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15
16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
17 **FOR THE COUNTY OF SAN DIEGO**

18
19 IVAN VILLALOBOS, as an individual, on)
behalf of himself, and all persons similarly)
20 situated,)
21 Plaintiff,)
22 v.)
23 SALEM & BIDDLE, INC. d.b.a.)
SECURITY FIRST, a California corporation)
24 authorized to do business in the state of)
California; SAYFE A. SALEM, an)
25 individual; and DOES 1 to 10, inclusive,)
26 Defendants.)

Case No.: 37-2019-00010804-CU-OE-CTL
Judge: Honorable Richard E. L. Strauss,
Dept.: C-75

**STIPULATION OF SETTLEMENT OF
CLASS ACTION AND RELEASE OF
CLAIMS**

Complaint filed: February 2, 2019
FAC filed: April 12, 2019
Trial Date: None Set

27 _____)
28

1 This Stipulation of Class Action Settlement and Release of Claims is entered into by and
2 between Plaintiff IVAN VILLALOBOS, individually and on behalf of the Settlement Class, and
3 Defendants SALEM & BIDDLE, INC. d.b.a. SECURITY FIRST and SAYFE A. SALEM.

4 **I. DEFINITIONS**

- 5 A. "Action" shall mean *Villalobos v. Salem & Biddle, Inc. d.b.a. Security First et al.*,
6 Case Number 37-2019-00010804-CU-OE-CTL, filed 02/26/2019, as a putative class
7 action lawsuit and representative action.
- 8 B. "Agreement" or "Settlement Agreement" means this Stipulation of Settlement of
9 Class Action and Release of Claims.
- 10 C. "Class Counsel" shall mean collectively R. Craig Clark and Monique R. Rodriguez
11 of Clark Law Group; and Walter Haines of United Employees Law Group.
- 12 D. "Class Counsel Award" means the award of fees and expenses that the Court
13 authorizes to be paid to Class Counsel for the services they have rendered to
14 Plaintiffs and the Class in the Action, consisting of attorneys' fees not to exceed
15 thirty-three percent (33.33%) of the Total Settlement Amount (or \$91,666.67) plus
16 costs and expenses not to exceed ten thousand dollars (\$10,000).
- 17 E. "Class Data" means information regarding Settlement Class Members that
18 Defendants will in good faith compile from its records and provide to the Settlement
19 Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall
20 include: each Settlement Class Member's full name; last known mailing address;
21 last known telephone number; email address (if available); Social Security Number;
22 start dates and end dates of employment during the Class Period; and the total
23 number of Work Weeks worked, in excess of twenty-five (25) work days, during the
24 Class Period.
- 25 F. "Class Period" and "Covered Period" means the period from February 27, 2015,
26 through September 19, 2019.
- 27 G. "Class Representative" or "Plaintiff" means Plaintiff Ivan Villalobos.
- 28

- 1 H. “Class Representative Service Award” means the amount that the Court authorizes
2 to be paid to Plaintiff, in addition to his Individual Settlement Payment, in
3 recognition of his efforts and risks in assisting with the prosecution of the Action
4 and in exchange for executing a General Release of Defendants.
- 5 I. “Corporate Defendant” shall mean Salem & Biddle, Inc. d.b.a. Security First.
- 6 J. “Court” means the Superior Court for the State of California, County of San Diego.
- 7 K. “Defendants” means Salem & Biddle, Inc. d.b.a. Security First and Sayfe A. Salem.
- 8 L. “Effective Date” means: sixty (60) calendar days after entry of the Court’s order
9 granting final approval of the Settlement Agreement; unless an appeal is timely
10 filed, then “Effective Date” means the date of final resolution of any appeal from
11 the order granting final approval of the Settlement Agreement.
- 12 M. “Employer Taxes” means the employer-funded taxes and contributions imposed on
13 the wage portions of the funds pursuant to the Federal Insurance Contributions Act,
14 the Federal Unemployment Tax Act and any other applicable federal or state law
15 that requires employers to pay taxes on wages. Defendants shall be responsible for
16 all employer taxes related to this settlement separate and apart from the Total
17 Settlement Amount.
- 18 N. “Funding Date” means the date Defendants have paid the Total Settlement Amount
19 into the QSF (defined below) in accord with the terms of this Agreement.
- 20 O. “Individual Defendant” means Sayfe A. Salem.
- 21 P. “Individual Settlement Payment” means the amount payable from the Net
22 Settlement Amount to each Settlement Class Member.
- 23 Q. “Net Settlement Amount” or “NSA” means the Total Settlement Amount, less Class
24 Counsel Award, Class Representative Service Award, PAGA Payment, and
25 Settlement Administration Costs.
- 26 R. “Notice Packet” means the Notice of Class Action Settlement in a form substantially
27 similar to the form attached as **Exhibit 1**.
- 28

- 1 S. "PAGA" means the California Labor Code's Private Attorneys General Act of 2004
2 (codified in Labor Code §§ 2698 *et seq.*).
- 3 T. "Parties" means Plaintiff and Defendants, collectively, and "Party" shall mean either
4 Plaintiff or Defendants, individually.
- 5 U. "Payment Ratio" means the respective Work Weeks for each Settlement Class
6 Member divided by the total Work Weeks for all Settlement Class Members.
- 7 V. "QSF" means the Qualified Settlement Fund established, designated and maintained
8 by the Settlement Administrator to fund the Total Settlement Amount.
- 9 1. "Released Claims" means all claims, actions, demands, causes of action, suits,
10 debts, obligations, damages, rights, liabilities, or legal theories of relief that are
11 based on the facts asserted in the operative complaint, including but not limited to
12 all of the following causes of action: **(1) Failure to pay minimum wages and**
13 **overtime compensation (Labor Code §§ 204, 210, 510, 1194, 1197, 1197.1,**
14 **1198, and 1199); (2) Failure to provide legally compliant meal periods or**
15 **compensation in lieu thereof (Labor Code §§ 204, 226.7, and 512); (3) Failure**
16 **to provide legally compliant rest periods or compensation in lieu thereof**
17 **(Labor Code §§ 204 and 226. 7); (4) Failure to reimburse necessary work**
18 **expenses (Labor Code §§ 2800 and 2802); (5) Unlawful deduction of wages**
19 **(Labor Code §§ 221, 224, 403, 404, and 406); (6) Failure to pay wages owed**
20 **(Labor Code §§ 201-203); (7) Failure to furnish accurate itemized wage**
21 **statements (Labor Code §§ 226 and 226.3); (8) Failure to maintain accurate**
22 **records (Labor Code §§ 226(a) and 1174); (9) Unfair business practices (Bus.**
23 **& Prof. Code §§ 17200 et seq.); and (10) Private Attorneys General Act of**
24 **2004 (Labor Code §§ 2698 et seq.),** including but not limited to the California
25 Labor Code, the applicable Wage Orders, and the California Unfair Competition
26 Law that are based on the facts alleged in the operative complaint (collectively, the
27 "Released Claims"). The Released Claims do not cover or include (1) claims for
28 Worker's Compensation; (2) claims for unemployment or disability payments; (3)

1 claims for discrimination, retaliation or harassment; (4) tort claims; (5) or any other
2 claims that cannot be released as a matter of law. The period of the Release shall
3 extend to the limits of the Class Period. The *res judicata* effect of the Judgment
4 will be the same as that of the Release.

