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17 Attorneys for Plaintiff Teresa Vargas Perez,
18 individually and on behalf of all others similarly situated

19 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

20 **FOR THE COUNTY OF SANTA BARBARA**

21 TERESA VARGAS PEREZ, individually and
22 on behalf of all others similarly situated,

23 Plaintiff,

24 vs.

25 THE PARSONS GROUP, INC., a California
26 Corporation, and DOES 1 through 25,

27 Defendants.

Case No.: 19CV01203
*Assigned to Hon. Donna D. Geck,
Dept. 4*

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

Action Filed: March 6, 2019

1st Amd. Comp Filed: May 6, 2019
2nd Amd. Comp. Filed: July 24, 2019
3rd Amd. Comp. Filed: Sept. 17, 2019
4th Amd. Comp. Filed: Aug. 4, 2020

28 IT IS HEREBY STIPULATED, by and between Plaintiff Teresa Vargas-Perez
("Representative Plaintiff") herself and all others similarly situated and aggrieved, on the
one hand, and Defendant The Parsons Group, Inc. (including any and all Doe Defendants)
("Defendant "or "Parsons Group") on the other hand, and subject to the Court's approval,

1 that the Actions shall hereby be compromised and settled pursuant to the terms and
2 conditions set forth in this Joint Stipulation of Class Action Settlement ("Settlement
3 Agreement" or "Agreement"). The Parties intend that, subject to the definitions, terms, and
4 conditions set forth below, as may be only be modified in any material respect in subsequent
5 written amendments, this Settlement Agreement shall fully, finally and forever resolve,
6 discharge, and settle the Released Claims against the Released Parties.

7 **I. INTRODUCTION AND SUMMARY OF SETTLEMENT TERMS**

8 This Joint Stipulation sets forth the terms of the settlement of a class action filed on
9 behalf of current and former non-exempt employees who worked for Defendant in California
10 during the Class Period, as defined below. The Fourth Amended Complaint alleges causes of
11 action against Defendant for: (1) failure to provide meal and rest breaks; (2) failure to provide
12 accurate wage statements; (3) failure to pay all wages owed at termination; (4) violation of
13 the Unfair Practices Act; (5) recovery of civil penalties under the California Labor Code
14 Private Attorneys' General Act ("PAGA"), California Labor Code sections 2698-2699.5; and
15 (6) failure to reimburse necessary expenditures.

16 Under the terms of the parties' Settlement and after final approval and entry of
17 judgment pursuant to California Rule of Court 3.769, Defendant will pay a gross settlement
18 amount of three hundred eighty-one thousand dollars (\$381,000.00) (the "Gross Settlement
19 Amount"), plus the employer's share of payroll taxes. The Settlement will be administered
20 by a third-party settlement administrator with experience administering class action
21 settlements of this type. Until distribution, the Gross Settlement Amount will be held in a
22 Qualified Settlement Fund established by the Settlement Administrator. This is an opt-out
23 settlement, and Class Members (as defined in Section II) will receive a settlement payment
24 unless they timely submit a Request for Exclusion. Settlement Class Members shall not be
25 required to submit a claim form.

26 The Parties agree and propose that the following disbursements will be made from the
27 Gross Settlement Amount, subject to Court approval at the Final Fairness and Approval
28 Hearing:

- 1 A. Settlement Administration Costs, estimated to be \$7,500.
- 2 B. Class Counsel’s Attorneys’ Fees, to be approved by the Court, in an amount
3 not to exceed one hundred twenty-seven thousand dollars (\$127,000), which is one-third of
4 the Gross Settlement Amount;
- 5 C. Class Counsel’s Costs, as approved by the Court, in an amount not to exceed
6 \$20,000;
- 7 D. A Service and Release Award to Plaintiff Teresa Vargas Perez in the amount
8 of \$10,000 as payment for her time and efforts in pursuing this Action, and for the broader
9 release and other covenants that she will be providing to Defendant;
- 10 E. A payment of \$7,500 to the California Labor and Workforce Development
11 Agency (the “LWDA Payment”), which represents the Labor and Workforce Development
12 Agency’s (“LWDA”) 75% share of the total \$10,000 allocated to Plaintiffs’ PAGA claims
13 (the “PAGA Amount”). The other 25% of the PAGA Amount (\$2,500) will become part of
14 the Net Settlement Amount (defined below) distributed to the Settlement Class.
- 15 F. The remainder of the Gross Settlement Amount (the “Net Settlement Amount”)
16 will be distributed to Settlement Class Members based on the methodology discussed in
17 section IV.K.1, below. It is estimated that the Net Settlement Amount will be approximately
18 \$209,000 after deductions for Class Counsel’s Attorneys’ Fees, Class Counsel’s Costs,
19 Settlement Administration Costs, the Service and Release Awards, and the payment to the
20 LWDA.

21 Defendant represents that the Class consisted of approximately 221 members as of
22 September 2, 2020.

23 **II. DEFINITIONS**

24 As used in this Stipulation, the following terms shall have the meanings set forth
25 below:

- 26 A. “Action” means this putative class and representative action pending in Santa
27 Barbara County Superior Court titled *Teresa Vargas Perez, individually and on behalf of all*

1 *others similarly situated, v. The Parsons Group Inc., a California Corporation and DOES 1-*
2 *25, Case No. 19CV01203.*

3 B. "Agreement" or "Stipulation" means this Joint Stipulation of Class Action
4 Settlement.

5 C. "Class" means all individuals who were employed by Parsons Group in
6 California as non-exempt employees during the applicable Class Period (as defined below)].

7 D. "Class Counsel" means Aaron C. Gundzik and Rebecca G. Gundzik of
8 Gundzik Gundzik Heeger LLP, 14011 Ventura Blvd., Suite 206E, Sherman Oaks, CA 91423,
9 (818) 290-7461, and Dan Holzman of Caskey & Holzman, 24025 Park Sorrento, Ste. 400,
10 Calabasas, CA 91302, (818) 657-1070.

11 E. "Class Counsel's Attorneys' Fees" means the amount to be awarded to Class
12 Counsel from the Gross Settlement Amount for their attorneys' fees for their work in this
13 Action, subject to Court approval at the Final Fairness and Approval Hearing.

14 F. "Class Counsel's Costs" means the amount to be awarded to Class Counsel
15 from the Gross Settlement Amount to reimburse Class Counsel for their reasonable costs and
16 expenses incurred in the Action, subject to Court approval at the Final Fairness and Approval
17 Hearing.

18 G. "Class Data" means each Class Member's full name, social security number,
19 last known address, and telephone number(s), along with the number of weeks that each Class
20 Member worked for Defendant during the Class Period to the extent that this information is
21 in Defendant's reasonable possession.

