

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement” or “Settlement”) is reached by and between Plaintiff Victor Pelaez (“Plaintiff,” or the “Class Representative”), individually and on behalf of all members of the Settlement Class (defined below), and Defendants Los Angeles Recycling Center, Inc., Bestway Recycling Company, Inc., Bestway Global Holdings, Inc., Western Recycling, Inc., and Bestway Recycling of Pomona, Inc. (collectively, “Defendants”) (Plaintiff and Defendants are referred to herein collectively as the “Parties”). Plaintiff and the Settlement Class are represented by Paul K. Haines of Haines Law Group, APC, and Sam Sani of Sani Law, APC (“Class Counsel”). Defendants are represented by Jeffrey P. Fuchsman of Ballard Rosenberg Golper & Savitt LLP.

Plaintiff filed the Class Action Complaint on September 11, 2019 and a First Amended Class and Representative Action Complaint on November 18, 2019 against Defendants in Los Angeles County Superior Court, in the matter entitled *Pelaez v. LA Recycling Center, Inc., et al.*, Case No. 19STCV32260 (“Complaint” or “Lawsuit”). The Complaint alleges the following claims against Defendants: (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide legally compliant meal and rest breaks, (4) failure to reimburse putative class members for necessary business expenses, (5) statutory penalties for failure to provide accurate itemized wage statements and failure to pay all final wages at separation of employment, (6) unfair competition, and (7) civil penalties on behalf of aggrieved employees pursuant to the California Private Attorneys General Act.

Given the uncertainty of litigation, Plaintiff and Defendants wish to settle both individually and on behalf of the Settlement Class. Accordingly, Plaintiff and Defendants agree as follows:

1. **Amendment of Complaint.** As a material term and condition of this Settlement, Plaintiff shall, pursuant to the Parties’ stipulation, amend the First Amended Complaint to add Western Recycling, Inc. and Bestway Recycling of Pomona, Inc. as named defendants in the Action.
2. **Settlement Class.** For purposes of this Settlement Agreement only, Plaintiff and Defendants stipulate to certification of the following Settlement Class:

All current and former non-exempt employees of Defendants in California at any time from September 11, 2015 through the date of preliminary approval of this Settlement or August 31, 2020, whichever is earlier.

The Parties agree that certification for the purpose of settlement is not an admission that class certification is proper under Section 382 of the California Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

2. **Release.** Plaintiff and every member of the Settlement Class (except those who opt out of the Settlement Agreement) will release and discharge Defendants, their past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and its and their respective successors and predecessors in

interest, subsidiaries, affiliates, parents, and attorneys (collectively the “Released Parties”) as follows:

- A. Settlement Class Members will release any and all federal and state wage-and-hour claims, demands, rights, liabilities, and causes of action of every nature and description, whether known or unknown, that were or could have been asserted based on the factual allegations in the First Amended Complaint by Plaintiff against Defendants, including, without limitation, all of the following: (a) statutory, constitutional, contractual, or common law claims for unpaid wages, overtime, restitution, interest, liquidated damages and/or penalties; (b) claims for any alleged underpayment of wages, including failure to pay all minimum wages and overtime wages owed; (c) claims for failure timely to pay wages when due; (d) claims for failure to provide meal period or pay meal period premiums for missed and/or non-compliant meal periods; (e) claims for failure to authorize and permit rest periods or pay rest period premiums for missed and/or non-compliant rest periods; (f) claims for failure to reimburse necessary business expenses; (g) claims for failure to keep accurate records of non-exempt employees’ hours worked and wages earned, (h) claims for wage statement violations; (i) waiting time penalties under Labor Code § 203 deriving from the same underlying violations; (j) unfair business practices under California Business & Professions Code section 17200 *et seq.*; (k) penalties under the California Labor Code Private Attorney General Act, Labor Code section 2698 *et seq.*; (k) liquidated damages, interest, attorney’s fees, litigation costs, restitution, or equitable relief (collectively, the “Released Claims”). The period of the Release shall extend from September 11, 2015 through the date of preliminary approval or August 31, 2020, whichever is earlier (the “Class Period”). The release will become effective as of the date the Court grants final approval of the Settlement.
- B. In light of the Class Representative Enhancement Payment, Plaintiff has further agreed to release the Released Parties, in addition to the Released Claims described above, from any and all claims, demands, rights, liabilities, and causes of action, known or unknown, of every nature and description, between Plaintiff and the Released Parties, from the beginning of time to the date of preliminary approval, including but not limited to those claims raised in the Lawsuit and those arising from or related to Plaintiff’s employment with Defendants or the termination thereof, including but not limited to claims arising under any federal, state, or local constitutional, statutory, regulatory, contractual or common law claims for unpaid wages, premium pay, wage deductions, unreimbursed business expenses, waiting-time penalties, or other penalties, for overtime, failure to provide meal period or pay meal period premiums for missed and/or non-compliant meal periods, failure to authorize and permit rest periods or pay rest period premiums for missed and/or non-compliant rest periods, for reimbursement of business expenses, improper wage statements, untimely payment of wages, inaccurate or incomplete recordkeeping, vacation forfeiture, personal day forfeiture, and other wage-and-hour violations; attorney’s fees or injunctive relief; claims arising from or dependent on the Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000, *et seq.*; the Americans with Disabilities Act, 42 U.S.C. § 12101, *et seq.*; the Employee