5 W. “Released Parties” means Salem & Biddle, Inc. d.b.a. Security First, any
6 subsidiaries, predecessors, successors, members, managers, affiliates, and otherwise
7 related entities, and any of its past, present and/or future, direct and/or indirect,
8 officers, directors, partners, investors, shareholders, administrators, parent
9 companies, divisions, assigns, and joint ventures, and Sayfe A. Salem, individually.

10 X. “Response Deadline” means the date forty-five (45) calendar days after the
11 Settlement Administrator mails Notice Packets to Settlement Class Members and
12 the last date on which Settlement Class Members may submit requests for exclusion
13 or objections to the Settlement.

14 Y. “Settlement” means the disposition of the Action pursuant to this Agreement.

15 Z. “Settlement Administrator” means Phoenix Class Action Administration Solutions
16 (“Phoenix”). The Settlement Administrator establishes, designates and maintains, as
17 a QSF under Internal Revenue Code section 468B and Treasury Regulation section
18 1.468B-1, into which the amount of the Total Settlement Amount is deposited for
19 the purpose of resolving the claims of Settlement Class Members. The Settlement
20 Administrator shall maintain the funds until distribution in an account(s) segregated
21 from the assets of Defendants and any person related to Defendants.

22 AA. “Settlement Class Members” or “Settlement Class” means all current and former
23 non-exempt Security Officers employed by Defendants in the state of California
24 who worked more than twenty-five (25) calendar days during the Class Period. The
25 “Settlement Class Members” shall not include any person who submits a timely and
26 valid request for exclusion as provided in this Agreement.

27 BB. “Stipulated Judgment” means the stipulation for judgment, in a form substantially
28 similar to the form attached as **Exhibit 2**, that Defendant Salem A. Sayfe will

1 execute in conjunction with this Agreement, which will only be filed with the Court
2 in the event of default, as described in Section III (D).

3 CC. "Total Settlement Amount" means two hundred seventy-five thousand dollars
4 (\$275,000) that the Corporate Defendant must pay into the QSF in connection with
5 this Settlement, inclusive of the sum of the Individual Settlement Payments, the
6 Class Representative Service Payment Award, the Class Counsel Award, PAGA
7 Payment, the Settlement Administration Costs. The Total Settlement Amount may
8 increase if the Corporate Defendant exercises a Payment Deferral pursuant to
9 Section III(A)(3) of this Agreement. The Total Settlement Amount does not include
10 Employer Taxes, which are to be paid separate and apart by the Corporate
11 Defendant.

12 DD. "Work Weeks" means the number of weeks of employment for each Settlement
13 Class Member during the Class Period. The Administrator will calculate the number
14 of Work Weeks by calculating the number of days each Settlement Class Member
15 was employed during the Class Period, dividing by seven (7), and rounding up to
16 the nearest whole number.

17 II. RECITALS

18 This Agreement is made with reference to the following recital of essential facts:

- 19 A. On February 5, 2019, Plaintiff submitted written notice to the California Labor and
20 Workforce Development Agency ("LWDA") of Defendants alleged violations of
21 the California Labor Code ("Labor Code") in accordance with the Private Attorneys
22 General Act (codified in Labor Code §§ 2698 *et seq.*, "PAGA"). Plaintiff also sent a
23 copy of the written notice to Defendant Salem & Biddle, Inc. d.b.a. Security First
24 and Defendant Sayfe A. Salem via certified mail.
- 25 B. On February 26, 2019, Plaintiff filed a class action against Defendants in the San
26 Diego County Superior Court, establishing case number 37-2019-00010804-CU-
27 OE-CTL.

1 C. After not hearing from the LWDA, on April 12, 2019, Plaintiff amended his
2 complaint to include a representative claim under the PAGA. The First Amended
3 Complaint is the operative complaint in the Action. The First Amended Complaint
4 seeks damages, civil penalties, restitution and injunctive relief for Defendants
5 alleged (1) failure to pay minimum wages and overtime compensation; (2) failure to
6 provide legally compliant meal periods or compensation in lieu thereof; (3) failure
7 to provide legally compliant rest periods or compensation in lieu thereof; (4) failure
8 to reimburse for necessary work expenses; (5) unlawful deduction of wages; (6)
9 failure to pay wages owed; (7) failure to furnish accurate itemized wage statements;
10 (8) failure to maintain accurate records; (9) engagement in unfair business practices;
11 and (10) violations of the Private Attorneys General Act.

12 D. The Class Representative believes he has meritorious claims based on alleged
13 violations of the California Labor Code, and the Industrial Wage Commission
14 Orders, and that class certification is appropriate because the prerequisites for class
15 certification can be satisfied in the Action, and this action is manageable as both a
16 Class Action and a PAGA representative action.

17 E. Defendants deny any liability or wrongdoing of any kind associated with the claims
18 alleged in the Action, disputes the wages, damages and penalties claimed by the
19 Class Representative, and further contends that, for any purpose other than
20 settlement, the Action is not appropriate for class or representative action treatment.
21 Defendants contend, among other things, that at all times it complied with the
22 California Labor Code, and the Industrial Wage Commission Orders.

23 F. The Class Representative is represented by Class Counsel. Class Counsel conducted
24 a thorough investigation into the facts relevant to the Action, including conducting
25 an independent investigation as to the allegations, and reviewing documents and
26 information provided by Defendants pursuant to informal requests for information
27 to prepare for mediation. Defendants produced for the purpose of settlement
28 negotiations certain employment data concerning the Settlement Class, which Class

1 Counsel reviewed and analyzed. Defendants also disclosed certain financial
2 documents for the purposes of settlement negotiations, which Class Counsel
3 reviewed and analyzed. Based on their own independent investigation and
4 evaluation, Class Counsel are of the opinion that the settlement with Defendants is
5 fair, reasonable and adequate, and is in the best interest of the Settlement Class in
6 light of all known facts and circumstances, including the risks of significant delay,
7 defenses asserted by Defendants, uncertainties regarding class certification, and the
8 potential for appeal. Most significantly, the Corporate Defendant and Individual
9 Defendant claim to have no meaningful assets nor an ability to pay the settlement
10 amount in one lump sum, and absent settlement, bankruptcy is believed to be the
11 only viable recourse. Although Defendants deny any liability, Defendants are
12 agreeing to this Settlement solely to avoid the cost of further litigation. The Parties
13 and their counsel have agreed to settle the claims on the terms set forth in this
14 Agreement.