22 H. "Class Member" is a person who is a member of the Class.

23 I. "Class Period" means the period from March 6, 2015 through October 15,
24 2020.

25 J. "Complaint" means the Fourth Amended Complaint filed August 4, 2020 in
26 the Action.

27 K. "Court" means the Superior Court of the State of California, in and for the
28 County of Santa Barbara, where the Action is pending.

1 L. "Defendant" means The Parsons Group, Inc. (hereinafter referred to as
2 "Parsons Group")

3 M. "Defendant's Counsel" means Diane Marie O'Malley and Winston K. Hu,
4 Hanson Bridgett LLP, 425 Market Street, 26th Floor, San Francisco, California 94105,
5 Telephone: (415) 777-3200, Facsimile: (415) 541-9366.

6 N. "Effective Date" means the date of entry of the order of the "Final Approval
7 Order" if no objection is filed. If a timely objection to the settlement is filed, the "Effective
8 Date" will be the later of (1) 65 days following entry of the Final Approval Order and (2) if
9 an appeal, review or writ is sought from the Final Approval Order, the date on which (i) the
10 highest reviewing court renders its decision denying the petition or writ challenging the Final
11 Approval Order or renders its decision affirming the Final Approval Order and (ii) the Final
12 Approval Order is no longer subject to further review.

13 O. "Employer's Withholding Share" means Defendant's share of all federal, state,
14 and local taxes and required withholdings, including without limitation, FICA, Medicare tax,
15 FUTA, and state unemployment taxes.

16 P. "Final Approval Order and Judgment" means the Order Granting Final
17 Approval of Class Action Settlement and Judgment entered by the Court.

18 Q. "Final Fairness and Approval Hearing" means the hearing on Plaintiffs'
19 Motion for Final Approval of Class Action Settlement at which the Court will be asked to give
20 final approval to the settlement terms set forth herein and to enter judgment.

21 R. "Gross Settlement Amount" means the three hundred eighty-one thousand
22 dollars (\$381,000.00) that Defendant will pay under this Settlement.

23 S. "LWDA Payment" means 75% of the PAGA Payment. The LWDA Payment
24 will be paid to the Labor Workforce Development Agency ("LWDA").

25 T. "Net Settlement Amount" means the amount remaining from the Gross
26 Settlement Amount after payments of Court-approved Class Counsel's Attorney's Fees and
27 Class Counsel's Costs, Service and Release Awards to the Representative Plaintiffs,
28

1 Settlement Administration Costs, and the LWDA Payment. It is estimated that the Net
2 Settlement Amount will be at least \$209,000.

3 U. "Notice of Settlement" means the "Notice of Proposed Class Action Settlement
4 and Final Approval Hearing," the form of which is attached hereto as Exhibit A.

5 V. "Notice of Objection" means any written objection to this Settlement sent by a
6 Settlement Class Member to the Settlement Administrator as specified herein and in the
7 Notice of Settlement.

8 W. "PAGA Amount" means the \$10,000 portion of the Gross Settlement Amount
9 that the Parties allocated to settlement of Plaintiff's PAGA claims.

10 X. "Parties" means the Representative Plaintiff on behalf of herself and all
11 Settlement Class Members and Defendant.

12 Y. Plaintiff's "Further Released Claims" means the claims and causes of action
13 that Plaintiff, on behalf of herself individually, and in addition to her releases of the Released
14 Claims, expressly and further generally releases against the Released Parties including by
15 waiver of all rights, protections and benefits under the terms of California Civil Code section
16 1542.

17 Z. "Preliminary Approval Date" is the date that the Court grants preliminary
18 approval of this Settlement pursuant to California Rule of Court 3.769(c).

19 AA. "Qualified Settlement Fund" or "QSF" means a federally insured bank account
20 to be established by the Settlement Administrator into which all payments from Defendant
21 related to this Settlement will be deposited and from which all payments authorized by the
22 Court will be made. The QSF will be established prior to Defendant's deposit of the Gross
23 Settlement Amount.

24 BB. "Qualifying Workweek" means the number of weeks that each Class Member
25 worked for Defendant in California in a non-exempt position during the Class Period.

26 CC. As determined by the Court, "Released Claims" , except for Plaintiff, means
27 all causes of action and factual or legal theories that were alleged in the Complaint or any
28 previous Complaint in this Action or that could arise from facts alleged in the Complaint or

1 any previous Complaint in this Action, including all damages, penalties, interest and other
2 amounts recoverable under said claims, causes of action or legal theories of relief. The time
3 period governing these Released Claims shall be the Class Period only. Claims and damages
4 that were not alleged in the Complaint and/or do not arise from the facts alleged in the
5 Complaint are specifically excluded from the release.

6 DD. "Released Parties" means Defendant and its past, present and/or future officers,
7 directors, members, managers, employees, agents, representatives, attorneys, insurers,
8 partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates,
9 divisions, predecessors, successors, assigns, and joint venturers, but only as to the Released
10 Claims and the section 1542 and Further Released Claims released by Plaintiff.

11 EE. "Representative Plaintiff" means Plaintiff Teresa Vargas Perez.

12 FF. "Represented Workweeks" is the number of total workweeks worked by the
13 Class as of July 6, 2020, or approximately 25,000 workweeks.

14 GG. "Request for Exclusion" means a written and signed request by a Class
15 Member to be excluded from the Settlement Class that is submitted in accordance with the
16 procedure set forth herein, also known as an "opt-out request."

17 HH. "Response Deadline" means the date that is 45 days after mailing of Notices
18 of Settlement. Provided, for Notices of Settlement that are re-mailed to a different address,
19 the Response Deadline will be the earlier of: (1) 45 days after re-mailing, and (2) ten days
20 before the initial date set by the Court for the Final Fairness and Approval Hearing.

21 II. "Service and Release Award" means the payment to be made to the
22 Representative Plaintiff for her service to the Class and for the broader general release that
23 she is providing to Defendant, which is in addition to whatever payment she may be entitled
24 to receive as a Settlement Class Member.

25 JJ. "Settlement" means the Parties agreed to disposition of the Action and all
26 related claims effectuated by this Agreement.

