Notice in English and Spanish.
- e) Conduct additional address searches for mailed Notices that are returned as undeliverable.
- f) Process Requests for Exclusion, field inquiries from Class Members.
- g) Print and issue Settlement Payment Checks, prepare IRS W-2 and 1099 Tax Forms and any other filings required by any governmental taxing authority.
- h) Provide declarations and/or other information to the Court as requested by the Parties and/or the Court regarding the settlement administration process.
- i) Provide weekly status reports to counsel for the Parties.
- j) Posting a notice of final judgment online at Settlement Administrator's website.

52. Delivery of the Class List and Tax Rate Information: Within fourteen (14) calendar days of Preliminary Approval, Defendant will provide the Class List and Tax Rate Information to the Settlement Administrator. This is a material term of the Agreement, and if Defendant fails to comply, Plaintiff shall have the right to void the Agreement.

53. Notice by First-Class U.S. Mail: Within seven (7) calendar days after receiving the Class List from Defendant, the Settlement Administrator will mail the Notice to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

54. Confirmation of Contact Information in the Class List: Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Notice returned to the Settlement Administrator as non-deliverable on or before the Response

Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Notice. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved, and will then perform a single re-mailing. If any Notice sent to a Class Member by the Settlement Administrator is returned as undeliverable to a current employee, then Defendant shall make all reasonable efforts to obtain the current address from the Class Member and provide the same within seven (7) calendar days of notice from the Settlement Administrator. Those Class Members who receive a re-mailed Notice, whether by skip-trace or by request, will have between the later of (a) an additional fifteen (15) calendar days or (b) the Response Deadline to postmark a Request for Exclusion, an Objection, or workweek dispute to the Settlement.

55. Notice: All Class Members will be mailed a Notice in English and Spanish. Each Notice will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's principal terms; (c) the Class definition; (d) the total number of Workweeks each respective Class Member worked for Defendant during the Settlement Class Period; (e) each Class Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (f) the dates which comprise the Class Period; (g) the deadlines by which the Class Member must postmark Requests for Exclusion, Objections to the Settlement, or workweek disputes; (h) the claims to be released, as set forth herein; and (j) the date for the final approval hearing.

56. Disputed Information on Notice: Class Members will have an opportunity to dispute the information provided in their Notice. To the extent Class Members dispute the number of Workweeks with which they have been credited or the amount of their Individual Settlement Payment, Class Members may produce evidence to the Settlement Administrator showing that such information is inaccurate. Absent evidence rebutting Defendant's records, Defendant's records will be presumed determinative. However, if a Class Member produces evidence to the contrary by the Response Deadline, the Parties will evaluate the evidence submitted by the Class

1 Member and the Parties will make the final decision as to the number of eligible Workweeks that
2 should be applied and/or the Individual Settlement Payment to which the Class Member may be
3 entitled. If the Parties do not agree, the dispute will be submitted to the Court.

4 57. Defective Submissions: If a Class Member's Request for Exclusion is defective as
5 to the requirements listed herein, that Class Member will be given an opportunity to cure the
6 defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3)
7 business days of receiving the defective submission to advise the Class Member that his or her
8 submission is defective and that the defect must be cured to render the Request for Exclusion
9 valid. The Class Member will have until the later of (a) the Response Deadline or (b) fifteen (15)
10 calendar days from the date of the cure letter, whichever date is later, to postmark a revised
11 Request for Exclusion. If a Class Member responds to a cure letter by filing a defective claim,
12 then the Settlement Administrator will have no further obligation to give notice of a need to cure.
13 If the revised Request for Exclusion is not postmarked within that period, it will be deemed
14 untimely.