15 G. The Parties attended a full-day mediation session on September 19, 2019, with Hon.
16 Leo S. Papas, Ret., a well-respected mediator with considerable experience in
17 mediating wage and hour class actions. After negotiations, the mediation resulted in
18 principal settlement. The Parties continued to negotiate the terms which are
19 described in this Agreement.

20 H. The Parties believe that the Settlement is fair, reasonable and adequate. The
21 Settlement was arrived at through arm's-length negotiations, taking into account all
22 relevant factors. The Parties recognize the uncertainty, risk, expense and delay
23 attendant to continuing the Action through trial and any appeal, and most important,
24 the likelihood of bankruptcy without this settlement. Accordingly, the Parties desire
25 to fully, finally, and forever settle, compromise and discharge all disputes and
26 claims arising from or relating to the facts asserted in this Action.

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1 **III. TERMS OF AGREEMENT**

2 A. Settlement Consideration and Settlement Payments by Defendant.

3 1. Settlement Consideration. In full and complete settlement of the Action, and
4 in exchange for the releases set forth below, the Corporate Defendant will
5 pay the sum of the Individual Settlement Payments, the Class Representative
6 Service Award, the Class Counsel Award, PAGA Payment, and the
7 Settlement Administration Costs, as specified in this Agreement, equal to the
8 Total Settlement Amount of two hundred seventy-five thousand dollars and
9 zero cents (\$275,000.00) and have modified, or will modify, their policies to
10 be in compliance with the California Labor Code. The Parties agree that this
11 is a non-reversionary Settlement and that no portion of the Total Settlement
12 Amount shall revert to Defendants. Other than the Corporate Defendant's
13 share of Employer Taxes, or as otherwise specified in the Agreement, the
14 Corporate Defendant shall not be required to pay more or less than the Total
15 Settlement Amount.

16 2. Settlement Payments. Within thirty (30) calendar days of the Effective Date,
17 the Corporate Defendant shall pay a total of twenty-five thousand dollars
18 (\$25,000), and then begin making consecutive monthly payments of five
19 thousand dollars (\$5,000) starting at least thirty (30) days later on the 1st of
20 month for a period of fifty (50) months, until the amount paid totals the
21 Total Settlement Amount ("Settlement Payments" or "Settlement Payment").
22 Corporate Defendant shall make each payment by wire transfer to the QSF
23 established by the Settlement Administrator for this Settlement.

24 a) In the event, the Corporate Defendant or Individual Defendant fail to
25 make a payment as outlined in this Agreement ("defaults"), Plaintiff
26 will immediately file the Stipulated Judgment, thereby making the
27 Individual Defendant jointly and severally liable for the amount
28 remaining of the Total Settlement Amount, including interest at the

1 legal rate of interest, and attorney's fees and costs, as outlined in
2 Section III (D).

3 3. Payment Deferral. Corporate Defendant shall have the right, exercisable in
4 its sole discretion, to elect to defer making certain Settlement Payments due
5 to cash flow considerations or similar business necessity ("Payment Deferral
6 Election"). Corporate Defendant may exercise a Payment Deferral Election
7 not more than three times during the term of this Agreement; Corporate
8 Defendant may defer making Settlement Payments once for a period not to
9 exceed two (2) consecutive months and twice for a period not to exceed
10 three months ("Payment Deferral Period"). Corporate Defendant may only
11 exercise a Payment Deferral Election solely in accordance with the
12 following terms and conditions:

- 13 a) Before any Payment Deferral Election may be exercised by
14 Corporate Defendant, it must have already paid at least 6 monthly
15 Settlement Payments under this Agreement.
- 16 b) Corporate Defendant shall give Class Counsel and the Settlement
17 Administrator written notice ("Deferral Notice") that Corporate
18 Defendant intends to exercise a Payment Deferral Election, at least
19 ten (10) calendar days before the first Settlement Payment to be
20 deferred is owed.
- 21 c) As a fee for Corporate Defendant's exercising a Payment Deferral
22 Election, a fee in the amount of five percent (5%) of the amount to be
23 deferred, plus interest shall accrue on the amount of any Settlement
24 Payment deferred pursuant to a Payment Deferral Election
25 ("Deferred Settlement Payment") at the rate of ten percent (10%) per
26 annum, commencing on the date upon which such Deferred
27 Settlement Payment becomes due and continuing through and
28 including the date upon which such Deferred Settlement Payment is

1 paid in full ("Deferral Fee"). Any Deferral Fee shall be in addition to
2 the Total Settlement Amount and shall not be applied against any
3 Settlement Payment.

4 d) Corporate Defendant shall resume making required Settlement
5 Payments after the expiration of any Payment Deferral Period. The
6 deferral shall not shorten the deadline for the Total Settlement
7 Amount to be paid in full.

8 4. Employer's Share of Payroll Taxes. Employer Taxes are in addition to the
9 Total Settlement Amount and shall be paid by Corporate Defendant within
10 five (5) calendar days of request by the Settlement Administrator.

11 5. Total Settlement Amount Due on Sale. In the event Defendants, or any
12 majority interest of it, its shares or assets are sold, the gross proceeds to the
13 Corporate Defendant and/or the Individual Defendant shall first be used to
14 pay the outstanding balance of the Total Settlement Amount, before any
15 other debts or obligations are paid. In the event payment of the gross
16 proceeds is not sufficient to pay the outstanding Total Settlement Amount,
17 Corporate Defendant and/or Individual Defendant, and each of them, shall
18 remain jointly and severally liable to continue making payments until the
19 Total Settlement Amount is paid.

20 B. Release by Settlement Class Members. As of the Effective Date, in exchange for
21 the consideration set forth in this Agreement, Plaintiff and the Settlement Class
22 Members release the Released Parties from the Released Claims for the Class
23 Period.