27 KK. "Settlement Administration Costs" means the fees and costs incurred or
28 charged by the Settlement Administrator in connection with the execution of its duties under

1 this Agreement including, but not limited to fees and costs associated with: (1) establishing
2 and maintaining the QSF; (2) preparing, issuing and/or monitoring reports, filings, and notices
3 (including the cost of printing and mailing all notices and other documents to the Class
4 Members) required to be prepared in the course of administering the Settlement; (3)
5 computing the amount of the settlement payments, taxes, and any other payments to be made
6 under this Agreement; (4) calculating and handling inquiries about the calculation of
7 individual settlement payments; (5) establishing and operating a settlement payment center
8 website, address, and phone number to receive Class Members' inquiries about the Settlement;
9 (6) providing a due diligence declaration for submission to the Court prior to the final approval
10 hearing; (7) printing and providing Settlement Class Members and the Plaintiffs with W-2 and
11 1099 forms as required under this Agreement and applicable law; (8) preparing, issuing, and
12 filing any tax returns and information returns and any other filings required by any
13 governmental taxing authority or other governmental agency; recovering and returning to
14 Defendant employer withholding share of payroll taxes for the portions of any payments to
15 class members that are not cashed; and (9) for such other tasks as the Parties mutually agree
16 or the Court orders the Settlement Administrator to perform. The Settlement Administration
17 Costs will not exceed \$7,500. Settlement Administration Costs will be paid out of the Gross
18 Settlement Amount.

19 LL. "Settlement Administrator" refers to Phoenix Class Action Administration
20 Solutions.

21 MM. "Settlement Class" means all Class Members who have not submitted a timely
22 and complete Request for Exclusion.

23 NN. "Settlement Class Member" is a person who is a member of the Settlement
24 Class.

25 **III. BACKGROUND**

26 During the Class Period, Defendant operated a business in California that provided
27 independent, memory care and assisted living services to seniors. Plaintiff contends that
28 during the Class Period, she and other non-exempt employees of Defendant were not provided

1 with compliant meal and rest breaks, were not provided compliant wage statements, were not
2 paid all amounts due at separation, and were not reimbursed for all of their necessary expenses.

3 The Parties have undertaken significant investigation, formal and informal discovery
4 during the prosecution of this Action. Such discovery and investigation include extensively
5 interviewing the Representative Plaintiffs and other Class Members, Defendant's production
6 and Plaintiff's counsel's review of personnel records, policies, as well as time pay records for
7 all Class Members during the majority of the Class Period, and other detailed information
8 relevant to the Class Members' claims. Counsel for the Parties have investigated the law as
9 applied to the facts discovered regarding the alleged claims of the Class and potential defenses
10 thereto, and the potential damages claimed by the Class.

11 The Parties' attorneys have engaged in extensive discussions about the strengths and
12 weaknesses of the claims and defenses in the Action. On July 6, 2020, the Parties attended a
13 mediation before an experienced and well-regarded mediator, Gig Kyriacou, who after a day
14 long mediation made a Mediator's Proposal, after which the Parties reached an agreement
15 regarding the resolution of this Action which is embodied in the terms of this Agreement.

16 Plaintiff and Class Counsel have concluded, after considering the sharply disputed
17 factual and legal issues involved in this Action, the risks attending further prosecution, and
18 the substantial benefits to be received pursuant to the compromise and settlement of the Action
19 as set forth in this Agreement, that this Settlement is in the best interests of the Representative
20 Plaintiff and the Settlement Class and is fair and reasonable.

21 This Settlement contemplates: (i) entry of an order preliminarily approving the
22 Settlement and approving certification of a provisional Class for settlement purposes only;;
23 (ii) dissemination of a notice to Class Members about the settlement; (iii) entry of a Final
24 Approval Order granting final approval of the Settlement; and (iv) entry of final judgment.

25 **IV. SETTLEMENT APPROVAL AND IMPLEMENTATION PROCEDURE**

26 **A. Preliminary Approval of Settlement**

27 Following the execution of this Stipulation by all Parties or at such other time specified
28 by the Court, Class Counsel will submit this₉ Stipulation to the Court as part of Plaintiff's

1 motion for preliminary approval of the settlement. Plaintiff's motion will include such briefing
2 and evidence as may be required for the Court to determine that this Agreement is fair and
3 reasonable, as required by California Code of Civil Procedure section 382 and California Rule
4 of Court 3.769. Class Counsel will provide Defendant's counsel with the opportunity to
5 review and comment on all drafts of all papers to be filed in connection with the motion for
6 preliminary approval (notice of motion, memorandum of points and authorities and
7 declarations) before filing such motion with the Court. Plaintiff's motion for preliminary
8 approval will also include a proposed order that is mutually agreed-upon by the Parties.
9 Defendant shall not oppose Plaintiff's motion for preliminary approval of the settlement to
10 the extent it is consistent with the terms and conditions of this Agreement. Defendant may,
11 however, provide a written response to any characterization of the law or facts contained in
12 the motion for preliminary approval.

13 The Parties have agreed to the certification of the Class for the sole purposes of
14 effectuating this Settlement. Should the Settlement be terminated for any reason, or should
15 the Settlement not be approved by the Court or the judgment not become final, the fact that
16 the Parties were willing to stipulate to class certification as part of the Settlement will have no
17 bearing on, and will not be admissible in connection with, the issue of whether a class should
18 be certified in a non-settlement context in this Action, and in any of those events, Defendant
19 expressly reserves the right to oppose class certification. Additionally, if the Settlement does
20 not become final, this Agreement and all negotiations, court orders, and proceedings related
21 thereto shall be without prejudice to the rights of all Parties hereto, and evidence relating to
22 the Agreement and all negotiations shall not be admissible in the Action or otherwise. The
23 Parties further agree that if, for any reason, the Settlement is not approved, the certification
24 for purposes of this Settlement will have no force or effect and will be immediately revoked.

25 **B. Cooperation**

26 The Parties agree to fully cooperate with each other to accomplish the terms of this
27 Agreement, including but not limited to, execution of such documents and to take such other
28 reasonably necessary actions to implement the terms of this Agreement. No party, nor any of

1 its attorneys or agents, shall solicit or encourage any Class Member to opt out of or object to
2 the Settlement.

3 **C. Notice of Settlement**

4 By the later of October 15, 2020 or 10 days following the Court's order granting
5 preliminary approval of the Settlement, Defendant will provide the Settlement Administrator
6 with the Class Data in an electronic format acceptable to the Settlement Administrator. At the
7 same time, Defendant will provide the Class Data, without Class Member names, contact
8 information and social security numbers, to Class Counsel. This information will remain
9 confidential and will not be disclosed to anyone, except as required to applicable taxing
10 authorities, pursuant to Defendant's express written authorization, by order of the Court, or as
11 otherwise provided for in this Agreement.

12 Using the Class Data, the Settlement Administrator will: (1) confirm the number of
13 Class Members and Qualifying Workweeks, (2) finalize and print the Notice of Settlement;
14 (3) check all addresses against the National Change of Address database; and (4) within ten
15 (10) calendar days of receiving the Class Data, send to each Class Member via First-Class
16 United States mail an English and Spanish version of the Notice of Settlement to the most
17 recent address known for each Class Member.