15 58. Request for Exclusion Procedures: Any Class Member wishing to opt-out from the
16 Class settlement must sign and postmark a written Request for Exclusion to the Settlement
17 Administrator by the Response Deadline. The Request for Exclusion must include (a) the Class
18 Member's name, address, telephone number, and the last four digits of the Class Member's Social
19 Security number and/or the Employee ID number and (b) a statement requesting to be excluded
20 from the settlement of the Class claims. The date of the postmark on the return mailing envelope
21 receipt confirmation will be the exclusive means to determine whether a Request for Exclusion
22 has been timely submitted. All Requests for Exclusion will be submitted to the Settlement
23 Administrator, who will certify jointly to Class Counsel and Defendant's Counsel the Requests
24 for Exclusion that were timely submitted. All Class Members who do not request exclusion from
25 the Action will be bound by all terms of the Settlement Agreement if the Settlement is granted
26 final approval by the Court. The Request for Exclusion shall not be effective as to the release of
27 claims arising under the PAGA. Upon request, the Settlement Administrator shall provide
28 counsel for the Parties with a list of Class Members who have timely submitted a Request for

1 Exclusion.

2 59. Defendant's Right to Rescind: If Ten Percent (10%) or more of the Class Members
3 (rounded to the next whole number) elect not to participate in the Settlement, Defendant may, at
4 its election, rescind the Settlement Agreement and all actions taken in furtherance of it will be
5 thereby null and void. Defendant must meet and confer with Class Counsel prior to exercising
6 this right and must make clear its intent to rescind the Agreement within fourteen (14) calendar
7 days of the Settlement Administrator notifying the Parties of these opt-outs. If Defendant
8 exercises its right to rescind the Agreement, Defendant shall be responsible for all Settlement
9 Administration Costs incurred to the date of rescission.

10 60. Settlement Terms Bind All Class Members Who Do Not Opt-Out: Upon the
11 complete funding of the Gross Settlement Amount, any Class Member who does not affirmatively
12 opt-out of the Settlement by submitting a timely and valid Request for Exclusion will be bound
13 by all of its terms, including those pertaining to the Released Class Claims, as well as any
14 Judgment that may be entered by the Court if it grants final approval to the Settlement. Class
15 Members who opt-out of the Settlement shall not be bound by such Judgment or release. The
16 names of Class Members who have opted-out of the settlement shall be disclosed to the Counsel
17 for both Plaintiff and Defendant and noted in the proposed Judgment submitted to the Court.

18 61. Objection Procedures: To object to the Settlement, a Participating Class Member
19 must postmark a valid Objection to the Settlement Administrator on or before the Response
20 Deadline. The Objection must be signed by the Participating Class Member and contain all
21 information required by this Settlement Agreement including the employees full name, address,
22 telephone number, the last four digits of their social security number and/or Employee ID number
23 and a written statement of basis for the objection. The objector may include any copies of papers,
24 briefs, or documents upon which the objection is based. The postmark date will be deemed the
25 exclusive means for determining that the Notice of Objection is timely. Participating Class
26 Members who fail to object in the manner specified above will be foreclosed from making a
27 written objection, but shall still have a right to appear at the Final Approval Hearing in order to
28 have their objections heard by the Court. At no time will any of the Parties or their counsel seek

1 to solicit or otherwise encourage Participating Class Members to submit written objections to the
2 Settlement or appeal from the Order and Judgment. Class Counsel will not represent any Class
3 Members with respect to any objections to this Settlement.

4 62. Certification Reports Regarding Individual Settlement Payment Calculations: The
5 Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report
6 which certifies: (a) the number of Class Members who have submitted valid Requests for
7 Exclusion; (b) the number of Notices returned and re-mailed; and (c) whether any Class Member
8 has submitted a challenge to any information contained in the Notice. Additionally, the Settlement
9 Administrator will provide to Counsel for both Parties any updated reports regarding the
10 administration of the Settlement Agreement as needed or requested.