24 C. General Release by Plaintiff. As of the Effective Date, in consideration for the
25 consideration set forth in this Agreement, including the Class Representative Service
26 Award, Plaintiff, as the class representative, for himself and his heirs, successors and
27 assigns, waive, release, acquit and forever discharge the Released Parties, from any
28 and all claims, actions, charges, complaints, grievances and causes of action, of

1 whatever nature, whether known or unknown, which exist or may exist on their
2 behalf as of the date of this Agreement, including but not limited to any and all tort
3 claims, contract claims, wage claims, wrongful termination claims, disability claims,
4 benefit claims, public policy claims, retaliation claims, statutory claims, personal
5 injury claims, emotional distress claims, invasion of privacy claims, defamation
6 claims, fraud claims, quantum meruit claims, and any and all claims arising under
7 any federal, state or other governmental statute, law, regulation or ordinance,
8 including, but not limited to claims for violation of the Fair Labor Standards Act, the
9 California Labor Code, the Wage Orders of California's Industrial Welfare
10 Commission, other state wage and hour laws, the Americans with Disabilities Act,
11 the Age Discrimination in Employment Act, the Employee Retirement Income
12 Security Act, Title VII of the Civil Rights Act of 1964, the California Fair
13 Employment and Housing Act, the California Family Rights Act, the Family Medical
14 Leave Act, California's Whistleblower Protection Act, California Business &
15 Professions Code Section 17200 *et seq.*, and any and all claims arising under any
16 federal, state or other governmental statute, law, regulation or ordinance relating to
17 the facts raised in this Action. As of the Effective Date, in consideration for the
18 consideration set forth in this Agreement, including the Class Representative Service
19 Award Plaintiff also waives and relinquishes any and all claims, rights or benefits
20 that he may have under California Civil Code § 1542, which provides as follows:

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

25 Plaintiff is a creditor within the meaning of Civil Code 1542. He may discover
26 claims or facts in addition to, or different from, those which he now knows or
27 believes to exist, but he expressly agrees to fully, finally and forever settle and
28 release any and all claims against the Released Parties, known or unknown,

1 suspected or unsuspected, which exist or may exist on behalf of or against the other
2 at the time of execution of this Agreement, including, but not limited to, any and all
3 claims relating to or arising from his employment with Defendants. The Parties
4 further acknowledge, understand and agree that this representation and commitment
5 is essential to the Agreement and that this Agreement would not have been entered
6 into were it not for this representation and commitment.

7 D. Stipulated Judgment and Dismissal of the Individual Defendant. As part of this
8 Agreement, Individual Defendant Sayfe A. Salem shall sign an unfiled stipulation
9 for judgment in a form substantially similar to the form attached as **Exhibit 2**,
10 which shall only be filed with the court in the event of default in the Settlement
11 Payments as discussed in section III(A) of this Agreement. The Stipulated Judgment
12 shall include joint and several liability of Sayfe A. Salem, for the amount remaining
13 of the Total Settlement Amount, including interest (accrued at the legal rate of
14 interest as defined by the California Code of Civil Procedure §§ 685.010 *et. seq.*),
15 and attorney's fees and costs, which was not paid as outlined in this Agreement.
16 Upon full execution of this Agreement and the Stipulated Judgment, the Class
17 Representative will promptly file a Request for Dismissal of Individual Defendant,
18 thereby leaving Corporate Defendant as the only defendant in the Action.

19 1. Individual Defendant Sayfe A. Salem understands and agrees that in the
20 event that the Corporate Defendant defaults on the Settlement Payments
21 described in this Agreement and Plaintiff has to file the Stipulated Judgment,
22 the total amount remaining of the Total Settlement Amount, including but
23 not limited to the interest (accrued at the legal rate of interest as defined by
24 the California Code of Civil Procedure §§ 685.010 *et. seq.*), attorneys' fees
25 and costs, is due and payable immediately.

26 a) Individual Defendant shall be responsible for any and all attorney's
27 fees and costs incurred to collect any portion of the Total Settlement
28 Amount, in the event of default.

1 E. Conditions Precedent: This Settlement will become final and effective only upon the
2 occurrence of all of the following events:

- 3 1. The Court approves this Settlement;
- 4 2. The Court enters an order granting preliminary approval of the Settlement;
- 5 3. The Court enters an order granting final approval of the Settlement and a
6 Final Judgment;
- 7 4. The time for appeal of the Final Judgment and Order Granting Final
8 Approval of Class Action Settlement expires; or, if an appeal is timely filed,
9 there is a final resolution of any appeal from the Judgment and Order
10 Granting Final Approval of Class Action Settlement; and
- 11 5. Defendants do not invoke their right to revoke the Settlement as described in
12 Section III (P) (“Defendant’s Option to Revoke Settlement”).

13 F. Certification of the Settlement Class. The Parties stipulate to conditional class
14 certification of the Settlement Class for the Class Period for purposes of settlement
15 only. In the event that this Settlement is not approved by the Court, fails to become
16 effective, or is reversed, withdrawn or modified by the Court, or in any way prevents
17 or prohibits Defendants from obtaining a complete resolution of the Released Claims,
18 the conditional class certification (obtained for the sole purpose of settlement) shall
19 be void *ab initio* and of no force or effect, and shall not be admissible in any judicial,
20 administrative or arbitral proceeding for any purpose or with respect to any issue,
21 substantive or procedural.

22 G. Tax Liability. The Parties make no representations as to the tax treatment or legal
23 effect of the payments called for, and Settlement Class Members are not relying on
24 any statement or representation by the Parties, Class Counsel, or counsel for
25 Defendants in this regard. Settlement Class Members understand and agree that they
26 will be responsible for the payment of any taxes and penalties assessed on the
27 Individual Settlement Payments described and will be solely responsible for any
28

1 penalties or other obligations resulting from their personal tax reporting of Individual
2 Settlement Payments.

3 H. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
4 the “acknowledging party” and each Party to this Agreement other than the
5 acknowledging party, an “other party”) acknowledges and agrees that: (1) no
6 provision of this Agreement, and no written communication or disclosure between or
7 among the Parties or their attorneys and other advisers, is or was intended to be, nor
8 shall any such communication or disclosure constitute or be construed or be relied
9 upon as, tax advice within the meaning of United States Treasury Department
10 circular 230 (31 CFR part 10, as amended); (2) the acknowledging party (a) has
11 relied exclusively upon his, her or its own, independent legal and tax counsel for
12 advice (including tax advice) in connection with this Agreement, (b) has not entered
13 into this Agreement based upon the recommendation of any other Party or any
14 attorney or advisor to any other Party, and (c) is not entitled to rely upon any
15 communication or disclosure by any attorney or adviser to any other party to avoid
16 any tax penalty that may be imposed on the acknowledging party, and (3) no attorney
17 or adviser to any other Party has imposed any limitation that protects the
18 confidentiality of any such attorney’s or adviser’s tax strategies (regardless of
19 whether such limitation is legally binding) upon disclosure by the acknowledging
20 party of the tax treatment or tax structure of any transaction, including any
21 transaction contemplated by this Agreement.

22 I. Notice to the LWDA: Following execution of this Agreement, Plaintiff will upload a
23 copy of the fully executed Agreement to the LWDA.