18 **D. Re-Sending Class Notices**

19 For any Notice of Settlement that is returned as undeliverable, the Settlement
20 Administrator will perform a utility database search or other skip trace. The returned Notices
21 of Settlement will be re-mailed to the new addresses obtained for such Class Members. Such
22 searching and re-mailing will be completed within ten (10) calendar days of the date that
23 Notices of Settlement were originally returned as undeliverable.

24 **E. Requests for Exclusion (Opt-Outs)**

25 Any Class Member who wishes to be excluded from the Settlement must notify the
26 Settlement Administrator in writing of his or her desire to be excluded by mailing his or her
27 own Request for Exclusion to the Settlement Administrator that clearly expresses such desire
28 and is signed by such Class Member. Any such Request for Exclusion shall include the Class

1 Member's name (and former names, if any), current address, telephone number, and last four
2 numbers of the Class Member's social security number. To be valid, the Request for Exclusion
3 must be postmarked by no later than the Response Deadline.

4 Any Class Member who submits a valid and timely Request for Exclusion shall be
5 barred from participating in this Settlement, shall be barred from objecting to this Settlement,
6 and shall receive no benefit from this Settlement.

7 Any Class Member who fails to submit a timely, complete, and valid Request for
8 Exclusion shall be barred from opting out of the Settlement. It shall be conclusively presumed
9 that, if a Request for Exclusion is not postmarked on or before the expiration of the period to
10 submit a Request for Exclusion, the Class Member did not make the request in a timely
11 manner. Under no circumstances shall the Settlement Administrator have the authority to
12 extend the deadline for Class Members to file a Request for Exclusion.

13 Unless a Class Member submits a timely, complete, and valid Request for Exclusion,
14 he or she shall be deemed a Settlement Class Member and shall be bound by the terms and
15 conditions of this Agreement. The releases provided for in this Agreement shall conclusively
16 preclude any Settlement Class Member from asserting any of the Released Claims against any
17 of the Released Parties in any judicial, administrative, or arbitral forum.

18 The Settlement Administrator shall promptly provide Class Counsel and Defendant's
19 Counsel with copies of all Requests for Exclusion that it receives.

20 **F. Declaration of Compliance**

21 At the time determined by Class Counsel, the Settlement Administrator shall provide
22 Class Counsel and Defendant's Counsel with a declaration attesting to completion of the
23 notice process set forth in this Section IV, including the number of notices sent and returned,
24 an explanation of efforts to resend undeliverable notices, and copies of all Requests for
25 Exclusion, which declaration shall be filed with the Court by Class Counsel along with their
26 papers requesting final approval of the Settlement.

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G. Sufficient Notice

Compliance with the procedures described in this Section IV shall constitute due and sufficient notice to Class Members of this Settlement and of the Final Fairness and Approval Hearing, shall satisfy the requirements of due process, and nothing else shall be required of the Representative Plaintiff, Class Counsel, Defendant, Defendant’s Counsel, or the Settlement Administrator to provide notice of the Settlement and the Final Fairness and Approval Hearing.

H. Objections to Settlement

1. Procedure and Deadline for Objections

In order for any Class Member to object to the Settlement, he or she must send to the Settlement Administrator, postmarked no later than the Response Deadline, a Notice of Objection, signed by the objecting Class Member or his or her attorney, along with all supporting papers (if any). The date the signed Notice of Objection was postmarked shall be conclusively determined according to the records of the Settlement Administrator. The Settlement Administrator shall send any Notices of Objections it receives to Defense Counsel and Class Counsel within three (3) business days of receipt. The Court retains final authority with respect to the consideration and admissibility of any Notice of Objection.

A Class Member’s Notice of Objection will not be valid if the Class Member also submits a valid and timely Request for Exclusion. A Class Member who does not submit a valid and timely Request for Exclusion and who objects to the Settlement will still be considered a Settlement Class Member.

2. Responses to Objections

Class Counsel and Defendant’s Counsel shall file any written objections from Class Members submitted to the Settlement Administrator, and Class Counsel’s and Defendant’s Counsel’s responses to such objections, at least five (5) court days before the Final Fairness and Approval Hearing.

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1 **I. Pro-Rata Increase in Settlement Fund and Defendant’s Right to Rescind**

2 **1. Pro-Rata Increase**

3 Class Member workweeks are calculated through October 15, 2020 – the end of the
4 Class Period. If the total number of Class Member workweeks, as reported by Defendant at
5 the time of Preliminary Approval to the third-party administrator in the Class Data, exceeds
6 110% of the Represented Workweeks, the Gross Settlement Amount shall increase by the
7 same percentage that the total actual workweeks exceeds 110% of the Represented
8 Workweeks.

9 **2. Right to Rescind**

10 If fifteen percent (15%) or more of the Class Members submit timely and valid
11 Requests for Exclusion, Defendant may, at its option, rescind the Settlement. In that event, all
12 actions taken in furtherance of the Settlement will be null and void. Defendant must exercise
13 this right of rescission, in a writing to Class Counsel, within fourteen (14) days following
14 Defendant’s Counsel’s receipt of information from the Settlement Administrator indicating
15 that the number of valid Requests for Exclusion exceed this limit. If Defendant exercises this
16 right of rescission, Defendant must pay the all expenses incurred by the Settlement
17 Administrator as of the date of Defendant’s notice of rescission.

18 **J. Final Fairness and Approval Hearing**

19 On or before the date set by the Court, Class Counsel will file a motion for final
20 approval of this Settlement pursuant to California Rule of Court 3.769. Class Counsel will
21 provide Defendant’s counsel with the opportunity to review and comment on drafts of all
22 papers to be filed in connection with the motion for final approval (notice of motion,
23 memorandum of points and authorities and declarations) before filing such motion with the
24 Court. Plaintiffs’ motion for final approval will also include a proposed order that is mutually
25 agreed-upon by the Parties. Defendant shall not oppose Class Counsel’s motion for final
26 approval of the settlement to the extent it is consistent with the terms and conditions of this
27 Agreement. Defendant may, however, provide a written response to any characterization of
28 the law or facts contained in the motion for final approval.