11 63. Uncashed Settlement Checks: Any checks issued by the Settlement Administrator
12 to Participating Class Members and PAGA Members will be negotiable for at least one hundred
13 eighty (180) calendar days. If a Participating Class Member or PAGA Member does not cash his
14 or her Settlement Check or PAGA payment check within one hundred eighty (180) days, the
15 uncashed funds, subject to Court approval, shall be distributed to the Controller of the State of
16 California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500, *et*
17 *seq.* for the benefit of those Participating Class Members and PAGA Members who did not cash
18 their checks until such time that they claim their property. The Parties agree that this disposition
19 results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire Net
20 Settlement Amount will be paid out to Participating Class Members and PAGA Members,
21 whether or not they all cash their Settlement Checks or PAGA payment checks. Therefore,
22 Defendant will not be required to pay any interest on such amounts. The Individual Settlement
23 Payments provided to Participating Class Members and to PAGA Members shall prominently
24 state the expiration date or a statement that the Settlement Check will expire in one hundred eighty
25 (180) days, or alternatively, such a statement may be made in a letter accompanying the Individual
26 Settlement Payment. Expired Individual Settlement Payments will not be reissued, except for
27 good cause and as mutually agreed by the Parties in writing. The Parties agree no unclaimed funds
28 will result from the Settlement.

1 64. Administration of Taxes by the Settlement Administrator: The Settlement
2 Administrator will be responsible for issuing to Plaintiff, Participating Class Members, and Class
3 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid
4 pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding
5 all payroll taxes and penalties to the appropriate government authorities.

6 65. Tax Liability: Defendant makes no representation as to the tax treatment or legal
7 effect of the payments called for hereunder, and Plaintiff and Participating Class Members are
8 not relying on any statement, representation, or calculation by Defendant or by the Settlement
9 Administrator in this regard. Plaintiff and Participating Class Members understand and agree that
10 they will be solely responsible for the payment of any taxes and penalties assessed on the
11 payments described herein (i.e., Social Security, Medicare, federal and state income taxes, SDI,
12 etc.), and will defend, indemnify, and hold Defendant free and harmless from any claims, taxes,
13 penalties, and/or assessments resulting from treatment of such payments as wages or non-taxable
14 damages. Defendant's share of any employer payroll taxes and other required employer
15 withholdings due on the Individual Settlement Payments, including, but not limited to,
16 Defendant's FICA and FUTA contributions, shall be paid separate and apart from the Gross
17 Settlement Amount.

18 66. Circular 230 Disclaimer: Each Party to this Agreement (for purposes of this
19 section, the "acknowledging party" and each Party to this Agreement other than the
20 acknowledging party, an "other party") acknowledges and agrees that: (1) no provision of this
21 Agreement, and no written communication or disclosure between or among the Parties or their
22 attorneys and other advisers, is or was intended to be, nor shall any such communication or
23 disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United
24 States Treasury Department circular 230 (31 CFR part 10, as amended); (2) the acknowledging
25 party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for
26 advice (including tax advice) in connection with this Agreement, (b) has not entered into this
27 Agreement based upon the recommendation of any other Party or any attorney or advisor to any
28 other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney

1 or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging
2 party; and (3) no attorney or adviser to any other Party has imposed any limitation that protects
3 the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such
4 limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or
5 tax structure of any transaction, including any transaction contemplated by this Agreement.

6 67. No Prior Assignments: The Parties and their Counsel represent, covenant, and
7 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
8 to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand,
9 action, cause of action or right herein released and discharged.

10 68. Release by Participating Class Members: Upon the complete funding of the Gross
11 Settlement Amount and all applicable employer-side payroll taxes by Defendant, Participating
12 Class Members shall fully and finally release and discharge the Released Parties from the
13 Released Class Claims that arose during the Class Period. This release shall be binding on all
14 Participating Class Members.

15 69. Release by the State of California and LWDA: As of the date on which Defendant
16 fully funds the Settlement, Plaintiff, the LWDA, and the State of California release the Released
17 Parties of and from the Released PAGA Claims that could have been asserted under PAGA based
18 on the facts alleged in the PAGA Notice provided to the LWDA and in the operative Complaint.
19 A copy of this Agreement will be provided to the LWDA concurrently with submission of the
20 Preliminary Approval Motion. Eligible PAGA Members will receive their share of the employee
21 portion of the PAGA Penalties and will be deemed to have released any claims arising out of
22 PAGA, regardless of whether they opt-out from the release of their Class claims.