24 J. Preliminary Approval Motion. At the earliest practicable time, Plaintiff shall file with
25 the Court a Motion for Order Granting Preliminary Approval and supporting papers,
26 which shall include this Settlement Agreement.

27 1. Defendants Inability to Pay. In connection with preliminary approval,
28 Defendants shall provide a declaration, and any other supporting documentation

1 necessary, to the Court representing their financial challenges and justifying the
2 Total Settlement Amount.

3 2. Change in Policies. In connection with preliminary approval, Defendants
4 shall provide a declaration to the Court explaining their policy changes.

5 K. Settlement Administrator. The Settlement Administrator shall be responsible for:
6 establishing and administering the QSF, calculating, processing and mailing
7 payments to the Class Representative, Class Counsel, LWDA, and Settlement Class
8 Members; printing, mailing and emailing the Notice Packets to the Settlement Class
9 Members as directed by the Court; receiving and reporting the objections and
10 requests for exclusion; calculating and deducting all legally required taxes from
11 Individual Settlement Payments and distributing tax forms; processing and mailing
12 tax payments to the appropriate state and federal taxing authorities; providing
13 declaration(s) as necessary in support of preliminary and/or final approval of this
14 Settlement; maintaining a website for Settlement Class Members to obtain
15 information related to the Settlement; and other tasks as the Parties mutually agree or
16 the Court orders the Settlement Administrator to perform. The Settlement
17 Administrator shall keep the Parties timely apprised of the performance of all
18 Settlement Administrator responsibilities.

19 L. Disputes Regarding Administration of Settlement. Any disputes not resolved by the
20 Parties concerning the administration of the Settlement will be resolved by the Court
21 under the laws of the State of California. Before any such involvement of the Court,
22 counsel for the Parties will confer in good faith to resolve the disputes without the
23 necessity of involving the Court.

24 M. Notice Procedure.

25 1. Class Data. No later than fifteen (15) calendar days after the Preliminary
26 Approval Date, Defendants shall provide the Settlement Administrator with the
27 Class Data for purposes of preparing, mailing and emailing Notice Packets to
28 Settlement Class Members.

1 Change of Address Database to update and correct any known or identifiable
2 address changes. No later than fourteen (14) calendar days after receiving
3 the Class Data from Defendants, the Settlement Administrator shall mail
4 copies of the Notice Packet to all Settlement Class Members via regular
5 First-Class U.S. Mail. The Settlement Administrator shall exercise its best
6 judgment to determine the current mailing address for each Settlement Class
7 Member. The address identified by the Settlement Administrator as the
8 current mailing address shall be presumed to be the best mailing address for
9 each Settlement Class Member.

10 a) Undeliverable Notices. Any Notice Packets returned to the
11 Settlement Administrator as non-delivered on or before the Response
12 Deadline shall be re-mailed to any forwarding address provided. If
13 no forwarding address is provided, the Settlement Administrator
14 shall promptly attempt to determine a correct address by lawful use
15 of skip-tracing, or other search using the name, address and/or Social
16 Security number of the Settlement Class Member involved, and shall
17 then perform a re-mailing, if another mailing address is identified by
18 the Settlement Administrator. Settlement Class Members who
19 received a re-mailed Notice Packet shall have their Response
20 Deadline extended fourteen (14) calendar days from the original
21 Response Deadline.

22 4. Notice by Email: No later than fourteen (14) calendar days after receiving
23 the Class Data from Defendants, the Settlement Administrator shall email
24 copies of the Notice Packet to all Settlement Class Members for which there
25 is an email address.

26 5. Disputes Regarding Individual Settlement Payments. Settlement Class
27 Members will have the opportunity, should they disagree with Defendants'
28 records regarding the number of Work Weeks stated on their Employment

1 Information Sheet, to provide documentation and/or an explanation to show
2 contrary dates. If there is a dispute, the Settlement Administrator will
3 determine whether an adjustment is warranted. The Settlement
4 Administrator shall determine the eligibility for, and the amounts of, any
5 Individual Settlement Payments under the terms of this Agreement. The
6 Settlement Administrator's determination of the eligibility for and amount of
7 any Individual Settlement Payment shall be binding upon the Settlement
8 Class Member and the Parties.

- 9 6. Exclusions. The Notice of Class Action Settlement contained in the Notice
10 Packet shall state that Settlement Class Members who wish to exclude
11 themselves from the Settlement must submit a written request for exclusion
12 by the Response Deadline. The written request for exclusion must state that
13 the Settlement Class Member wishes to exclude himself or herself from the
14 Settlement and (1) must contain the name, address, and the last four digits of
15 the Social Security number of the person requesting exclusion; (2) must be
16 signed by the Settlement Class Member; (3) must be postmarked or
17 otherwise submitted to the Settlement Administrator by the Response
18 Deadline at the specified address; and (4) contain a typewritten or
19 handwritten notice stating in substance: "I wish to be excluded from the
20 settlement of the class action lawsuit entitled *Villalobos v. Salem & Biddle,*
21 *Inc. d.b.a. Security First et al.,* Superior Court of California, County of San
22 Diego, Case Number 37-2019-00010804-CU-OE-CTL. I understand that by
23 requesting to be excluded from the settlement, I will receive no money from
24 the Settlement described in the Class Notice." The request for exclusion will
25 not be valid if it is not timely submitted, if it is not signed by the Settlement
26 Class Member, or if it does not contain the name and address and last four
27 digits of the Social Security number of the Settlement Class Member. The
28 date of the postmark on the return mailing envelope or time stamp on the

1 request for exclusion shall be the exclusive means used to determine whether
2 the request for exclusion was timely submitted. Any Settlement Class
3 Member who requests to be excluded from the Settlement Class will not be
4 entitled to any recovery under the Settlement and will not be bound by the
5 terms of the Settlement or have any right to object, appeal or comment
6 thereon. Settlement Class Members who fail to submit a valid and timely
7 written request for exclusion on or before the Response Deadline shall be
8 bound by all terms of the Settlement and any final judgment entered in this
9 Action if the Settlement is approved by the Court. No later than twenty-one
10 (21) calendar days after the Response Deadline, the Settlement
11 Administrator shall provide counsel for the Parties with a final list of the
12 Settlement Class Members who have timely submitted written requests for
13 exclusion. At no time shall any of the Parties or their counsel seek to solicit
14 or otherwise encourage members of the Settlement Class to submit requests
15 for exclusion from the Settlement.

