

1 deemed filed as of the date of entry of the Order (i.e., February 1, 2022).

2 2. Defendant denies all allegations set forth in the Action and has asserted numerous
3 affirmative defenses. Notwithstanding, in the interest of avoiding further litigation, Defendant desires
4 to fully and finally settle the Action, Plaintiff’s Released Claims (as defined herein), Released Class
5 Claims (as defined herein), and Released PAGA Claims (as defined herein).

6 3. Class Counsel diligently investigated the class and PAGA claims against Defendant,
7 including any and all applicable defenses and the applicable law. The investigation included, *inter*
8 *alia*, the exchange of information, data, and documents, and review of corporate policies and practices.
9 The Parties have engaged in sufficient formal and informal discovery and investigation to assess the
10 relative merits of the claims and contentions of the Parties.

11 4. On November 28, 2023, the Parties participated in mediation with Steven J. Rottman,
12 Esq. (the “Mediator”), a respected mediator of complex wage and hour actions, and with the assistance
13 of the Mediator’s evaluations, the Parties reached the settlement that is memorialized herein. The
14 Parties’ settlement discussions were conducted at arms’ length, and the Settlement is the result of an
15 informed and detailed analysis of Defendant’s potential liability and exposure in relation to the costs
16 and risks associated with continued litigation. Based on Class Counsel’s investigation and evaluation,
17 Class Counsel believes that the settlement with Defendant for the consideration and on the terms set
18 forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the
19 Class Members, State of California, and PAGA Employees in light of all known facts and
20 circumstances, including the risk of significant delay and uncertainty associated with litigation and
21 various defenses asserted by Defendant.

22 5. The Parties expressly acknowledge that this Settlement Agreement is entered into
23 solely for the purpose of compromising disputed claims and that nothing herein is an admission of
24 liability or wrongdoing by Defendant. If for any reason this Settlement Agreement is not approved, it
25 will be of no force or effect, and the Parties shall be returned to their original respective positions.

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DEFINITIONS

6. The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective.

a. "Attorneys' Fees and Costs" means attorneys' fees approved by the Court for Class Counsel's litigation and resolution of the Action and all actual costs and expenses incurred and to be incurred by Class Counsel in connection with the Action, as set forth in Paragraph 9.

b. "Class" or "Class Member(s)" means all current and former non-exempt employees of Defendant who worked within the State of California during the Class Period.

c. "Class Counsel" means Jonathan M. Genish, Miriam L. Schimmel, Joana Fang, and Alexandra Rose of Blackstone Law, APC, who will seek to be appointed counsel for the Class.

d. "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. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the following information for each Class Member: (1) full name; (2) last known mailing address; (3) Social Security number; (4) number of Workweeks; and (5) number of PAGA Workweeks (if applicable).

e. "Class Notice" means the Notice of Class Action Settlement, substantially in the form attached hereto as "**Exhibit A**."

f. "Class Period" means the period from December 3, 2017 through the date on which the Court grants preliminary approval of the Settlement or the date that is sixty (60) calendar days after the date Plaintiff executes this Settlement Agreement, whichever is earlier, subject to Paragraph 13.

g. "Class Settlement" means the settlement and resolution of all Released Class Claims.

h. "Court" means the Superior Court of the State of California for the County of Alameda.

i. "Defendant's Counsel" means Derek R. Havel and Ian A. Michalak of Sheppard, Mullin, Richter & Hampton LLP.

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1 j. “Effective Date” means the date when all of the following events have occurred:
2 (1) the Settlement Agreement has been executed by all Parties, Class Counsel, and Defendant’s
3 Counsel; (2) the Court has given preliminary approval to the Settlement; (3) the Class Notice has been
4 mailed to the Class Members, providing them with an opportunity to object to the terms of the Class
5 Settlement or opt out of the Class Settlement; (4) the Court has had a Final Approval Hearing and
6 entered a Final Approval Order and Judgment; (5) sixty-five calendar days have passed since service
7 of a Notice of Entry of Judgment; and (6) in the event there are written objections to the Class
8 Settlement filed prior to the Final Approval Hearing which are not later withdrawn or denied, the later
9 of the following events: five business days after the period for filing any appeal, writ, or other appellate
10 proceeding opposing the Court’s Final Approval Order and Judgment has elapsed without any appeal,
11 writ, or other appellate proceeding having been filed, or, if any appeal, writ, or other appellate
12 proceeding opposing the Court’s Final Approval Order and Judgment has been filed, five business
13 days after any appeal, writ, or other appellate proceedings opposing the Court’s Final Approval Order
14 and Judgment has finally and conclusively dismissed with no right to pursue further remedies or relief.

15 k. “Employer Taxes” means the employer’s share of taxes and contributions in
16 connection with the wages portion of Individual Settlement Shares, which shall be paid by Defendant
17 in addition to the Gross Settlement Amount.

18 l. “Enhancement Payment” means the amount to be paid to Plaintiff, in
19 recognition of his effort and work in prosecuting the Action on behalf of Class Members and PAGA
20 Employees, and general release of claims, as set forth in Plaintiff’s Released Claims and Paragraph
21 10.

22 m. “Final Approval” means the determination by the Court that the Settlement is
23 fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

24 n. “Final Approval Hearing” means the hearing at which the Court will consider
25 and determine whether the Settlement should be granted Final Approval.

26 o. “Final Approval Order and Judgment” means the order granting final approval
27 of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the
28 Parties, and subject to approval by the Court.