Retirement Income Security Act of 1974, 29 U.S.C. § 1001, *et seq.*; the Fair Labor Standards Act, 29 U.S.C. § 201, *et seq.*; the Civil Rights Act of 1991; 42 U.S.C. § 1981; Executive Order 11246; Executive Order 11141; the Age Discrimination in Employment Act, the Rehabilitation Act of 1973; the Equal Pay Act; the Federal Employee Polygraph Protection Act; the National Labor Relations Act; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the California Fair Employment and Housing Act, including Government Code sections 12900, *et seq.*; the California Family Rights Act; the California Labor Code; any applicable order of the California Industrial Welfare Commission and all of their implementing regulations; claims arising from or dependent on federal or local laws or regulations prohibiting discrimination or harassment in employment or otherwise, or enforcing express or implied contracts, requiring employers to deal fairly or in good faith, or restricting an employer's right to terminate employees, wrongful discharge, wrongful termination in violation of public policy, constructive termination, or retaliation; defamation; infliction of emotional distress (intentional or negligent); invasion of privacy; assault, battery, physical or personal injury; emotional distress; fraud, negligent misrepresentation, or misrepresentation; California Business & Professions Code section 17200 *et seq.*; or any other tort, or any other law.

- C. Plaintiff understands that his release includes unknown claims and that he is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code:

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

3. **Maximum Settlement Amount.** As consideration, Defendants agree to pay a non-reversionary maximum amount (“Maximum Settlement Amount”) of \$186,000.00 in full and complete settlement of this matter, as follows:

- A. The Parties have agreed to engage Phoenix Class Action Administration Solutions, as the “Claims Administrator” to administer this Settlement.
- B. The Maximum Settlement Amount shall be deposited with the Claims Administrator in ten (10) installments, as follows:
- (1) The first installment payment in the amount of \$93,000.00 shall be deposited with the Claims Administrator within 15 calendar days of the Court’s final approval of this Settlement;
 - (2) The second installment payment in the amount of \$10,333.33 shall be deposited with the Claims Administrator on the first of the next full month following the first installment payment;

- (3) The third installment payment in the amount of \$10,333.33 shall be deposited with the Claims Administrator on the first of the next month following the second installment payment;
- (4) The fourth installment payment in the amount of \$10,333.33 shall be deposited with the Claims Administrator on the first of the next month following the third installment payment;
- (5) The fifth installment payment in the amount of \$10,333.33 shall be deposited with the Claims Administrator on the first of the next month following the fourth installment payment;
- (6) The sixth installment payment in the amount of \$10,333.33 shall be deposited with the Claims Administrator on the first of the next month following the fifth installment payment;
- (7) The seventh installment payment in the amount of \$10,333.33 shall be deposited with the Claims Administrator on the first of the next month following the sixth installment payment;
- (8) The eighth installment payment in the amount of \$10,333.33 shall be deposited with the Claims Administrator on the first of the next month following the seventh installment payment;
- (9) The ninth installment payment in the amount of \$10,333.33 shall be deposited with the Claims Administrator on the first of the next month following the eighth installment payment;
- (10) The tenth installment payment in the amount of \$10,333.36 shall be deposited with the Claims Administrator on the first of the next month following the ninth installment payment;