- 16 7. Objections. The Notice of Class Action Settlement contained in the Notice
17 Packet shall state that Settlement Class Members who wish to object to the
18 Settlement must mail or otherwise submit to the Court and the Settlement
19 Administrator a written statement of objection (“Notice of Objection”) by
20 the Response Deadline. The postmark date of mailing or the time stamp on
21 the objection shall be deemed the exclusive means for determining that a
22 Notice of Objection was served timely. The Notice of Objection must be
23 signed by the Settlement Class Member and state: (1) the case name and
24 number; (2) the name of the Settlement Class Member; (3) the address of the
25 Settlement Class Member; (4) the last four digits of the Settlement Class
26 Member’s Social Security number; (4) the basis for the objection; and (5) if
27 the Settlement Class Member intends to appear at the Final
28 Approval/Settlement Fairness Hearing. Settlement Class Members will also

1 have the right to appear at the final approval/fairness hearing in order to
2 have their objections heard by the Court. Settlement Class Members who fail
3 to make objections in the manner specified above shall be deemed to have
4 waived any objections and shall be foreclosed from making any objections
5 (whether by appeal or otherwise) to the Settlement. At no time shall any of
6 the Parties or their counsel seek to solicit or otherwise encourage Settlement
7 Class Members to file or serve written objections to the Settlement or appeal
8 from the Order and Final Judgment. Settlement Class Members who submit
9 a valid written request for exclusion are not entitled to object to the
10 Settlement. No later than seven (7) calendar days after receiving the Notice
11 of Objection the Settlement Administrator shall provide counsel for the
12 Parties a copy of the written objections received.

13 N. Funding and Allocation of the Total Settlement Amount. Defendants are required to
14 pay the Total Settlement Amount, plus any Employer Taxes, and any other amount
15 required by this Agreement into the QSF.

16 1. Individual Settlement Payments. Individual Settlement Payments shall be
17 paid from the Net Settlement Amount and shall be paid pursuant to the
18 formula and characteristics set forth below.

19 a) Calculation of Individual Settlement Payments. Using the Class
20 Data, the Settlement Administrator shall add up the total number of
21 Work Weeks for all Settlement Class Members. The respective Work
22 Weeks for each Settlement Class Member will be divided by the total
23 Work Weeks for all Settlement Class Members, resulting in the
24 Payment Ratio for each Settlement Class Member. Each Settlement
25 Class Member's Payment Ratio will then be multiplied by the Net
26 Settlement Amount to calculate each Settlement Class Member's
27 estimated Individual Settlement Payments. Each Individual
28 Settlement Payment will be reduced by any legally mandated

1 employee tax withholdings (e.g., employee payroll taxes, etc.).

2 Individual Settlement Payments for Class Members who submit valid
3 and timely requests for exclusion will be redistributed to Settlement
4 Class Members who do not submit valid and timely requests for
5 exclusion on a pro rata basis based on their respective Payment
6 Ratios.

7 b) Allocation. For tax purposes, Individual Settlement Payments shall
8 be allocated and treated as follows: 25% as wages; 65% as penalties
9 and 10% as interest.

10 c) Timeline for Distribution of Individual Settlement Payments. There
11 will be three equal distributions of Individual Settlement Payments
12 that will take place over time. The first distribution shall take place
13 when the Corporate Defendant has paid one-third or \$91,666.67 of
14 the Total Settlement Amount. The second distribution shall take
15 place when the Corporate Defendant has paid two-thirds or
16 \$183,333.33 of the Total Settlement Amount. The last and final
17 distribution shall take place when the Corporate Defendant has paid
18 the Total Settlement Amount as set forth in this Agreement.

19 d) Mailing. Individual Settlement Payments shall be mailed by regular
20 First-Class U.S. Mail to Settlement Class Members' last known
21 mailing address no later than fourteen (14) calendar days after the
22 date that the requisite amount is deposited.

23 e) Expiration. Any checks issued to Settlement Class Members shall
24 remain valid and negotiable for one hundred and eighty (180)
25 calendar days from the date of their issuance. If a Settlement Class
26 Member does not cash his or her settlement check within ninety (90)
27 calendar days of issuance, the Settlement Administrator will send a
28 postcard to such persons, advising that the check will expire after one

1 hundred and eighty (180) calendar days, and invite that Settlement
2 Class Member to request reissuance in the event the check was
3 destroyed, lost or misplaced. If a Settlement Class Member does not
4 cash his or her settlement check within one hundred and twenty (120)
5 calendar days of issuance, the Settlement Administrator will call such
6 persons on the telephone to advise them that the check will expire
7 after one hundred and eighty (180) calendar days, and invite that
8 Settlement Class Member to request reissuance in the event the check
9 was destroyed, lost or misplaced. In the event an Individual
10 Settlement Payment check from the first and/or second distribution
11 has not been cashed within one hundred and eighty (180) calendar
12 days of issuance, all funds represented by such uncashed checks shall
13 be allocated to the Net Settlement for distribution to the Settlement
14 Class Members in the final distribution on a *pro rata* basis. Any
15 funds that remain uncashed for a period of one hundred and eighty
16 (180) calendar days following the final distribution shall be donated
17 to Labor's Training and Community Development Alliance's
18 Employee Rights Center, which provides workers education and
19 advocacy regarding workplace issues.¹ The Settling Parties agree that
20 this Agreement is not subject to the California Civil Procedure Code
21 § 384. Therefore, Defendants will not be required to pay any interest
22 on said amount.

- 23 2. Class Representative Service Award. Defendants agree not to oppose or
24 object to any application or motion by Class Representative for a Class
25 Representative Service Award of up to fifteen thousand dollars (\$15,000) in
26 exchange for the Released Claims and a General Releases and for his time,
27

28 ¹ <https://weberc.net/about/>

1 effort and risk in bringing and prosecuting this matter, including but not
2 limited to Plaintiff's refusal of Defendants' attempts settle individually with
3 Plaintiff. The Settlement Administrator shall allocate the amount awarded
4 for the Class Representative Service Award from the Total Settlement
5 Amount. Any portion of the requested Class Representative Service Award
6 that is not awarded to the Class Representative shall be part of the Net
7 Settlement Amount and shall be distributed to Settlement Class Members as
8 provided in this Agreement. The Settlement Administrator shall issue an IRS
9 Form 1099 — MISC to Plaintiff for his Class Representative Service Award.
10 Plaintiff shall be solely and legally responsible to pay any and all applicable
11 taxes on his Class Representative Service Award and shall hold harmless
12 Defendants, counsel for Defendants, and Class Counsel, from any claim or
13 liability for taxes, penalties, or interest arising as a result of the Class
14 Representative Service Award. The Class Representative Service Award
15 shall be in addition to the Plaintiff's respective Individual Settlement
16 Payments as a Settlement Class Member. In the event that the Court reduces
17 or does not approve the requested Class Representative Service Award,
18 Plaintiff shall not have the right to revoke the Settlement, and it will remain
19 binding. Plaintiff, however, shall retain the right to appeal the Court's order
20 as it relates to the Class Representative Service Award.