1 p. "Gross Settlement Amount" means the amount of One Million Seventy-Five
2 Thousand Dollars and Zero Cents (\$1,075,000.00) to be paid by Defendant in full satisfaction of the
3 Action, Plaintiff's Released Claims, Released Class Claims, and Released PAGA Claims, which
4 includes all Attorneys' Fees and Costs, Enhancement Payment, PAGA Amount, Settlement
5 Administration Costs, and Net Settlement Amount to be paid to the Settlement Class Members.
6 Defendant shall pay the Employer Taxes separately and in addition to the Gross Settlement Amount.
7 The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Payment will
8 return to Defendant. The Gross Settlement Amount is subject to increase, as provided in Paragraph
9 13.

10 q. "Individual PAGA Payment" means the *pro rata* share of the PAGA Employee
11 Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be
12 calculated in accordance with Paragraph 15.

13 r. "Individual Settlement Payment" means the net payment of each Settlement
14 Class Member's Individual Settlement Share, after reduction for the employee's share of taxes and
15 withholdings with respect to the wages portion of the Individual Settlement Share, as provided in
16 Paragraph 16.

17 s. "Individual Settlement Share" means the *pro rata* share of the Net Settlement
18 Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated
19 in accordance with Paragraph 14.

20 t. "LWDA Payment" means the amount of Thirty-Seven Thousand Five Hundred
21 Dollars and Zero Cents (\$37,500.00), i.e., 75% of the PAGA Amount, that the Parties have agreed to
22 pay to the LWDA under the PAGA Settlement, as set forth in Paragraph 11.

23 u. "Net Settlement Amount" means the portion of the Gross Settlement Amount
24 that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount
25 less the Court-approved Attorneys' Fees and Costs, Enhancement Payment, PAGA Amount, and
26 Settlement Administration Costs.

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1 v. “Notice of Objection” means a Settlement Class Member’s written objection to
2 the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the
3 objector’s full name, signature, address, telephone number, and the last four (4) digits of the objector’s
4 Social Security number; (c) contain a written statement of all grounds for the objection accompanied
5 by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents
6 upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the
7 specified address, postmarked on or before the Response Deadline.

8 w. “PAGA Amount” means the allocation of Fifty Thousand Dollars and Zero
9 Cents (\$50,000.00) from the Gross Settlement Amount for the PAGA Settlement. Seventy-five
10 percent (75%) of the PAGA Amount, or \$37,500.00, will be paid to the LWDA (i.e., the LWDA
11 Payment) and the remaining twenty-five percent (25%), or \$12,500.00, will be distributed to the
12 PAGA Employees (i.e., the PAGA Employee Amount).

13 x. “PAGA Employees” means all current and former non-exempt employees of
14 Defendant who worked within the State of California during the PAGA Period.

15 y. “PAGA Employee Amount” means the amount of Twelve Thousand Five
16 Hundred Dollars and Zero Cents (\$12,500.00), i.e., 25% of the PAGA Amount, to be distributed to
17 PAGA Employees on a *pro rata* basis based on their PAGA Workweeks.

18 z. “PAGA Period” means the period from December 3, 2020 through the date on
19 which the Court grants preliminary approval of the Settlement or the date that is sixty (60) calendar
20 days after the date Plaintiff executes this Settlement Agreement, whichever is earlier, subject to
21 Paragraph 13.

22 aa. “PAGA Settlement” means the settlement and resolution of all Released PAGA
23 Claims.

24 bb. “PAGA Workweeks” means the number of weeks each PAGA Employee
25 worked for Defendant as a non-exempt employee within the State of California during the PAGA
26 Period. The PAGA Workweeks will be calculated by Defendant based on Defendant’s timekeeping
27 records (excluding weeks while on PTO or leave without any work performed) during the PAGA
28 Period.

1 cc. "Plaintiff's Released Claims" means any and all claims, known and unknown,
2 under federal, state, and/or local law, statute, ordinance, regulation, common law, or other source of
3 law, which Plaintiff, at the time of execution of this Settlement Agreement, had or claimed to have or
4 may have against the Released Parties, including but not limited to claims arising from or related to
5 his employment with Defendant and his compensation while an employee of Defendant.

6 Plaintiff's Released Claims include all claims, whether known or unknown.
7 Even if Plaintiff discovers facts in addition to or different from those that he now knows or believes
8 to be true with respect to the subject matter of Plaintiff's Released Claims, those claims will remain
9 released and forever barred. Thus, Plaintiff expressly waives and relinquishes the provisions, rights,
10 and benefits of Section 1542 of the California Civil Code, which reads:

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

15 dd. "Preliminary Approval" means the date on which the Court enters the
16 Preliminary Approval Order.

17 ee. "Preliminary Approval Order" means the order granting preliminary approval
18 of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by
19 the Court.

20 ff. "Released Class Claims" means any and all claims, debts, liabilities, demands,
21 obligations, guarantees, costs, expenses, attorneys' fees, damages, or causes of action which were
22 alleged or which could have been alleged based on the factual allegations in the Operative Complaint,
23 arising during the Class Period, under any federal, state, or local law, and shall specifically include
24 claims for Defendant's alleged failure to: pay overtime and minimum wages, properly calculate the
25 regular rate of pay, pay for all hours worked due to time rounding, provide compliant meal and rest
26 periods and associated premium payments, timely pay wages during employment and upon
27 termination, provide accurate wage statements, and maintain complete and accurate payroll records in
28 violation of California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194,

1 1197, 1197.1, and 1198, and Industrial Welfare Commission Wage Orders, and all claims for
2 attorneys' fees and costs, penalties, and statutory interest in connection therewith, California Business
3 and Professions Code sections 17200, *et seq.*, and any other claims, including claims for statutory
4 penalties, pertaining to the Class Members.