C. The Maximum Settlement Amount includes:

- (1) All payments (including interest) to the Settlement Class;
- (2) All costs of the Claims Administrator associated with the administration of the Settlement;
- (3) The Class Representative's Enhancement Payment;
- (4) Class Counsel's attorneys' fees and actual costs and expenses related to the Lawsuit;
- (5) \$10,000.00 of the Maximum Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code Section 2699(i), 75% of

such penalties, or \$7,500.00, will be payable to the California Labor & Workforce Development Agency (“LWDA”) for its share of PAGA penalties as the “LWDA Payment,” and the remaining 25%, or \$2,500.00, will be payable to the eligible members of the Settlement Class as the “PAGA Amount.”

- D. Defendants shall pay the standard company share of payroll taxes on all wages paid as part of this Settlement separate and apart from the Maximum Settlement Amount.
- E. **Escalator Clause.** Defendants represent that as of August 31, 2020, there shall be approximately no more than 9,500 workweeks worked by Settlement Class Members. Defendants agree that if Settlement Class Members have worked more than 9,500 workweeks as of August 31, 2020, then Plaintiff has the discretionary option to rescind the Settlement by communicating that decision to both the Claims Administrator and Defendants in writing. Defendants may preempt Plaintiff’s right to rescind by increasing the Maximum Settlement Amount by \$20.00 per workweek worked by Settlement Class Members in excess of 9,500 workweeks as of August 31, 2020.

4. **Payments to the Settlement Class.** Settlement Class Members are not required to submit a claim form to receive a payment (“Individual Settlement Payment”) from the Settlement. Individual Settlement Payments will be determined and paid as follows:

- A. The Claims Administrator shall first deduct from the Maximum Settlement Amount the amounts approved by the Court for Class Counsel’s attorneys’ fees, Class Counsel’s costs and expenses, the Class Representative Enhancement Payment, LWDA Payment, the Claims Administrator’s costs. The remaining amount shall be known as the “Net Settlement Amount.”
- B. From the Net Settlement Amount, the Claims Administrator will calculate each Settlement Class Member’s Individual Settlement Payment based on the following formula:
 - i. Wage Statement Amount: Ten percent (10%) of the Net Settlement Amount shall be designated as the “Wage Statement Amount.” Each participating Settlement Class Member who was employed by Defendants at any time from September 11, 2018 to the date of preliminary approval or August 31, 2020, whichever is earlier, shall receive a portion of the Wage Statement Amount proportionate to the number of workweeks that he or she worked during the aforementioned time period.
 - ii. Waiting Time Amount: Fifteen percent (15%) of the Net Settlement Amount shall be designated as the “Waiting Time Amount.” Each participating Settlement Class Member who separated their employment with Defendants between September 11, 2016 and the date of preliminary

approval or August 31, 2020, whichever is earlier, shall receive an equal, pro-rata share of the Waiting Time Amount.

iii. PAGA Amount: \$2,500.00 of the Net Settlement Amount has been designated as the “PAGA Amount” as described above. Each participating Settlement Class Member who was employed by Defendants at any time from September 11, 2018 to the date of preliminary approval or August 31, 2020, whichever is earlier, shall receive a portion of the PAGA Amount proportionate to the number of workweeks that he or she worked during the aforementioned time period.

iv. The remainder of the Net Settlement Amount will be distributed to each Settlement Class Member based on their proportionate number of workweeks worked during the Class Period, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Settlement Class Member’s total workweeks worked during the Class Period, and the denominator of which is the total workweeks worked by all Settlement Class Members during the Class Period.

C. Within 14 calendar days following the deposit of the Maximum Settlement Amount with the Claims Administrator, including the tenth and final installment payment, the Claims Administrator will calculate each Settlement Class Member’s Individual Settlement Payment and will prepare and mail Individual Settlement Payments to Settlement Class Members.