1 On the date set by the Court, the Final Fairness and Approval Hearing shall be held
2 before the Court in order to: (1) determine whether the Court should give this Settlement final
3 approval; (2) determine whether Class Counsel's application for attorneys' fees and costs, and
4 request for the Service and Release Awards to the Representative Plaintiff, should be granted;
5 (3) determine whether the Court should approve the payment of fees to the Settlement
6 Administrator and the PAGA Settlement Amount and (4) consider any timely Objections to
7 Settlement, including Class Counsel's and Defendant's Counsel's responses thereto. Upon
8 final approval, the Court shall enter a Final Approval Order (in a form submitted by Class
9 Counsel and approved by Defendant's Counsel) which has the effect of adjudicating all claims
10 set forth in the Complaint and implementing the release of Released Claims, as set forth in
11 this Agreement. The Final Approval Order will be posted on the Settlement Administrator's
12 website. The posting of the Final Approval Order on the Settlement Administrator's website
13 will constitute notice of entry of the judgment, as required by California Rule of Court
14 3.771(b).

15 **K. Settlement Payments to Settlement Class Members**

16 **1. Calculation of Settlement Payments.**

17 The Net Settlement Amount shall be divided among and distributed to individual
18 Settlement Class Members using the following formula:

19 **$$\frac{\text{Individual Settlement Class Member's Qualifying Workweeks}}{\text{All Settlement Class Members' Qualifying Workweeks}} \times \text{Net Settlement Amount}$$**

21 The Settlement Administrator shall have the authority and obligation to make
22 payments, credits, and disbursements, including payments and credits in the manner set forth
23 herein, to Settlement Class Members calculated in accordance with the methodology set out
24 in this Agreement and orders of the Court.

25 The Parties acknowledge and agree that the formula used to calculate individual
26 settlement payments does not imply that all the elements of damages alleged in the Action are
27

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1 not being considered. The above formula was devised as a practical and logistical tool to
2 simplify the settlement process.

3 **2. Inclusion of Qualifying Workweeks and Estimated Settlement**
4 **Payment Information in Notice of Settlement**

5 The Notice of Settlement sent to each Class Member shall state the amount of the Class
6 Member's Qualifying Workweeks, as reflected in the Class Data. Each Notice of Settlement
7 shall also include an estimate of the Class Member's settlement payment as a member of the
8 Settlement Class, as calculated by the Settlement Administrator. The estimated settlement
9 payment included in the Notice of Settlement will be calculated by assuming that no Class
10 Members will be excluded from the Settlement.

11 **3. Eligibility**

12 Settlement Class Members (but not Class Members who exclude themselves of the
13 Settlement), will receive a settlement payment from the Net Settlement Fund, distributed
14 through the Settlement Administrator.

15 Should any question arise regarding the determination of eligibility for, or the amounts
16 of, any settlement payments under the terms of this Agreement, Class Counsel and
17 Defendant's Counsel shall meet and confer in an attempt to reach agreement and, if they are
18 unable to do so, the issue shall be submitted to the Court for determination on an expedited
19 basis, through the submission of letter briefs of no more than three pages.

20 **4. Disputes about Qualifying Workweeks**

21 If a Class Member disagrees with the number of Qualifying Workweeks, as stated in
22 his or her Notice of Settlement, he or she may dispute that figure by informing the Settlement
23 Administrator of the number of Qualifying Workweeks he or she claims to have worked
24 during the Class Period and provide any supporting documentation (such as, without
25 limitation, payroll or time keeping records, and paycheck stubs) on or before the Response
26 Deadline. If there is a dispute, the Settlement Administrator will consult with Class Counsel
27 and Defendant's Counsel to determine whether an adjustment is warranted. However,
28 Defendant's records shall be presumed to be accurate and the Settlement Administrator shall

1 have the sole discretion to determine any such disputes. The Settlement Administrator shall
2 be obligated to resolve any disputes regarding the number of Qualifying Workweeks
3 submitted by a Class Member within ten (10) days. The Settlement Administrator's decision
4 is final and there is no further appeal.

5 **5. Allocation of Settlement Payments**

6 Payment to each Settlement Class Member shall be allocated as follows: 25% shall be
7 attributed to wages, to be reported on a W-2 form; 25% shall be attributed to reimbursable
8 expenses, 25% shall be attributed to interest and 25% shall be reported as penalties. The
9 amount of penalties, interest and reimbursement of expenses will be reported on an IRS Form
10 1099.

11 **6. Payment of Payroll Taxes**

12 The amount paid to each Settlement Class Member attributable to wages shall be
13 subject to all applicable taxes and other withholdings and shall be net of the Settlement Class
14 Member's share of all federal, state, and local taxes and required withholdings, including
15 without limitation, FICA, Medicare tax, FUTA, and state unemployment taxes. The
16 Employer's Withholding Share shall be paid by Defendant separately and in addition to
17 Defendant's payment of the Gross Settlement Amount.

18 For each Settlement Class Member, the Settlement Administrator shall determine the
19 Employer's Withholding Share. Information related to the Employer's Withholding Share for
20 each Settlement Class Member shall be provided to Defendant by the Settlement
21 Administrator. If Defendant disagrees with the Settlement Administrator's determination of
22 the Employer's Withholding Share, it will communicate with and share information
23 reasonably necessary to reach a good faith determination of the correct Employer's
24 Withholding Share.

25 To the extent a class member cannot be found or otherwise does not cash the
26 Settlement Check, the Settlement Administrator will seek a refund from the appropriate tax
27 authorities and return any Employer's Withholding Share to Defendant.

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7. Payments to Settlement Class Members

Within ten (10) days of Defendant’s deposit of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator will make the settlement payments to Settlement Class Members based on the payment formula set forth herein.

L. The Settlement Administrator

The Settlement Administrator will perform the duties specified in this Agreement and any other duties incidental to such obligations. The Settlement Administrator’s duties shall include, without limitation: establishing the QSF, preparing, translating and distributing the Notice of Settlement; calculating and directing the disbursement of payments to Settlement Class Members, Class Counsel, the Class Representative and the LWDA; calculating and timely paying any and all payroll taxes from the wages portion of the Net Settlement Amount to the appropriate tax authorities, as required under this Agreement and applicable law; handling inquiries about the calculation of individual settlement payments; preparing and filing any tax returns and information returns and any other filings required by any governmental taxing authority or other governmental agency; providing weekly status reports to the Parties’ counsel; advising Defendant and Class Counsel of any Class Members who submit Notices of Objections and/or Requests for Exclusion; providing a due diligence declaration for submission to the Court prior to the final approval hearing; printing and providing Settlement Class Members and Representative Plaintiffs with W-2 and 1099 forms as required under this Agreement and applicable law; arranging for and remitting Employer's Withholding Share from any uncashed settlement payment; arranging for and remitting funds from any uncashed settlement payment to the designated recipient, as determined by the Court; and for such other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform.