5 gg. "Released PAGA Claims" means any and all claims arising from any of the
6 factual allegations in the PAGA Letter and/or the Operative Complaint, arising during the PAGA
7 Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code
8 sections 2698 *et seq.*, including all claims for attorneys' fees and costs related thereto, for Defendant's
9 alleged failure to: pay overtime and minimum wages, properly calculate the regular rate of pay, pay
10 for all hours worked due to time rounding, provide compliant meal and rest periods and associated
11 premium payments, timely pay wages during employment and upon termination, provide complaint
12 wage statements, and maintain complete and accurate payroll records in violation of California Labor
13 Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, and 1198, and
14 Industrial Welfare Commission Wage Orders.

15 hh. "Released Parties" means Defendant and each of its past and present agents,
16 officers, directors, partners, representatives, exempt employees, shareholders, stockholders, attorneys,
17 parents, subsidiaries, divisions, assigns, predecessors, successors, insurers, joint venturers, and joint
18 employers.

19 ii. "Request for Exclusion" means a letter submitted by a Class Member indicating
20 a request to be excluded from the Class Settlement, which must: (a) contain the case name and number
21 of the Action; (b) contain the Class Member's full name, signature, address, telephone number, and
22 last four (4) digits of the Class Member's Social Security number; (c) clearly state that the Class
23 Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the
24 Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

25 jj. "Response Deadline" means the deadline by which Class Members must submit
26 a Request for Exclusion, Notice of Objection, and/or Workweeks Dispute, which shall be the date that
27 is forty five (45) calendar days from the initial mailing of the Class Notice by the Settlement
28 Administrator to Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which

1 case the Response Deadline will be extended to the next day on which the United States Postal service
2 is open. The Response Deadline may also be extended by express agreement between Class Counsel
3 and Defendant’s Counsel. Under no circumstances, however, will the Settlement Administrator have
4 the authority to extend the Response Deadline. In the event that a Class Notice is re-mailed to a Class
5 Member, the Response Deadline for that Class Member shall be extended fifteen (15) calendar days
6 from the original Response Deadline.

7 kk. “Settlement Administrator” means CPT Group, Inc., or any other third-party
8 class action settlement administrator agreed to by the Parties and approved by the Court for purposes
9 of administering the Settlement. The Parties and their counsel each represent that they do not have
10 any financial interest in the Settlement Administrator or otherwise have a relationship with the
11 Settlement Administrator that could create a conflict of interest.

12 ll. “Settlement Administration Costs” means the costs payable from the Gross
13 Settlement Amount to the Settlement Administrator for administering the Settlement, as set forth in
14 Paragraph 12.

15 mm. “Settlement Class” or “Settlement Class Member(s)” means all Class Members
16 who do not submit a timely and valid Request for Exclusion.

17 nn. “Workweeks” means the number of weeks each Class Member worked for
18 Defendant as a non-exempt employee within the State of California during the Class Period. The
19 Workweeks will be calculated by Defendant based on Defendant’s timekeeping records (excluding
20 weeks while on PTO or leave without any work performed) during the Class Period.

21 oo. “Workweeks Dispute” means a letter submitted by a Class Member disputing
22 the number of Workweeks and/or PAGA Workweeks to which they have been credited, which must:
23 (a) contain the case name and number of the Action; (b) contain the Class Member’s full name,
24 signature, address, telephone number, and the last four (4) digits of the Class Member’s Social Security
25 number; (c) clearly state that the Class Member disputes the number of Workweeks and/or PAGA
26 Workweeks credited to the Class Member and what the Class Member contends is the correct number;
27 and (f) be returned by mail to the Settlement Administrator at the specified address, postmarked on or
28 before the Response Deadline.

1 **CLASS CERTIFICATION**

2 7. For the purposes of this Settlement only, the Parties stipulate to the certification of the
3 Class.

4 8. The Parties agree that certification for the purpose of settlement is not an admission
5 that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for
6 whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as
7 part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not
8 be admissible in connection with, the issue of whether or not certification would be inappropriate in a
9 non-settlement context.

10 **TERMS OF THE AGREEMENT**

11 NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set
12 forth herein, the Parties agree, subject to the Court's approval, as follows:

13 9. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application
14 or motion by Class Counsel for attorneys' fees in the amount up to one-third (1/3) of the Gross
15 Settlement Amount (i.e., \$358,333.33 if the Gross Settlement Amount is \$1,075,000.00) and
16 reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement
17 of the Action, in an amount not to exceed Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00),
18 both of which will be paid from the Gross Settlement Amount. These amounts will cover any and all
19 work performed and any and all costs incurred by Class Counsel in connection with the litigation of
20 the Action, including without limitation all work performed and costs incurred to date, and all work
21 to be performed and all costs to be incurred in connection with obtaining the Court's approval of this
22 Settlement Agreement, including any objections raised and any appeals necessitated by those
23 objections. Class Counsel shall be solely and legally responsible for correctly characterizing this
24 compensation for tax purposes and for paying any taxes on the amounts received. The Settlement
25 Administrator shall issue an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs. Any
26 portion of the requested Attorneys' Fees and Costs that is not awarded by the Court to Class Counsel
27 shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.
28 The Court's ruling on the request for Attorneys' Fees and Costs shall not affect the enforceability of

1 this Agreement or the terms contained herein.

2 10. Enhancement Payment. Defendant agrees not to oppose or impede any application or
3 motion by Plaintiff for an Enhancement Payment in the amount up to Seven Thousand Five Hundred
4 Dollars and Zero Cents (\$7,500.00). The Enhancement Payment, which will be paid from the Gross
5 Settlement Amount, subject to Court approval, will be in addition to his Individual Settlement Payment
6 as a Settlement Class Member and Individual PAGA Payment as a PAGA Employee. Plaintiff shall
7 be solely and legally responsible for correctly characterizing this compensation for tax purposes and
8 for paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form
9 1099 to Plaintiff for the Enhancement Payment. Any portion of the requested Enhancement Payment
10 that is not awarded by the Court to Plaintiff shall be reallocated to the Net Settlement Amount for the
11 benefit of the Settlement Class Members. The Court's ruling on the request for the Enhancement
12 Payment shall not affect the enforceability of this Agreement or the terms contained herein.