D. For purposes of calculating applicable taxes and withholdings for Settlement Class Members, each Individual Settlement Payment shall be allocated as 20% wages and 80% penalties and interest. The amounts allocated as wages shall be reported on an IRS Form W-2, and the amounts allocated for penalties and interest shall be reported on an IRS Form 1099. The Parties agree that it is the obligation of the Settlement Class Members to pay appropriate federal, state, and local income taxes on all payments they receive under this Settlement Agreement. Neither Class Counsel nor Defendants’ Counsel intend anything contained in this Settlement to constitute legal advice regarding the taxability of any amount paid hereunder, nor shall anything in this Settlement be relied upon as such.

E. Circular 230 Disclaimer: Each Party to this Agreement acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR part 10, as amended); (2) each Party (a) has relied exclusively upon his, her or its own independent legal and tax counsel for advice (including tax advice) in connection with this Agreement; (b) has not entered into this Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party; and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any other Party to avoid any tax penalty that may be imposed; and (3) no attorney or advisor to any Party has imposed any limitation that protects the confidentiality of any such attorney’s or

adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by any other Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

- F. Each member of the Settlement Class who receives an Individual Settlement Payment must cash that check within 180 days from the date the Claims Administrator mails it.
- G. Any funds payable to Settlement Class Members whose checks remain uncashed one hundred and eighty (180) calendar days after such checks are mailed by the Claims Administrator ("Check Expiration Date") shall become void, and the funds associated with such voided checks, plus any accrued interest that has not otherwise been distributed (together, "Unused Funds"), shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 et seq., for the benefit of those Settlement Class Members who did not cash their checks until such time that they claim their property. The Parties agree that this disposition results in no "unpaid cash residue," or "unclaimed or abandoned funds" under California Civil Procedure Code § 384, as amended effective June 27, 2018, as the entire Net Settlement Amount will be paid out to the Class Members, whether or not they all cash their payment checks.
- H. Neither Plaintiff nor Defendants shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Claims Administrator.

5. **Attorneys' Fees and Costs.** Defendants will not object to the request for Class Counsel's attorneys' fees amounting to one-third of the Maximum Settlement Amount, which is currently estimated to be \$62,000.00, plus actual costs and expenses, which are not to exceed \$20,000.00. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation all work performed and all costs incurred to date, and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Claims Administrator when it pays the fee award allowed by the Court. Within 14 calendar days following the deposit of the Maximum Settlement Amount with the Claims Administrator, including the tenth and final installment payment, the Claims Administrator will calculate, prepare, and mail payments for Class Counsel's attorneys' fees and actual costs and expenses to Class Counsel.

6. **Class Representative Enhancement Payment.** Defendants will not object to a request for a Class Representative Enhancement Payment of up to \$7,500.00 for the Class Representative's Enhancement Payment for his time and risks in prosecuting this case and his service to the Settlement Class. This award will be in addition to Plaintiff's Individual Settlement Payment as a Settlement Class Member, and shall be reported on an IRS Form 1099 by the Claims Administrator.

7. **Claims Administrator.** Defendants will not object to the appointment of Phoenix Class Action Administration Solutions as Claims Administrator, nor to the request to seek approval to pay up to \$7,500.00 for its services from the Maximum Settlement Amount. The Claims Administrator shall be responsible for sending notices and for calculating Individual Settlement Payments and preparing all checks and mailings. The Claims Administrator shall be authorized to pay itself from the Maximum Settlement Amount only after Individual Settlement Payments have been mailed to all Settlement Class Members.