23 70. Release of Additional Claims & Rights by Plaintiff: Upon the funding of the Gross
24 Settlement Amount, Plaintiff Garcia agrees—on behalf of herself only—to the additional
25 following General Release: In consideration of Defendant's promises and agreements as set forth
26 herein, Plaintiff hereby fully releases the Released Parties from any and all Released Class Claims
27 and Released PAGA Claims and also generally releases and discharges the Released Parties from
28 any and all claims, demands, obligations, causes of action, rights, or liabilities of any kind which

1 have been or could have been asserted against the Released Parties arising out of or relating to
2 her employment by Defendant or termination thereof, including but not limited to claims for
3 wages, restitution, penalties, retaliation, defamation, discrimination, harassment or wrongful
4 termination of employment. This release specifically includes any and all claims, demands,
5 obligations and/or causes of action for damages, restitution, penalties, interest, and attorneys' fees
6 and costs (except provided by the Settlement Agreement) relating to or in any way connected
7 with the matters referred to herein, whether or not known or suspected to exist, and whether or
8 not specifically or particularly described herein. Specifically, Plaintiff Garcia, waives all rights
9 and benefits afforded by California Civil Code Section 1542, which provides:

10 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
11 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
12 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE
13 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE
14 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
15 DEBTOR OR RELEASED PARTY.

16 This release specifically excludes claims for unemployment insurance, disability, social
17 security, and workers compensation (with the exception of claims arising pursuant to California
18 Labor Code Sections 132(a) and 4553).

19 71. Neutral Employment Reference: Defendant agrees that it will adopt a neutral
20 reporting policy regarding any future employment references related to Plaintiff. In the event that
21 any potential or future employers of Plaintiff request a reference regarding Defendant's
22 employment of Plaintiff, Defendant shall only provide Plaintiff's dates of employment and job
23 titles during employment. Defendant shall not refer to the Action or this Settlement.

24 72. Nullification of Settlement Agreement: In the event that: (a) the Court does not
25 finally approve the Settlement as provided herein; (b) the Court strikes or does not approve any
26 material term of this Settlement Agreement; or (c) the Settlement does not become final as written
27 and agreed to by the Parties for any other reason, then this Settlement Agreement, and any
28 documents generated to bring it into effect, will be null and void, all amounts deposited into the

1 QSF will be returned to Defendant, and the Parties shall be returned to their original respective
2 positions. Any order or judgment entered by the Court in furtherance of this Settlement
3 Agreement will likewise be treated as void from the beginning. Should the Court fail to approve
4 this Settlement for any reason, the Parties agree that they will return to and attend mediation with
5 a mutually agreed Mediator in an effort to reach a settlement that may be approved by the Court.

6 73. Preliminary Approval Hearing: Plaintiff will obtain a hearing before the Court to
7 request Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary
8 Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes
9 only; (b) Preliminary Approval of the proposed Settlement Agreement; and (c) setting a date for
10 a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for
11 the Notice to be sent to all Class Members as specified herein. In conjunction with the Preliminary
12 Approval hearing, Plaintiff will submit this Agreement, which sets forth the terms of the
13 Settlement, and will include the proposed Notice attached as Exhibit A. Defendant agrees that it
14 will not oppose Plaintiff's motion for preliminary approval, so long as the motion for preliminary
15 approval is entirely consistent with the material terms of this Agreement. If the Court declines
16 to approve the Settlement or approves it conditional on modifications to the settlement terms, the
17 Parties shall work in good faith to modify the settlement terms to obtain approval, provided the
18 material terms of the Settlement are not affected.