- 21 a) Timeline for Distribution of Class Representative Service Award.
22 The Settlement Administrator shall pay to Plaintiff the awarded Class
23 Representative Service Award in three equal distributions. The first
24 distribution shall be made no later than fourteen (14) calendar days
25 after the Corporate Defendant has paid one-third or \$91,666.67 of the
26 Total Settlement Amount. The second distribution shall be made no
27 later than fourteen (14) calendar days after the Corporate Defendant
28 has paid two-thirds or \$183,333.33 of the Total Settlement Amount.

1 The last and final distribution shall be made no later than fourteen
2 (14) calendar days after Corporate Defendant has paid the Total
3 Settlement Amount as set forth in this Agreement.

4 3. Class Counsel Award. Defendants understand a motion by Class Counsel
5 for attorneys' fees not to exceed thirty-three point thirty three percent
6 (33.33%) of the Total Settlement Amount (or \$ 91,666.67), plus actual costs
7 and expenses supported by declaration not to exceed ten thousand dollars
8 (\$10,000), from the Total Settlement Amount will be filed and has stated no
9 objections. Any portion of the requested Class Counsel Award that is not
10 awarded to Class Counsel shall be part of the Net Settlement Amount and
11 shall be distributed to Settlement Class Members as provided in this
12 Agreement. In such event, Class Counsel retains the right to appeal the
13 Court's order of the lesser amounts. The Class Counsel Award shall be
14 allocated to Class Counsel in the following percentages: 66.67% to Clark
15 Law Group and 33.33% to United Employees Law Group. The Settlement
16 Administrator shall allocate the Class Counsel Award to Class Counsel from
17 the Total Settlement Amount. Class Counsel shall be solely and legally
18 responsible to pay all applicable taxes on the payment made pursuant to this
19 paragraph. The Settlement Administrator shall issue an IRS Form 1099 —
20 MISC to Class Counsel for the payments made pursuant to this paragraph. In
21 the event that the Court reduces or does not approve the requested Class
22 Counsel Award, Plaintiff and Class Counsel shall not have the right to
23 revoke the Settlement, and the Settlement will remain binding. Plaintiff,
24 however, shall retain the right to appeal the Court's order as it relates to the
25 Class Counsel Award.

26 a) Timeline for Distribution of the Class Counsel Award. The
27 Settlement Administrator shall pay to Class Counsel the awarded
28 Class Counsel Award in three equal distributions. The first

1 distribution shall be made no later than fourteen (14) calendar days
2 after the Corporate Defendant has paid one-third or \$91,666.67 of the
3 Total Settlement Amount. The second distribution shall be made no
4 later than fourteen (14) calendar days after the Corporate Defendant
5 has paid two-thirds or \$183,333.33 of the Total Settlement Amount.
6 The last and final distribution shall be made no later than fourteen
7 (14) calendar days after Corporate Defendant has paid the Total
8 Settlement Amount as set forth in this Agreement.

9 4. PAGA Settlement and PAGA Payment. Six thousand dollars (\$6,000) shall
10 be allocated from the Total Settlement Amount for settlement of claims for
11 civil penalties under the Private Attorneys General Act of 2004 (“PAGA
12 Settlement”). The Settlement Administrator shall pay seventy-five percent
13 (75%) of the PAGA Settlement, or four thousand five hundred dollars
14 (\$4,500) to the California Labor and Workforce Development Agency no
15 later than twenty-five (25) calendar days after the Effective Date (hereinafter
16 “PAGA Payment”). Twenty-five (25%) of the PAGA Settlement, or one
17 thousand five hundred dollars (\$1,500) will be part of the Net Settlement
18 Amount and distributed to Settlement Class Members as described in this
19 Agreement.

20 a) The Settlement Administrator shall pay to the LWDA the awarded
21 PAGA Payment in one distribution. The distribution shall be made
22 no later than fourteen (14) calendar days after the Corporate
23 Defendant has paid one-third (or \$91,666.67) of the Total Settlement
24 Amount.

25 5. Settlement Administration Costs. The Settlement Administrator shall be
26 paid for the costs of administration of the Settlement from the Total
27 Settlement Amount. The estimate of the Settlement Administration Costs is
28 eighteen thousand five hundred dollars (\$18,500). Any portion of the

1 requested Settlement Administration Costs that are not awarded to the
2 Settlement Administrator shall be part of the Net Settlement Amount and
3 shall be distributed to Settlement Class Members as provided in this
4 Agreement.

5 a) The Settlement Administrator shall be paid in three equal
6 distributions. The first distribution shall be made no later than
7 fourteen (14) calendar days after the Corporate Defendant has paid
8 one-third or \$91,666.67 of the Total Settlement Amount. The second
9 distribution shall be made no later than fourteen (14) calendar days
10 after the Corporate Defendant has paid two-thirds or \$183,333.33 of
11 the Total Settlement Amount. The last and final distribution shall be
12 made no later than fourteen (14) calendar days after Corporate
13 Defendant has paid the Total Settlement Amount as set forth in this
14 Agreement.

15 O. Final Approval Motion. Class Counsel and Plaintiff shall use best efforts to file with
16 the Court a Motion for Order Granting Final Approval and Entering Judgment,
17 within thirty (30) calendar days following the expiration of the Response Deadline,
18 which motion shall request final approval of the Settlement and a determination of
19 the amounts payable for the Class Representative Service Award, the Class Counsel
20 Award, the PAGA Payment, and the Settlement Administration Costs. If the Court
21 does not grant final approval of the Settlement Agreement or if the Court's final
22 approval of the Settlement is reversed or materially modified on appellate review,
23 then this Settlement will become null and void; if that occurs, the Parties will have no
24 further obligations under the Settlement. Provided, however, that the Court's
25 approval or denial of any amount requested and/or modification of any amounts
26 awarded for the Class Representative Service Award, Class Counsel Award and
27 Settlement Administration Costs are not considered material aspects of the
28 Settlement Agreement shall not operate to terminate or cancel this Settlement

1 Agreement. Nothing in this Agreement shall limit Class Counsel's ability to appeal
2 any decision by the Court to award less than the amounts requested for the Class
3 Counsel Award and Settlement Administration Costs.

4 1. Declaration by Settlement Administrator. The Settlement Administrator
5 shall submit a declaration in support of Plaintiff's motion for final approval
6 of this Settlement detailing the number of Notice Packets mailed and re-
7 mailed to Settlement Class Members, the number of Notice Packets email to
8 Settlement Class Members, the number of undeliverable Notice Packets, the
9 number of timely requests for exclusion, the names of the individuals who
10 requested exclusion from the Settlement, the number of objections received,
11 the amount of the average Individual Settlement Payment, the largest and
12 smallest Individual Settlement Payment, the Settlement Administration
13 Costs, and any other information as the Parties mutually agree or the Court
14 orders the Settlement Administrator to provide.