8. **Preliminary Approval.** Upon execution of this Settlement Agreement, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Paul K. Haines of Haines Law Group, APC, and Sam Sani of Sani Law, APC as Class Counsel;
- C. Appointing Victor Pelaez as Class Representative for the Settlement Class;
- D. Approving Phoenix Class Action Administration Solutions as Claims Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Court-approved Notice Packet in a format substantially similar to that attached hereto as Exhibit A, and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within 10 calendar days after entry of an order preliminarily approving this Settlement, Defendants will provide the Claims Administrator with the names, last known addresses, last known telephone numbers, and social security numbers (in electronic format) of the members of the Settlement Class, including the dates of employment and the number of workweeks worked during the Class Period.
- B. Within 7 calendar days from receipt of this information, the Claims Administrator shall (i) run the names of all Settlement Class Members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class Members, (ii) update the addresses of any Settlement Class Member for whom an updated address was found through the NCOA search, (iii) perform a Spanish translation of the Notice Packet, and (iv) mail the English and Spanish translation of the Notice Packet to each Settlement Class Member at his or

her last known address or at the updated address found through the NCOA search, and retain proof of mailing.

- C. Any Notice Packets returned to the Claims Administrator as undelivered on or before the Response Deadline (defined below) shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Claims Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within 5 business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Claims Administrator shall resend the Notice Packet to the Settlement Class Member promptly, and in any event within 3 business days of obtaining the updated address. Settlement Class Members to whom Notice Packets are re-sent after having been returned as undeliverable to the Claims Administrator shall have 14 calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to mail a Request for Exclusion, objection, or dispute. Notice Packets that are re-sent shall inform the recipient of this adjusted deadline.
- D. Requests for Exclusion. Any Settlement Class Member who wishes to opt out of the Settlement must complete and mail a Request for Exclusion to the Claims Administrator within 60 calendar days of the date of the initial mailing of the Notice Packets (the “Response Deadline”).
- i. The Request for Exclusion must: (1) contain the name, address, telephone number, and last four digits of the social security number of the Settlement Class Member; (2) be signed by the Settlement Class Member; and (3) be postmarked by the Response Deadline and mailed to the Claims Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in items (1)-(3), it will not be deemed valid for exclusion from this Settlement, except a Request for Exclusion form not containing a Class Member’s telephone number and/or last four digits of his or her social security number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any potential Settlement Class Member who validly requests to be excluded from the Settlement will no longer be a member of the Settlement Class, will not be entitled to any recovery under this Settlement Agreement, and will not be bound by the terms of the Settlement or have any right to object, appeal, or comment thereon.
 - ii. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Settlement Class Member to object to the Settlement or opt out of the Settlement Class, or encourage any Settlement Class Member to appeal from the final judgment.
- E. Objections. Settlement Class Members who do not opt out may object to this Settlement Agreement as explained in the Class Notice by (1) submitting a written objection with the Claims Administrator (who shall provide all objections as

received to Class Counsel and Defendants' counsel, as well as file all such objections with the Court), or (2) by offering oral comments at the Final Approval Hearing. Defendants' counsel and Class Counsel shall submit any responses to objections no later than the deadline to file the Motion for Final Approval. To be valid, any objection must be postmarked no later than the Response Deadline.

- F. Notice of Settlement Award/Disputes. Each Notice Packet mailed to Settlement Class Members shall contain an English and Spanish translation of the Notice of Settlement Award, which shall disclose the amount of the Settlement Class Member's estimated Individual Settlement Payment, as well as all of the information that was used from Defendants' records in order to calculate the Individual Settlement Payment, including the Settlement Class Member's number of workweeks worked during the Class Period. Settlement Class Members will have the opportunity, should they disagree with Defendants' records regarding the information stated in their Notice of Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Claims Administrator and postmarked by the Response Deadline. If there is a dispute, the Claims Administrator will consult with the Parties to determine whether an adjustment is warranted. Any disputes that remain unresolved as of the Final Approval Hearing will be referred to the Court for final determination.

10. **Final Approval.** Following preliminary approval and the close of the period for filing Requests for Exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiff's and Class Counsel's application for attorneys' fees, costs, and the Class Representative Enhancement Payment; and
- C. Entering judgment pursuant to California Rule of Court 3.769.

11. **Voiding Settlement.** If the Court declines to approve any material term or condition of this Settlement Agreement, then this entire Settlement Agreement shall be void and unenforceable as to all Parties herein at the option of any Party, within thirty (30) days of receiving notice of the Court's action. Further, Defendant has the option of voiding this Settlement Agreement within thirty (30) days of receiving notice that more than five percent (5 %) of the Class Members have timely completed valid requests to be excluded from the settlement. Each Party may exercise its option to void this settlement as provided above by giving notice, in writing, to the other and to the Court. The Party voiding the settlement pursuant to this Paragraph shall be responsible for any costs of administration incurred up to that date.