19 74. Final Settlement Approval Hearing and Entry of Judgment: Upon expiration of the
20 deadlines to postmark Requests for Exclusion, Objections to the Settlement Agreement, or
21 workweek disputes, and with the Court's permission, a Final Approval/Settlement Fairness
22 Hearing will be conducted to determine the Final Approval of the Settlement Agreement along
23 with the amounts properly payable for: (a) Individual Settlement Payments; (b) the Attorneys'
24 Fees and Costs; (c) the Class Representative Incentive Payment; and (d) the Settlement
25 Administration Costs. Class Counsel will be responsible for drafting all documents necessary to
26 obtain Final Approval. If the Court declines to approve the Settlement or approves it conditional
27 on modifications to the settlement terms, the Parties shall work in good faith to modify the
28 settlement terms to obtain approval, provided the material terms of the Settlement are not affected.

Defendant further agrees that it will not oppose Plaintiff's motion for final approval, so long as the motion for final approval is entirely consistent with the material terms of this Agreement.

75. Judgment and Continued Jurisdiction: Upon Final Approval of the Settlement by the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment to the Court for its approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement; (b) Settlement administration matters; and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement.

76. Exhibits Incorporated by Reference: The terms of this Settlement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Settlement are an integral part of the Settlement.

77. Entire Agreement: This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

78. Amendment or Modification: Subject to the Court's approval, this Settlement Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

79. Binding on Successors and Assigns: This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

80. California Law Governs: All terms of this Settlement Agreement and Exhibits hereto will be governed by and interpreted according to the laws of the State of California.

81. Execution and Counterparts: This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

82. Acknowledgement that the Settlement is Fair and Reasonable: The Parties believe

1 this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have
2 arrived at this Settlement after arm's-length negotiations and in the context of adversarial
3 litigation, taking into account all relevant factors, present and potential. The Parties further
4 acknowledge that they are each represented by competent counsel and that they have had an
5 opportunity to consult with their counsel regarding the fairness and reasonableness of this
6 Settlement.

7 83. Invalidity of Any Provision: Before declaring any provision of this Agreement
8 invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible
9 consistent with applicable precedents so as to define all provisions of this Agreement valid and
10 enforceable.

11 84. Waiver of Certain Appeals: The Parties agree to waive appeals and to stipulate to
12 class certification for purposes of this Settlement only; except, however, that either party may
13 appeal any court order that materially alters the Settlement Agreement's terms.

14 85. Class Action Certification for Settlement Purposes Only: The Parties agree to
15 stipulate to class action certification only for purposes of the Settlement. If, for any reason, the
16 Settlement is not approved, the stipulation to certification will be void. The Parties further agree
17 that certification for purposes of the Settlement is not an admission that class action certification
18 is proper under the standards applied to contested certification motions and that this Agreement,
19 or any documents or orders issued related to this Settlement, will not be admissible in this or any
20 other proceeding as evidence that either: (a) a class action should be certified or (b) Defendant
21 are liable to Plaintiff or any Class Member.

22 86. Non-Admission of Liability: The Parties enter into this Agreement to resolve the
23 dispute that has arisen between them and to avoid the burden, expense, and risk of continued
24 litigation. In entering into this Agreement, Defendant does not admit, and specifically denies, it
25 has violated any federal, state, or local law; violated any regulations or guidelines promulgated
26 pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached
27 any contract; violated or breached any duty; engaged in any misrepresentation or deception; or
28 engaged in any other unlawful conduct with respect to their employees. Neither this Agreement,

1 nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed
2 as an admission or concession by Defendant of any such violations or failures to comply with any
3 applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement, this
4 Agreement and its terms and provisions shall not be offered or received as evidence in any action
5 or proceeding to establish any liability or admission on the part of Defendant or to establish the
6 existence of any condition constituting a violation of, or a non-compliance with, federal, state,
7 local or other applicable law.

8 87. Captions: The captions and section numbers in this Agreement are inserted for the
9 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
10 provisions of this Agreement.

11 88. Waiver: No waiver of any condition or covenant contained in this Settlement
12 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered
13 to imply or constitute a further waiver by such party of the same or any other condition, covenant,
14 right or remedy.