The Settlement Administrator shall establish a settlement payment center address, telephone number and email address to receive Class Members’ inquiries about the Notice of Settlement, requests to be excluded from the Settlement and settlement payments.

In addition, the Settlement Administrator shall establish a static website and, on the

1 website, post this stipulation, any preliminary approval order and the Final Approval Order
2 and Judgment. Posting of the Final Approval Order and Judgment on such website shall
3 constitute notice of judgment to the Settlement Class, as required by California Rule of Court
4 3.771(b).

5 The Parties confirm, and Class Counsel and Defendant's Counsel confirm that they do
6 not have any financial interest in the Settlement Administrator or otherwise have a relationship
7 with the Settlement Administrator that could create a conflict of interest.

8 **M. Time for Payment by Defendant**

9 Within fifteen (15) calendar days after the Effective Date, Defendant shall wire the
10 Gross Settlement Amount and Employer's Withholding Share to the QSF. Provided however,
11 if any appeal of the judgment or final approval order is pending at such time, the deadline for
12 Defendant's payment shall be 25 days following that date that such appeal is finally resolved.

13 If, after the Court enters a Final Approval Order, Defendant fails to timely pay the
14 amount required to satisfy its payment obligation under this Stipulation, the Representative
15 Plaintiff, at her option, may either (1) declare the Settlement terminated, in which case, the
16 Parties agree that the Court will nullify the Final Approval Order and Judgment and Plaintiff
17 may continue to prosecute her claims against Defendant, or (2) seek to collect all amounts
18 owed under the Final Approval Order and Judgment against Defendant.

19 **N. Payments to Class Counsel, the Representative Plaintiff, the LWDA and**
20 **the Settlement Administrator**

21 Subject to Court approval, within ten (10) days of Defendant's deposit of the Gross
22 Settlement Amount with the Settlement Administrator, the Settlement Administrator shall
23 make payment from the QSF to: (1) Class Counsel, for Class Counsel's Attorneys' Fees and
24 Class Counsel's Costs, as by the Court; (2) the Representative Plaintiff for the Service and
25 Release Award approved by the Court; (3) to the LWDA for the LWDA Amount, as approved
26 by the Court; and (4) to the Settlement Administrator for the Settlement Administration Costs,
27 as approved by the Court. These payments will be reported on an IRS Form 1099.

28 Settlement Class Members' receipt of Individual Settlement Payments, or any

1 parts thereof, shall not, and does not, by itself establish any general, special, or joint
2 employment relationship between and among the Settlement Class Member(s) and Defendant.
3 Additionally, and despite any contrary language in any benefit or compensation plan
4 document or other writing that might have been in effect during any Settlement Class
5 Member's period of employment, receipt of any Individual Settlement Payment shall not
6 entitle any Settlement Class Member to additional compensation or benefits under any bonus,
7 contest or other compensation or benefit plan or agreement, nor shall it entitle any Settlement
8 Class Member to any increased pension and/or retirement, 401K benefits or matching benefits,
9 other deferred compensation benefits or any benefit under any "Employee Benefit Plan" as
10 defined by section 3(3) of ERISA maintained or sponsored by Defendant based on any
11 amount paid under this Settlement Agreement.

12 **O. Un-cashed/Un-deposited Settlement Payment Checks**

13 If any Settlement Class Member's settlement payment check has not been cashed or
14 deposited within sixty (60) days after disbursement, the Settlement Administrator shall
15 attempt to contact each individual to advise them to cash their checks, and to offer to replace
16 any checks reported as either lost or stolen. In attempting to contact such persons, the
17 Settlement Administrator will send notices (1) by mail to the individuals' last known
18 addresses (as provided by Defendant) after first checking those addresses against the NCOA
19 database and skip tracing and (2) by telephoning or emailing such persons, in the event that
20 Defendant provides telephone numbers and/or email addresses for such persons.

21 If a Class Member's check is not cashed within 180 days, the check will be void and
22 a stop payment order may be placed on the check. In such event, the Settlement nevertheless
23 will be binding upon the Settlement Class Member. The funds represented by all uncashed
24 settlement checks will be transmitted by the Settlement Administrator to a Court-approved *cy*
25 *pres* in accordance with the terms of this Settlement and California Code of Civil Procedure
26 section 384. Pursuant to California Code of Civil Procedure section 384, after the report is
27 received, the Court will amend the judgment and direct Defendant to pay the sum of the unpaid
28 residue or unclaimed or abandoned class member funds, plus any interest that has accrued

1 thereon, to the Santa Barbara Children's Education Fund, a nonprofit in Santa Barbara,
2 California, which is located at 1330 State Street, Suite 201, Santa Barbara, CA 93101. The
3 parties hereby propose Santa Barbara Children's Education Fund as the *cy pres* recipient in
4 accordance with California Code of Civil Procedure section 384. Santa Barbara Children's
5 Education Fund is a 501(c)(3) Non-Profit charitable organization focused on providing and
6 supporting programs that enrich the academic, artistic, and personal development of all
7 students in the Santa Barbara Unified School District. Neither Defendant, Defendant's counsel
8 nor Class Counsel has any involvement with the *cy pres* recipient.

9 **P. Class Counsel Attorneys' Fees and Costs**

10 Defendant will not oppose Class Counsel's application for an award of attorneys' fees
11 of up to one hundred twenty-seven thousand dollars (\$127,000), which is one-third of the
12 Gross Settlement Amount.

13 Defendant will not oppose Class Counsel's application for an award of their reasonable
14 litigation expenses and costs in an amount not to exceed \$20,000.

15 Class Counsel's Attorney's Fees and Class Counsel's Costs, as awarded by the Court,
16 shall be paid from the Gross Settlement Amount.

17 To the extent the Court does not approve any or the entire amount of Class Counsel's
18 Attorney's Fees or Class Counsel's Costs, it shall not affect the terms of the Parties' settlement
19 and any such unapproved amounts shall remain part of the Gross Settlement Amount and shall
20 be distributed in accordance with the provisions of this Stipulation. Approval of the Settlement
21 by the Court shall not be contingent on approval of the amounts of Class Counsel's Attorney's
22 Fees or Class Counsel's Costs requested by Class Counsel.

23 Upon the payment of the Court-approved amount of Class Counsel's Attorneys' Fees
24 and Class Counsel's Costs, and except as otherwise provided by this Stipulation, Class
25 Counsel waives any claim to costs and attorneys' fees and expenses against Defendant arising
26 from or related to the Action, including but not limited to claims based on the California Labor
27 Code, the California Code of Civil Procedure, or any other statute or law. Provided, however,
28 nothing in this Agreement shall prevent Class Counsel from seeking additional fees for

1 enforcing the terms of this Stipulation in a civil action in which Plaintiff is alleging a breach
2 of this Stipulation of Settlement and is successful. By agreeing to this provision, Defendant
3 does not waive its right to argue that Class Counsel is not entitled to any attorneys fees in any
4 such action described above.