13 11. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of
14 Fifty Thousand Dollars and Zero Cents (\$50,000.00) shall be allocated from the Gross Settlement
15 Amount toward penalties under the Private Attorneys General Act, California Labor Code Section
16 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$37,500.00, will be
17 paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%), or \$12,500.00, will be
18 distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on the
19 total number of PAGA Workweeks worked by each PAGA Employee during the PAGA Period (i.e.,
20 the Individual PAGA Payments).

21 12. Settlement Administration Costs. The Settlement Administrator will be paid for the
22 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,
23 which is currently not to exceed Fourteen Thousand Dollars and Zero Cents (\$14,000.00). These
24 costs, which will be paid from the Gross Settlement Amount, subject to Court approval, will include,
25 *inter alia*, printing, distributing, and tracking Class Notices and other documents for the Settlement,
26 calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms
27 and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and
28 declarations, and other duties and responsibilities set forth herein to process the Settlement, and as

1 requested by the Parties. To the extent the actual Settlement Administrator's costs are greater than the
2 estimated amount stated herein, such excess amount will be deducted from the Gross Settlement
3 Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded
4 Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement
5 Administrator to undertake the required settlement administration duties shall be reallocated to the Net
6 Settlement Amount for the benefit of the Settlement Class Members.

7 13. Escalator Clause. Defendant has represented that the Class Members worked a total of
8 50,032 workweeks during the period from December 3, 2017 through November 28, 2023. If it is
9 determined by the Settlement Administrator that the total number of Workweeks worked by the Class
10 Members during the Class Period actually exceeds 50,032 by more than 10% (i.e., if the Workweeks
11 exceed 55,035), Defendant, at its option, can either choose to: (a) cut off the end date for the Class
12 Period and PAGA Period as of the date on which the number of Workweeks does not exceed 55,035,
13 or (b) increase the Gross Settlement Amount on a *pro rata* basis equal to the percentage increase in
14 the number of Workweeks worked by the Class Members above 10% (i.e., if the number of
15 Workweeks increases by 11%, then the Gross Settlement Amount will increase by 1%).

16 14. Individual Settlement Share Calculations. Individual Settlement Shares will be
17 calculated and apportioned from the Net Settlement Amount based on the Class Members' number of
18 Workweeks, as follows:

19 a. After Preliminary Approval, the Settlement Administrator will divide the Net
20 Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek
21 Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value
22 to yield each Class Member's estimated Individual Settlement Share that each Class Member may be
23 entitled to receive under the Class Settlement.

24 b. After Final Approval, the Settlement Administrator will divide the final Net
25 Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Final Workweek
26 Value," and multiply each Settlement Class Member's individual Workweeks by the Final Workweek
27 Value to yield each Settlement Class Member's final Individual Settlement Share.

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1 15. Individual PAGA Payment Calculations. Individual PAGA Payments will be
2 calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees'
3 number of PAGA Workweeks, as follows: The Settlement Administrator will divide the PAGA
4 Employee Amount, i.e., 25% of the PAGA Amount, by the PAGA Workweeks of all PAGA
5 Employees to yield the "PAGA Workweek Value," and multiply each PAGA Employee's individual
6 PAGA Workweeks by the PAGA Workweek Value to yield each PAGA Employee's Individual
7 PAGA Payment.

8 16. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each
9 Individual Settlement Share will be allocated as follows: twenty percent (20%) wages and eighty
10 percent (80%) penalties, interest, and non-wage damages. The portion allocated to wages will be
11 reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages
12 will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement
13 Administrator will withhold the employee's share of taxes and withholdings with respect to the wages
14 portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their
15 Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes
16 and withholdings). The Employer Taxes will be paid separately and in addition to the Gross
17 Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%)
18 penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

19 17. Administration of Taxes by the Settlement Administrator. The Settlement
20 Administrator will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA
21 Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be
22 required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement
23 Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll
24 taxes and other legally required withholdings to the appropriate government authorities.

25 18. Tax Liability. Plaintiff, Class Counsel, Defendant, and Defendant's Counsel do not
26 intend anything contained in this Settlement Agreement to constitute advice regarding taxes or
27 taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiff, Settlement
28 Class Members, and PAGA Employees are not relying on any statement, representation, or calculation

1 by Defendant, the Settlement Administrator, or Class Counsel in this regard. Plaintiff, Settlement
2 Class Members, and PAGA Employees understand and agree that Plaintiff, Settlement Class
3 Members, and PAGA Employees will be solely responsible for the payment of any taxes and penalties
4 assessed on the payments described in this Settlement Agreement. Plaintiff, Settlement Class
5 Members, and PAGA Employees should consult with their tax advisors concerning the tax
6 consequences of any payment they receive under the Settlement.

7 19. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT
8 (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
9 TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN
10 “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
11 SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE
12 BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS
13 OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
14 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
15 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART
16 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY
17 UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE
18 (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B)
19 HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE
20 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
21 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
22 DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY
23 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
24 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
25 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISOR’S TAX
26 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING)
27 UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR
28 TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION

1 CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

2 20. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the
3 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually
4 are issued to the payee. It is expressly understood and agreed that payments made under this
5 Settlement shall not in any way entitle Plaintiff, Settlement Class Members, or any PAGA Employee
6 to additional compensation or benefits under any new or additional compensation or benefits, or any
7 bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period,
8 nor will it entitle Plaintiff, Settlement Class Members, or any PAGA Employee to any increased
9 retirement, 401K benefits or matching benefits, or deferred compensation benefits (notwithstanding
10 any contrary language or agreement in any benefit or compensation plan document that might have
11 been in effect during the Class Period).