12. **Employee Benefits.** The amounts paid under this Settlement Agreement do not represent a modification of any previously credited hours of service under any employee benefit plan or policy sponsored by Defendant or Released Parties. Such amounts will not form the basis for

additional contributions to, benefits under, or any other monetary entitlement under, any benefit plans, policies or programs. Any payments made under the terms of this Settlement Agreement shall not be applied retroactively, currently or on a going-forward basis as salary, earnings, wages or any other form of compensation for the purposes of any sponsored benefit plan, policy or bonus program, including, but not limited to, vacation, leave, and sick policies. Defendant and Released Parties retain the right to modify the language of any benefit plans, policies and programs to effect this intent and to make clear that any amounts paid pursuant to this Settlement Agreement are not for any measuring term as defined by applicable plans, policies, and programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement.

13. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. The Parties have entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

14. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

15. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendants: Jeffrey P. Fuchsman, Ballard Rosenberg Golper & Savitt LLP
15760 Ventura Blvd., 18th Floor
Encino, California 91436
Email: jfuchsman@brgslaw.com

if to Plaintiff: Paul K. Haines, Haines Law Group, APC
2155 Campus Drive, Suite 180
El Segundo, California 90245
Email: phaines@haineslawgroup.com

Sam Sani, Sani Law, APC
15720 Ventura Blvd, Suite 405
Encino, California 91436
Email: ssani@sanilawfirm.com

16. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations,

presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

17. **Construction.** The Parties agree that this Settlement Agreement is the result of lengthy, intensive arms-length negotiations between the parties and that this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which that Party has participated in the drafting of this Settlement Agreement.

18. **Enforcement.** If a Party to this Settlement Agreement institutes any legal action, arbitration, or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights or obligations under this Settlement Agreement, then the prevailing Party shall recover from the unsuccessful Party, reasonable attorneys' fees and costs.

19. **Governing Law.** This Settlement Agreement is made and entered into under the laws of the State of California, and shall be interpreted, applied and enforced under those laws, and any litigation concerning this Settlement Agreement shall be in the Superior Court of the County of Los Angeles, State of California.

20. **Counterparts.** This Settlement Agreement may be executed by one or more Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

DATED: 7/7/2020

Los Angeles Recycling Center, Inc.

By: David T. Cho
Name: DAVID T. CHO
Title: CFO

DATED: 7/7/2020

Bestway Recycling Center, Inc.

By: David T. Cho
Title: CFO

DATED: 7/7/2020

Bestway Global Holdings, Inc.

By: David T. Cho
Title: CFO

DATED: 7/7/2020

Western Recycling Center, Inc.

By: David T. Cho
Title: CFO

DATED: 7/7/2020

Bestway Recycling of Pomona, Inc.

By: 
Title: CFO

DATED: _____

Victor Pelaez

By: _____
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: July 7, 2020

BALLARD ROSENBERG GOLPER & SAVITT
LLP

By: _____
Jeffrey Fuchsman
Attorneys for Defendants

DATED: _____

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Attorneys for Plaintiff

DATED: _____

SANI LAW, APC

By: _____
Sam Sani
Attorney for Plaintiff

DATED: _____

Bestway Recycling of Pomona, Inc.

By: _____

Title:

DATED: July 6, 2020

Victor Pelaez

By: 
Victor Pelaez (Jul 6, 2020 16:45 PDT)
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: _____

BALLARD ROSENBERG GOLPER & SAVITT
LLP

By: _____

Jeffrey Fuchsman
Attorneys for Defendants

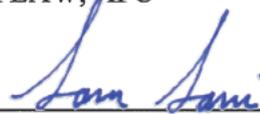
DATED: July 7, 2020

HAINES LAW GROUP, APC

By: 
Paul K. Haines
Attorneys for Plaintiff

DATED: July 7, 2020

SANI LAW, APC

By: 
Sam Sani
Attorney for Plaintiff