5 **Q. Service and Release Award to Representative Plaintiff**

6 The Representative Plaintiff's Service and Release Award as approved by the Court,
7 shall be paid from the Gross Settlement Amount.

8 The Representative Plaintiff shall be responsible for all portions of federal, state, and
9 local tax liabilities that may result from the payment of the Service and Release Award and
10 agrees that Defendant shall bear no responsibility for any such tax liabilities.

11 To the extent the Court does not approve any or all of the amount of the Service and
12 Release Award sought by the Representative Plaintiff, any amounts not awarded by the Court
13 will remain part of the Gross Settlement Amount and will be distributed in accordance with
14 the terms of this Stipulation and the Parties agree that the settlement shall remain binding with
15 such modification(s) and its terms will otherwise be unchanged.

16 **R. Taxes**

17 **1. Withholding and Reporting Requirements**

18 The Settlement Administrator shall be responsible for ensuring that all taxes required
19 to be withheld from the wage portions of each Settlement Class Member's individual
20 settlement payment, along with the Employer's Withholding Share, are timely paid to the
21 appropriate tax authorities. The Settlement Administrator's responsibilities in this regard will
22 also include the following: (a) filing all Federal, state, and local employment tax returns, tax
23 withholding returns, and any other tax returns associated with the taxes, (b) timely and proper
24 filing of all required Federal, state, and local information returns (e.g., 1099s, W-2s, etc.) with
25 the appropriate taxing authorities, (c) arranging for and remitting Employer's Withholding
26 Share from any uncashed settlement payment, and (d) completion of any other steps necessary
27 for compliance with any tax obligations of the settlement fund under Federal, state and/or
28 local law. To verify the Settlement Administrator's compliance with the foregoing

1 withholding and reporting requirements, as soon as administratively practicable, the
2 Settlement Administrator shall furnish Class Counsel and Defendant's Counsel with copies of
3 all filed tax returns and information returns (including all 1099 and W-2 information returns),
4 and a final accounting adequate to demonstrate full compliance with all tax withholding,
5 payment and reporting obligations.

6 **2. Circular 230 Disclaimer**

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

24 **V. LIMITATIONS ON USE OF THIS SETTLEMENT**

25 **A. No Admission of Liability**

26 Neither the acceptance nor the performance by Defendant of the terms of this Joint
27 Stipulation nor any of the related negotiations or proceedings is or shall be claimed to be,
28 construed as, or deemed a precedent or an admission by Defendant of the truth or merit of any

1 allegations in the original Complaint, First Amended Complaint, Second Amended
2 Complaint, Third Amended Complaint and/or Fourth Amended Complaint, or that it has any
3 liability to the Representative Plaintiff or the Class Members on their claims. Defendant denies
4 that it has engaged in any unlawful activity, has failed to comply with the law in any respect,
5 or has any liability to anyone under the claims asserted in the Action. This Agreement is
6 entered into solely for the purpose of compromising highly disputed claims.

7 **B. Nullification**

8 In the event that the Court does not approve the Settlement in accordance with this
9 Stipulation, the Parties agree to negotiate in good faith to resolve any issues raised by the
10 Court and amend this Stipulation to obtain Court approval of the Settlement. However, if,
11 after a good faith effort to resolve any issues, the Court for any reason does not approve this
12 Settlement, this Stipulation shall be null and void and all Parties to this Settlement shall stand
13 in the same position, without prejudice, as if the Settlement had been neither entered into nor
14 filed with the Court.

15 **VI. RELEASE**

16 The Representative Plaintiff and Class Members (except those who exclude
17 themselves from the Settlement) hereby fully, finally, and forever settle, compromise, and
18 discharge Defendant and the Released Parties from all the Released Claims. Upon entry of
19 the Final Approval Order and Defendant's payment of the Gross Settlement Amount and
20 Employer's Withholding Share, and except as to such rights or claims as may be created by
21 this Settlement Agreement, the Settlement Class Members, on behalf of themselves, and each
22 of their heirs, representatives, successors, assigns, and attorneys, by operation of the final
23 judgment, fully releasee and discharge the Released Parties from any and all Released Claims
24 that accrued during the Class Period.

25 **VII. RELEASES AND COVENANANTS BY THE REPRESENTATIVE**
26 **PLAINTIFF: FURTHER RELEASED CLAIMS**

27 Upon entry of the Final Approval Order and Defendant's payment of the Gross
28 Settlement Amount and Employer's Withholding Share, and except as to such rights or claims

1 as may be created by this Settlement Agreement, the Representative Plaintiff fully releases
2 and forever discharges Defendant and the Released Parties, and its/their respective present
3 and former officers, directors, employees, shareholders, members, agents, trustees,
4 representatives, attorneys, insurers, parent companies, subsidiaries, divisions, affiliates,
5 predecessors, successors, assigns, and any individual or entity that could be jointly liable with
6 Defendant, from any and all claims, causes of action, damages, wages, benefits, expenses,
7 penalties, debts, liabilities, demands, obligations, attorney's fees, costs, and any other form of
8 relief or remedy in law, equity, or whatever kind or nature, whether known or unknown,
9 suspected or unsuspected, exclusive only of any workers compensation claims or any other
10 claims which cannot be released as a matter of law, including but not limited to (1) all
11 Released Claims, (2) the Action and any claims arising out of or related to the Action, (3) any
12 claims under federal, state or local law for or relating to wages, benefits, compensation,
13 vacation or other paid time off, and claims for liquidated damages, penalties, or costs and fees
14 associated therewith, (4) wrongful termination, discrimination, harassment, and/or retaliation,
15 (5) any act, omission, or occurrence or claim arising out of or related to the Action or
16 Plaintiff's employment or termination thereof with Defendant taking place on or before the
17 Effective Date of the Settlement, and (6) and any other form of relief or remedy of any kind,
18 nature, or description whatsoever, whether premised on statute, contract, tort, or other theory
19 of liability under state, federal, or local law. Provided, however, this release shall not include
20 any claims for workers' compensation benefits.

21 The Representative Plaintiff hereby agrees that, notwithstanding section 1542 of the
22 California Civil Code ("Section 1542"), all claims that the Representative Plaintiff may have,
23 known or unknown, suspected or unsuspected, are hereby released as of the Effective Date.
24 Section 1542 provides:

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

1 The Representative Plaintiff expressly waives the provisions of Section 1542 with full
2 knowledge and with the specific intent to release all known or unknown, suspected or
3 unsuspected, claims arising on or before the Effective Date of the Settlement, and therefore
4 specifically waives the provisions of any statute, rule, decision, or other source of law of the
5 United States or of any state of the United States or any subdivision of a state which prevents
6 release of unknown claims.