12 21. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.
13 Upon execution of this Settlement Agreement, Plaintiff will obtain a hearing date from the Court for
14 Plaintiff's motion for preliminary approval of the Settlement, which Plaintiff and Class Counsel will
15 be responsible for drafting, and submit this Settlement Agreement to the Court in support of said
16 motion. Class Counsel will provide Defendant's Counsel a draft of the preliminary approval motion
17 before filing it with the Court. Defendant agrees not to oppose the motion for preliminary approval
18 of the Settlement consistent with this Settlement Agreement. By way of said motion, Plaintiff will
19 apply for the entry of the Preliminary Approval Order seeking the following:

- 20 a. Conditionally certifying the Class for settlement purposes only;
- 21 b. Granting Preliminary Approval of the Settlement;
- 22 c. Preliminarily appointing Plaintiff as the representative of the Class;
- 23 d. Preliminarily appointing Class Counsel as counsel for the Class;
- 24 e. Approving as to form and content, the mutually-agreed upon and proposed
25 Class Notice and directing its mailing by First Class U.S. Mail;
- 26 f. Approving the manner and method for Class Members to request exclusion
27 from or object to the Class Settlement as contained herein and within the Class Notice;

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1 g. Scheduling a Final Approval Hearing at which the Court will determine whether
2 Final Approval of the Settlement should be granted.

3 22. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(1)(2),
4 Class Counsel shall notify the LWDA of the Settlement upon filing the motion for preliminary
5 approval of the Settlement.

6 23. Delivery of Class List. Within twenty-one (21) calendar days of Preliminary Approval,
7 Defendant will provide the Class List to the Settlement Administrator.

8 24. Notice by First-Class U.S. Mail.

9 a. Within seven (7) calendar days after receiving the Class List from Defendant,
10 the Settlement Administrator will perform a search based on the National Change of Address Database
11 or any other similar services available, such as provided by Experian, for information to update and
12 correct for any known or identifiable address changes, and will mail a Class Notice (in the form
13 attached as **Exhibit A** to this Settlement Agreement) to all Class Members via First-Class U.S. Mail,
14 using the most current, known mailing addresses identified by the Settlement Administrator.

15 b. Any Class Notice returned to the Settlement Administrator as undeliverable on
16 or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding
17 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on
18 the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly
19 attempt to determine the correct address using a skip-trace or other search, using the name, address,
20 and/or Social Security number of the Class Member, and perform a single re-mailing within five (5)
21 calendar days.

22 c. Compliance with the procedures described herein above shall constitute due and
23 sufficient notice to Class Members of the Settlement and shall satisfy the requirements of due process.
24 Nothing else shall be required of or done by the Parties, Class Counsel, or Defendant's Counsel to
25 provide notice of the Settlement.

26 25. Disputes Regarding Workweeks and/or PAGA Workweeks. Class Members will have
27 an opportunity to dispute the number of Workweeks and/or PAGA Workweeks to which they have
28 been credited, as reflected in their respective Class Notices, by submitting a timely and valid

1 Workweeks Dispute to the Settlement Administrator, by mail, on or before the Response Deadline.
2 The date of the postmark on the return mailing envelope will be the exclusive means to determine
3 whether a Workweeks Dispute has been timely submitted. Absent evidence rebutting the accuracy of
4 Defendant's records and data as they pertain to the number of Workweeks and/or PAGA Workweeks
5 to be credited to a disputing Class Member, Defendant's records will be presumed to be correct and
6 determinative of the dispute. However, if a Class Member produces information and/or documents to
7 the contrary, the Settlement Administrator will evaluate the materials submitted by the Class Member
8 and the Settlement Administrator will resolve and determine the number of eligible Workweeks and/or
9 PAGA Workweeks that the disputing Class Member should be credited with under the Settlement.
10 The Settlement Administrator's decision on such disputes will be final and non-appealable.

11 26. Requesting Exclusion from the Class Settlement. Any Class Member wishing to be
12 excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the
13 Settlement Administrator, by mail, on or before the Response Deadline. The date of the postmark on
14 the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion
15 has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and
16 Defendant's Counsel the number of timely and valid Requests for Exclusion that are submitted, and
17 also identify the individuals who have submitted a timely and valid Request for Exclusion in a
18 declaration that is to be filed with the Court in advance of the Final Approval Hearing. At no time
19 will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to request
20 exclusion from the Class Settlement. Any Class Member who submits a Request for Exclusion is
21 prohibited from making any objection to the Class Settlement. Any Class Member who submits a
22 timely and valid Request for Exclusion will not be bound by the Class Settlement and will not be
23 issued an Individual Settlement Payment. Any Class Member who does not affirmatively request
24 exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion will be
25 bound by all of the terms of the Class Settlement, including and not limited to those pertaining to the
26 Released Class Claims, as well as any judgment that may be entered by the Court if it grants Final
27 Approval to the Settlement. Notwithstanding the above, the LWDA with respect to all PAGA
28 Employees and the State of California with respect to all PAGA Employees will release the Released

1 PAGA Claims and all PAGA Employees will be issued their Individual PAGA Payment, irrespective
2 of whether they submit a Request for Exclusion.

3 27. Objecting to the Class Settlement. To object to the Class Settlement, Settlement Class
4 Members must submit a timely and complete Notice of Objection to the Settlement Administrator, by
5 mail, on or before the Response Deadline. The date of the postmark on the return mailing envelope
6 will be the exclusive means to determine whether a Notice of Objection has been timely submitted.
7 The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the
8 number of Notices of Objection that are submitted (specifying which ones were timely and complete
9 and which were not), and also attach them to a declaration that is to be filed with the Court in advance
10 of the Final Approval Hearing. At no time will any of the Parties or their counsel seek to solicit or
11 otherwise encourage Settlement Class Members to object to the Class Settlement or appeal from the
12 Final Approval Order and Judgment. Settlement Class Members, individually or through counsel,
13 may also present their objection orally at the Final Approval Hearing, regardless of whether they have
14 submitted a Notice of Objection.