15 89. Enforcement Action: Pursuant to California Code of Civil Procedure section
16 664.6, the Court shall retain jurisdiction with respect to the interpretation, implementation, and
17 enforcement of the terms of the Agreement and all orders and judgments entered in connection
18 therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for
19 purposes of interpreting, implementing, and enforcing the settlement embodied in this Agreement
20 and all orders and judgments entered in connection therewith. In the event that one or more of
21 the Parties institutes any legal action or other proceeding against any other Party or Parties to
22 enforce the provisions of this Settlement or to declare rights and/or obligations under this
23 Settlement, the prevailing Party or Parties will be entitled to recover from the unsuccessful Party
24 or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in
25 connection with any enforcement actions.

26 90. Mutual Preparation: The Parties have had a full opportunity to negotiate the terms
27 and conditions of this Agreement. Accordingly, this Agreement will not be construed more
28 strictly against one Party than another merely by virtue of the fact that it may have been prepared

by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

91. Representation By Counsel: The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel and reviewed in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Agreement.

92. All Terms Subject to Final Court Approval: All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

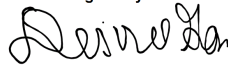
93. Cooperation and Execution of Necessary Documents: The Parties agree to cooperate to promote participation in the Settlement, and in seeking court approval of the Settlement. The Parties and their counsel agree not to take any action to encourage any Class Members to opt out of and/or object to the Settlement. Defendant agrees not to obtain waivers or *Pick-Up Stix* agreements from the Class Members during the Settlement approval process and will work in good faith to reach an agreement approved by the Court. Defendant further agrees that they will not oppose Plaintiff's motion for preliminary approval and/or motion for final approval, so long as the motion for preliminary approval and/or motion for final approval are entirely consistent with the terms of this Settlement Agreement. If the Court fails to approve this Settlement for any reason, the Parties agree to attend mediation again with Eve Wagner, Esq. in an effort to reach a settlement approved by the Court.

94. Confidentiality: The Parties and their counsel agree to keep the terms of the Settlement confidential until the filing of Plaintiff's motion for preliminary approval except to (1) the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency.

95. Binding Agreement: The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be

fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any settlement confidentiality provisions that otherwise might apply under federal or state law.

DATED: 2/22/2024

DocuSigned by:

C51E795B59B245D...

Plaintiff Desiree Garcia

DATED: _____

Defendant SESLOC Federal Credit Union

Name: _____

Title: _____

Approved as to Form:

PROTECTION LAW GROUP, LLP

DATED: 2/23/24



Heather Davis

Amir Nayebdadash

Priscilla Gamino

Attorneys for Plaintiff

DESIREE GARCIA

LAWYERS for JUSTICE, PC

DATED: 3/18/24



Arby Aiwarzian

Joanna Ghosh

Vartan Madoyan

Attorneys for Plaintiff

DESIREE GARCIA

1 fully enforceable and binding on all Parties and agree that it will be admissible and subject to
2 disclosure in any proceeding to enforce its terms, notwithstanding any settlement confidentiality
3 provisions that otherwise might apply under federal or state law.

4
5 DATED: _____

6 Plaintiff Desiree Garcia

7
8
9 DATED: 2/22/24

10 
11 Defendant SESLOC Federal Credit Union

12 Name: Geri LaChance

13 Title: President/CEO

14 Approved as to Form:

15 **PROTECTION LAW GROUP, LLP**

16
17 DATED: _____

18 Heather Davis
19 Amir Nayebdadash
20 Priscilla Gamino
21 *Attorneys for Plaintiff*
22 DESIREE GARCIA

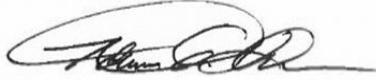
23 **LAWYERS for JUSTICE, PC**

24 DATED: _____

25 Arby Aiwarzian
26 Joanna Ghosh
27 Vartan Madoyan
28 *Attorneys for Plaintiff*
DESIREE GARCIA

1
2 **LEWIS BRISBOIS BISGAARD & SMITH, LLP**

3 DATED: March 12, 2024

4 

5 Matthew D. Taggart

6 Adam G. Khan

7 *Attorneys for Defendant*

8 SESLOC FEDERAL CREDIT UNION