15 2. Final Approval Order and Judgment. Class Counsel shall present an Order
16 Granting Final Approval of Class Action Settlement to the Court for its
17 approval, and Judgment thereon, at the time Class Counsel files the Motion
18 for Final Approval.

19 P. Defendants' Option to Revoke Settlement. Defendants have the unilateral right to
20 revoke the Settlement if, after the Response Deadline, the number of Settlement
21 Class Members who submitted timely and valid written requests for exclusion from
22 the Settlement is at least five percent (5%) of all Settlement Class Members,
23 Defendants shall have, in their sole discretion, the option to terminate this
24 Settlement. If Defendants exercise the option to terminate this Settlement,
25 Defendants shall: (a) provide written notice to Class Counsel within seven (7)
26 calendar days after the Settlement Administrator provides information regarding opt
27 outs (which is to occur no later than twenty-one (21) calendar days after the
28 Response Deadline, see para. III (M)(6), above) and (b) pay all Settlement

1 Administration Costs incurred up to the date or as a result of the termination; and the
2 Parties shall proceed in all respects as if this Agreement had not been executed.

3 Q. Nullification of Settlement Agreement. In the event that this Settlement is not
4 preliminarily or finally approved by the Court, fails to become effective, or is
5 reversed, withdrawn or modified by the Court, or in any way prevents or prohibits
6 Defendants from obtaining a complete resolution of the Release Claims:

- 7 1. This Settlement Agreement shall be void *ab initio* and of no force or effect,
8 and shall not be admissible in any judicial, administrative or arbitral
9 proceeding for any purpose or with respect to any issue, substantive or
10 procedural;
- 11 2. The conditional class certification (obtained for the purposes of settlement)
12 shall be void *ab initio* and of no force or effect, and shall not be admissible
13 in any judicial, administrative or arbitral proceeding for any purpose or with
14 respect to any issue, substantive or procedural; and
- 15 3. None of the Parties to this Settlement will be deemed to have waived any
16 claims, objections, defenses or arguments in the Action, including with
17 respect to the issue of class certification.

18 R. Cooperation. The Parties and their counsel will cooperate with each other and use
19 their best efforts to effect the implementation of the Settlement.

20 S. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action,
21 except such proceedings necessary to implement and complete the Settlement,
22 pending the Final Approval/Settlement Fairness Hearing to be conducted by the
23 Court.

24 T. Amendment or Modification. This Agreement may be amended or modified only by
25 a written instrument signed by counsel for all Parties or their successors-in-interest.

26 U. Entire Agreement. This Agreement and any attached Exhibits constitute the entire
27 Agreement among these Parties, and no oral or written representations, warranties or
28 inducements have been made to any Party concerning this Agreement or its Exhibits

1 other than the representations, warranties and covenants contained and memorialized
2 in this Agreement and its Exhibits.

3 V. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant
4 and represent they are expressly authorized by the Parties whom they represent to
5 negotiate this Agreement and to take all appropriate actions required or permitted to
6 be taken by such Parties pursuant to this Agreement to effectuate its terms, and to
7 execute any other documents required to effectuate the terms of this Agreement. The
8 person signing this Agreement on behalf of Defendants represents and warrants that
9 he is authorized to sign this Agreement on behalf of Defendants Salem & Biddle, Inc.
10 d.b.a. Security First and Safye Salem. Plaintiff represents and warrants that he is
11 authorized to sign this Agreement and that he has not assigned any claim, or part of a
12 claim, covered by this Settlement to a third-party.

13 W. Binding on Successors and Assigns. This Agreement shall be binding upon, and
14 inure to the benefit of, the successors or assigns of the Parties, as previously defined.

15 X. California Law Governs. All terms of this Agreement and the Exhibits and any
16 disputes shall be governed by and interpreted according to the laws of the State of
17 California.

18 Y. Counterparts. This Agreement may be executed in one or more counterparts. All
19 executed counterparts and each of them shall be deemed to be one and the same
20 instrument provided that counsel for the Parties to this Agreement shall exchange
21 among themselves copies or originals of the signed counterparts.

22 Z. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this
23 Settlement is a fair, adequate and reasonable settlement of this Action and have
24 arrived at this Settlement after extensive arms-length negotiations, taking into
25 account all relevant factors, present and potential.

26 AA. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction
27 with respect to the interpretation, implementation and enforcement of the terms of
28 this Agreement and all orders and judgments entered in connection therewith, and the

1 Parties and their counsel submit to the jurisdiction of the Court for purposes of
2 interpreting, implementing and enforcing the settlement and all orders and judgments
3 entered in accordance with this Agreement.

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

8 CC. No Unalleged Claims. Plaintiff and Class Counsel represent that they do not
9 currently intend to pursue any claims against Defendants, including, but not limited
10 to, any and all claims relating to or arising from Plaintiff's employment with
11 Defendants, regardless of whether Class Counsel is currently aware of any facts or
12 legal theories upon which any claims or causes of action could be brought against
13 Defendants, excepting those facts or legal theories alleged in the operative complaint
14 in this Action. The Parties further acknowledge, understand and agree that this
15 representation is essential to the Agreement and that this Agreement would not have
16 been entered into were it not for this representation.

17 DD. Waiver of Certain Appeals. The Parties agree to waive certain appeals and to
18 stipulate to class certification for purposes of this settlement only.

19 EE. No Admissions by the Parties. Plaintiffs have claimed and continues to claim that
20 the Released Claims have merit and give rise to liability on the part of Defendants.
21 Defendants claim that the Released Claims have no merit and do not give rise to
22 liability. This Agreement is a compromise of disputed claims. Nothing contained in
23 this Agreement and no documents referred to and no action taken to carry out this
24 Agreement may be construed or used as an admission by or against the Defendants
25 or Plaintiff or Class Counsel as to the merits or lack thereof of the claims asserted.

26 IT IS SO AGREED.

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PLAINTIFF

Dated: _____, 2019

By: _____
Ivan Villalobos

CLARK LAW GROUP

Dated: _____, 2019

By: _____
R. Craig Clark
Monique R. Rodriguez
Attorneys for Plaintiff

UNITED EMPLOYEES LAW GROUP

Dated: _____, 2019

By: _____
Walter Haines
Attorneys for Plaintiff

DEFENDANT

Dated: _____, 2019

By: _____
Sayfe A. Salem, Owner and CEO
Salem & Biddle, Inc. d.b.a. Security First

DEFENDANT

Dated: _____, 2019

By: _____
Sayfe A. Salem

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BERGER, WILLIAMS & REYNOLDS, LLP

Dated: _____, 2019

By: _____
Harvey C. Berger
Attorneys for Defendants