15 28. Reports by the Settlement Administrator. The Settlement Administrator shall provide
16 weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed
17 Class Notices; (ii) the number of Class Members who have submitted Workweeks Disputes; (iii) the
18 number of Class Members who have submitted Requests for Exclusion; and (iv) the number of
19 Settlement Class Members who have submitted Notices of Objection. Additionally, the Settlement
20 Administrator will provide to counsel for the Parties any updated reports regarding the administration
21 of the Settlement Agreement as needed or requested, and immediately notify the Parties when it
22 receives a request from an individual or any other entity regarding inclusion in the Class and/or
23 Settlement or regarding a Workweeks Dispute.

24 29. Defendant's Right to Rescind. If ten percent (10%) or more of the Class Members
25 submit timely and valid Requests for Exclusion, Defendant may elect to rescind the Settlement
26 Agreement. Defendant must exercise this right of rescission in writing that is provided to Class
27 Counsel within fourteen (14) calendar days of the Settlement Administrator notifying the Parties of
28 the number of Class Members who have submitted timely and valid Requests for Exclusion following

1 the Response Deadline. If Defendant exercises this option, Defendant shall pay any costs of settlement
2 administration owed to the Settlement Administrator incurred up to that date.

3 30. Certification of Completion. Upon completion of administration of the Settlement, the
4 Settlement Administrator will provide a written declaration under oath to certify such completion to
5 the Court and counsel for all Parties.

6 31. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After
7 the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final
8 Approval of the Settlement should be granted, along with the amounts properly payable for: (a)
9 Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys'
10 Fees and Costs; (e) Enhancement Payment; and (e) Settlement Administration Costs. The Final
11 Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline.
12 Plaintiff and Class Counsel will be responsible for drafting the motion seeking Final Approval of the
13 Settlement. Class Counsel will provide Defendant's Counsel a draft of the final approval motion
14 before filing it with the Court. By way of said motion, Plaintiff will apply for the entry of the Final
15 Approval Order and Judgment, which will provide for, in substantial part, the following:

- 16 a. Approval of the Settlement as fair, reasonable, and adequate, and directing
17 consummation of its terms and provisions;
- 18 b. Certification of the Settlement Class;
- 19 c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
- 20 d. Approval of the application for Enhancement Payment to Plaintiff;
- 21 e. Directing Defendant to fund all amounts due under the Settlement Agreement
22 and ordered by the Court; and
- 23 f. Entering judgment in the Action, while maintaining continuing jurisdiction, in
24 conformity with California Rules of Court 3.769 and the Settlement Agreement.

25 32. Funding of the Gross Settlement Amount. No later than seven (7) calendar days after
26 the Effective Date, Defendant will deposit the Gross Settlement Amount into a Qualified Settlement
27 Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B-1, *et seq.*, to be established
28 by the Settlement Administrator. Defendant shall provide all information necessary for the Settlement

1 Administrator to calculate necessary payroll taxes including its official name, 8-digit state
2 unemployment insurance tax ID number, and other information requested by the Settlement
3 Administrator, no later than seven (7) calendar days after the Effective Date.

4 33. Distribution of the Gross Settlement Amount. Within five (5) business days of the
5 funding of the Gross Settlement Amount, the Settlement Administrator will issue the Individual
6 Settlement Payments to Settlement Class Members, Individual PAGA Payments to PAGA Employees,
7 LWDA Payment to the LWDA, Enhancement Payment to Plaintiff, Attorneys' Fees and Costs to Class
8 Counsel, and Settlement Administration Costs to itself. The Settlement Administrator shall also set
9 aside the Employer Taxes and all employee-side payroll taxes, contributions, and withholding, and
10 timely forward these to the appropriate government authorities.

11 34. Settlement Checks. The Settlement Administrator will be responsible for undertaking
12 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way
13 of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the
14 PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the
15 Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA
16 Payment into one check if the intended recipient for both payments is one individual. Settlement Class
17 Members and PAGA Employees are not required to submit a claim to be issued an Individual
18 Settlement Payment and/or Individual PAGA Payment. Each Individual Settlement Payment and
19 Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180)
20 calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds
21 associated with such canceled checks shall be distributed by the Settlement Administrator to Legal
22 Aid at Work (the proposed *cy pres* recipient) in accordance with California Code of Civil Procedure
23 Section 384. The Parties and their counsel each represent that they do not have any financial interest
24 in, or otherwise have a relationship with, the proposed *cy pres* recipient that could create a conflict of
25 interest. The Settlement Administrator shall undertake amended and/or supplemental tax filings and
26 reporting required under applicable local, state, and federal tax laws that are necessitated due to the
27 cancelation of any Individual Settlement Payment and/or Individual PAGA Payment checks. To the
28 extent that the Settlement Administrator is able to obtain or receive the return or refund of the amounts
that were transmitted to taxing authorities for the employees' share of taxes, contributions, an/or

1 withholding associated with canceled Individual Settlement Payments, all such amounts shall also be
2 transmitted to Legal Aid at Work.

3 35. Plaintiff, Settlement Class Members, LWDA with respect to the PAGA Employees,
4 and State of California with respect to the PAGA Employees Releases. Upon the full funding of the
5 Gross Settlement Amount, Plaintiff will be deemed to have fully, finally, and forever released, settled,
6 compromised, relinquished, and discharged Plaintiff's Released Claims; Plaintiff and all Settlement
7 Class Members will be deemed to have fully, finally, and forever released, settled, compromised,
8 relinquished, and discharged the Released Parties of all Released Class Claims; and Plaintiff, the
9 LWDA with respect to all PAGA Employees, and the State of California with respect to all PAGA
10 Employees will be deemed to have fully, finally, and forever released, settled, compromised,
11 relinquished, and discharged the Released Parties of all Released PAGA Claims.

12 36. Final Approval Order and Judgment. The Parties shall provide the Settlement
13 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,
14 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for
15 sixty (60) calendar days. No individualized notice of the Final Approval Order and Judgment to the
16 Class will be required.

17 37. Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the
18 Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and
19 Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the
20 interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters,
21 and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this
22 Settlement Agreement.

23 38. Effects of Termination or Rescission of Settlement. Termination or rescission of the
24 Settlement Agreement shall have the following effects:

25 a. The Settlement Agreement shall be void and shall have no force or effect, and
26 no Party shall be bound by any of its terms;

27 b. In the event the Settlement Agreement is terminated, Defendant shall have no
28 obligation to make any payments to any Party, Class Member, or attorney, except that the terminating

1 Party shall pay the Settlement Administrator for services rendered up to the date the Settlement
2 Administrator is notified that the Settlement has been terminated;

3 c. The Preliminary Approval Order, Final Approval Order and Judgment,
4 including any order certifying the Class, shall be vacated;

5 d. The Settlement Agreement and all negotiations, statements, and proceedings
6 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be
7 restored to their respective positions in the Action prior to the execution of the Settlement Agreement;

8 e. Neither this Settlement Agreement, nor any ancillary documents, actions,
9 statements, or filings in furtherance of the Settlement (including all matters associated with the
10 mediation) shall be admissible or offered into evidence in the Action or any other action for any
11 purpose whatsoever; and

12 f. Any documents generated to bring the Settlement into effect, will be null and
13 void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will
14 likewise be treated as void from the beginning.

15 39. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
16 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
17 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause
18 of action or right herein released and discharged.

19 40. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set
20 forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein.
21 Any exhibits to this Settlement Agreement are an integral part of the Settlement.

22 41. Limitations on Publicity. Neither Plaintiff nor Class Counsel shall issue any press
23 release or announcement of any kind, including, but not limited to, listing on any firm website, related
24 in any way to this Settlement. Plaintiff and Class Counsel agree that, prior to Preliminary Approval,
25 they will keep the terms of this Settlement confidential except for purposes of communicating with
26 Plaintiff only. Plaintiff shall be informed that the Settlement is confidential and shall be advised to
27 keep the Settlement confidential. Plaintiff further agrees not to disclose the Settlement, or the terms
28 of the Settlement, on any website, app, or otherwise, either in his own name or anonymously. From
and after Preliminary Approval, Plaintiff and Class Counsel agree to limit their statements regarding

1 the terms of this Settlement, whether oral, written, or electronic (including the world wide web), to
2 say the Action has been resolved. Nothing in this Paragraph is intended to interfere with Class
3 Counsel’s duties and obligations to faithfully discharge their duties as Class Counsel, including but
4 not limited to, communicating with Class Members regarding this Settlement. Nothing herein will
5 restrict Class Counsel from including publicly available information regarding this Settlement in
6 future judicial submissions regarding Class Counsel’s qualifications and experience. Furthermore,
7 Plaintiff and Class Counsel will undertake any and all disclosures required to be made to the LWDA
8 in conformity with PAGA.

9 42. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the
10 entirety of the Parties’ agreement relating to the settlement and transaction completed thereby, and all
11 prior or contemporaneous agreements, understandings, representations, and statements, whether oral
12 or written and whether by a Party or such Party’s legal counsel, are merged herein. No other prior or
13 contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties
14 expressly recognize California Civil Code § 1625 and California Code of Civil Procedure § 1856(a),
15 which provide that a written agreement is to be construed according to its terms and may not be varied
16 or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written
17 representations or terms will modify, vary, or contradict the terms of this Settlement Agreement.

18 43. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in
19 the Action (including with respect to California Code of Civil Procedure § 583.310), except such
20 proceedings necessary to implement and complete this Settlement Agreement, pending the Final
21 Approval Hearing to be conducted by the Court.

22 44. Amendment or Modification. Prior to the filing of the motion for preliminary approval
23 of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement
24 except by written agreement signed by counsel for all Parties. After the filing of the motion for
25 preliminary approval of the Settlement, the Parties may not amend or modify any provision of this
26 Settlement Agreement except by written agreement signed by counsel for all the Parties and subject
27 to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not
28 constitute a waiver of any other provision.

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1 45. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
2 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
3 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
4 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
5 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
6 full authority to enter into this Settlement Agreement, and further intend that this Settlement
7 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible
8 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation
9 confidentiality provisions that otherwise might apply under state or federal law.

10 46. Signatories. The Class Notice will advise all Class Members of the binding nature of
11 the Class Settlement as to the Settlement Class Members and the binding nature of the PAGA
12 Settlement as to the State of California with respect to all PAGA Employees, and the releases provided
13 for by this Settlement Agreement shall have the same force and effect as if this Settlement Agreement
14 were executed by each Settlement Class Member and the State of California.

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

17 48. California Law Governs. All terms of this Settlement Agreement and attached exhibits
18 hereto will be governed by and interpreted according to the laws of the State of California.

19 49. Execution and Counterparts. This Settlement Agreement is subject only to the
20 execution of all Parties. However, this Settlement Agreement may be executed in one or more
21 counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned
22 copies of the signature page, will be deemed to be one and the same instrument.

23 50. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
24 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at
25 this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into
26 account all relevant factors, present and potential. The Parties further acknowledge that they are each
27 represented by competent counsel and that they have had an opportunity to consult with their counsel
28 regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to
obtain approval of the Settlement, the Mediator may execute a declaration supporting the Settlement

1 and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to
2 discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

3 51. Invalidity of Any Provision. Before declaring any provision of this Settlement
4 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
5 possible consistent with applicable precedents so as to define all provisions of this Settlement
6 Agreement valid and enforceable.

7 52. Plaintiff's Cooperation. Plaintiff agrees to sign this Settlement Agreement and, by
8 signing this Settlement Agreement, is hereby bound by the terms herein and agrees to fully cooperate
9 to implement the Settlement.

10 53. Non-Admission of Liability. The Parties enter into this Settlement Agreement to
11 resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of
12 continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and
13 specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines
14 promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements;
15 breached any contract; violated or breached any duty; engaged in any misrepresentation or deception;
16 or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement
17 Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be
18 construed as an admission or concession by Defendant of any such violations or failures to comply
19 with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement
20 Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received
21 as evidence in any action or proceeding to establish any liability or admission on the part of Defendant
22 or to establish the existence of any condition constituting a violation of, or a non-compliance with,
23 federal, state, local or other applicable law.

24 54. Captions. The captions and paragraph numbers in this Settlement Agreement are
25 inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or
26 intent of the provisions of this Settlement Agreement.

27 55. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
28 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be

1 construed more strictly against one Party than another merely by virtue of the fact that it may have
2 been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length
3 negotiations between the Parties, all Parties have contributed equally to the preparation of this
4 Settlement Agreement.

5 56. Representation By Counsel. The Parties acknowledge that they have been represented
6 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
7 that this Settlement Agreement has been executed with the consent and advice of counsel, and
8 reviewed in full.

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

11 58. Notices. All notices, demands, and other communications to be provided concerning
12 the Settlement Agreement shall be in writing and deemed to have been duly given as of the third
13 business day after mailing by First Class U.S. Mail, or the day sent by email or messenger, addressed
14 as follows:

15 To Plaintiff and Class Counsel:

16 Jonathan M. Genish

17 jgenish@blackstonepc.com

18 Miriam L. Schimmel

19 mschimmel@blackstonepc.com

20 Joana Fang

21 jfang@blackstonepc.com

22 Alexandra Rose

23 arose@blackstonepc.com

24 **BLACKSTONE LAW, APC**

25 8383 Wilshire Boulevard, Suite 745

26 Beverly Hills, California 90211

27 Tel: (310) 622-4278 / Fax: (855) 786-6356

28 To Defendant:

Derek R. Havel

dhavel@sheppardmullin.com

Ian A. Michalak

imichalak@sheppardmullin.com

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

333 South Hope Street, 43rd Floor

Los Angeles, California 90071

Tel: (213) 620-1780 / Fax: (213) 620-1398

1 59. Cooperation and Execution of Necessary Documents. All Parties and their counsel will
2 cooperate with each other in good faith and use their best efforts to implement the Settlement,
3 including and not limited to, executing all documents to the extent reasonably necessary to effectuate
4 the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or
5 content of any document needed to implement the Settlement Agreement, or on any supplemental
6 provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties
7 may seek the assistance of the Mediator and then the Court to resolve such disagreement.

8 **IN WITNESS WHEREOF**, the Parties hereto knowingly and voluntarily executed this Joint
9 Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendant:

10 **IT IS SO AGREED.**

11 **PLAINTIFF BOBBY BIRDI**

12 Dated: 01/23/2024

13 
14 Bobby Birdi

15 **DEFENDANT LUCID USA, INC.**


16 Dated: _____

17 _____
18 Full Name: Ross Boughton
19 Title: Deputy General Counsel
20 On behalf of Lucid USA, Inc.

21 **APPROVED AS TO FORM ONLY:**

22 **BLACKSTONE LAW, APC**

23 Dated: January 23, 2024

24 
25 Jonathan M. Genish
26 *Attorneys for Plaintiff Bobby Birdi*
27 and Proposed Class Counsel

28 **SHEPPARD, MULLIN, RICHTER &
HAPMTON LLP**

Dated: _____

Derek R. Havel
Ian A. Michalak
Attorneys for Defendant Lucid USA, Inc.

1 59. Cooperation and Execution of Necessary Documents. All Parties and their counsel will
2 cooperate with each other in good faith and use their best efforts to implement the Settlement,
3 including and not limited to, executing all documents to the extent reasonably necessary to effectuate
4 the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or
5 content of any document needed to implement the Settlement Agreement, or on any supplemental
6 provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties
7 may seek the assistance of the Mediator and then the Court to resolve such disagreement.

8 **IN WITNESS WHEREOF**, the Parties hereto knowingly and voluntarily executed this Joint
9 Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendant:

10 **IT IS SO AGREED.**

PLAINTIFF BOBBY BIRDI

11
12 Dated: _____

Bobby Birdi

DEFENDANT LUCID USA, INC.

13
14
15
16 Dated: 01/22/2024 | 11:48 AM PST

DocuSigned by:
Ross Boughton

0E747DB6C647469...

Full Name: Ross Boughton
Title: Deputy General Counsel
On behalf of Lucid USA, Inc.

17
18 **APPROVED AS TO FORM ONLY:**

BLACKSTONE LAW, APC

19
20
21 Dated: _____

Jonathan M. Genish
*Attorneys for Plaintiff Bobby Birdi
and Proposed Class Counsel*

**SHEPPARD, MULLIN, RICHTER &
HAPMTON LLP**

22
23
24
25 Dated: January 24, 2024

T. Havel

Derek R. Havel
Ian A. Michalak
Attorneys for Defendant Lucid USA, Inc.