7 **VIII. MISCELLANEOUS PROVISIONS**

8 **A. Amendments**

9 This Settlement Agreement may only be modified or changed by a writing signed by
10 the Parties hereto or by their counsel.

11 **B. Integrated Agreement**

12 After this Stipulation is signed and delivered by all Parties to the Action and their
13 counsel, this Stipulation and its exhibits will constitute the entire agreement between the
14 Parties to the Action relating to the Settlement, and it will then be deemed that no oral
15 representations, warranties, covenants, or inducements have been made to any Party
16 concerning this Stipulation or its exhibits other than the representations, warranties,
17 covenants, and inducements expressly stated in this Stipulation and its exhibits.

18 **C. No Inducements**

19 The Parties acknowledge that they are entering into this Agreement as a free and
20 voluntary act without duress or undue pressure or influence of any kind or nature whatsoever
21 and that neither Plaintiff nor Defendant have relied on any promises, representations, or
22 warranties regarding the subject matter hereof other than as set forth in this Stipulation.

23 **D. No Prior Assignment**

24 The Parties hereto represent, covenant, and warrant that they have not directly or
25 indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
26 any person or entity any portion of any liability, claim, demand, action, cause of action, or
27 rights herein released and discharged except as set forth herein.

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1 **E. No Retaliation or Advice**

2 Defendant agrees not to retaliate against any Class Member. The Parties will not
3 induce or offer any advice to any current or former employee to opt out of, or object to, the
4 Settlement.

5 **F. No Tax Advice or Effect on Benefits**

6 The Parties and Parties' Counsel make no representations and do not offer any tax
7 advice to each other, to Settlement Class Members, or to any other person concerning the
8 taxability, tax treatment or legal effect of any tax laws on the payments specified herein. As
9 such, the Parties and Parties' Counsel, Class Members, and all other persons who may be
10 affected by, or subject to, applicable tax laws as a result of any payment made pursuant to this
11 Settlement Agreement, shall not rely on any statement or representation by the Parties, Class
12 Counsel or Defendants' Counsel in this regard. The Parties and Class Counsel understand and
13 agree that they, along with Settlement Class Members, shall be individually responsible for
14 the payment of all applicable taxes on the payments they respectively receive under the terms
15 of this Settlement Agreement.

16 The payments due to Settlement Class Members shall not result in any additional value
17 (such as 401(k) or bonus) beyond those provided by this Settlement Agreement to Plaintiffs
18 or Settlement Class Members, and Plaintiff and Settlement Class Members will be deemed to
19 have waived all such claims, whether known or unknown by them, as part of their release of
20 claims under this Agreement. Specifically, the Parties agree and understand that none of the
21 amounts paid under this Agreement to Plaintiff and Settlement Class Members constitute
22 compensation under any "Employee Benefit Plan" as defined by section 3(3) of ERISA;
23 Settlement Class Members waive any and all claims for additional contributions to, and/or
24 benefits under, any Employee Benefit Plan maintained or sponsored by Defendants based on
25 any amount paid under this Agreement; and they release any claim for employee benefits,
26 including any and all claims arising under ERISA, arising out of, or related to, the amounts
27 paid under this Agreement.

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1 **G. Applicable Law**

2 All terms and conditions of this Stipulation and its exhibits will be governed by and
3 interpreted according to the laws of the State of California, without giving effect to any
4 conflict of law principles or choice of law principles.

5 **H. Entry of Judgment Pursuant to Terms of Settlement**

6 The Parties agree that upon the Settlement of this case, the Court may enter judgment
7 pursuant to the terms of this Settlement and specifying the Gross Settlement Amount. The
8 Court will retain jurisdiction over the Parties to enforce the Settlement until performance in
9 full of the terms of the Settlement.

10 **I. Notices**

11 All notices, requests, demands and other communications required or permitted to be
12 given pursuant to this Agreement shall be in writing, and shall be delivered personally or by
13 first class mail to Class Counsel or Defendant’s Counsel at their respective addresses as set
14 forth at the beginning of this Agreement or at any new address as to which counsel have
15 advised the Court and the other Parties.

16 **J. Binding on Successors**

17 This Agreement shall be binding and shall inure to the benefit of the Parties to the
18 Action and their respective successors, assigns, executors, administrators, heirs, and legal
19 representatives.

20 **K. Counterparts**

21 This Stipulation, and any amendments hereto, may be executed in any number of
22 counterparts, each of which when executed and delivered shall be deemed to be an original
23 and all of which taken together shall constitute the same instrument.

24 **L. Warranties and Representations**

25 With respect to themselves, each of the Parties to this Action and or their agent or
26 counsel represents, covenants, and warrants that they have full power and authority to enter
27 into and consummate all transactions contemplated by this Stipulation and have duly
28 authorized the execution, delivery, and performance of this Stipulation.

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M. Representation by Counsel

The Parties to this Action acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Stipulation, and that this Stipulation has been executed with the consent and advice of counsel.

N. Signatories

It is agreed that because the Class Members are so numerous, it is impossible or impractical to have each Class Member execute this Stipulation. The Notice of Settlement will advise all Class Members of the binding nature of the release, and the release shall have the same force and effect as if this Stipulation was executed by each member of the Settlement Class.

O. Interim Stay of Actions

The Parties agree to stay and shall request that the Court stay all proceedings in the Actions, except such proceedings necessary to fully implement this Settlement Agreement up to and including to the time the Court enters the Final Judgment.

BY SIGNING BELOW, THE PARTIES AGREE TO THIS STIPULATION AND ITS TERMS:

Dated: September 10, 2020

Teresa Vargas Perez
Teresa Vargas Perez (Sep 10, 2020 22:51 PDT)
Plaintiff Teresa Vargas Perez

Dated: _____, 2020

THE PARSONS GROUP, INC.

By: _____

Its: _____

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It is agreed that because the Class Members are so numerous, it is impossible or impractical to have each Class Member execute this Stipulation. The Notice of Settlement will advise all Class Members of the binding nature of the release, and the release shall have the same force and effect as if this Stipulation was executed by each member of the Settlement Class.

O. Interim Stay of Actions

The Parties agree to stay and shall request that the Court stay all proceedings in the Actions, except such proceedings necessary to fully implement this Settlement Agreement up to and including to the time the Court enters the Final Judgment.


BY SIGNING BELOW, THE PARTIES AGREE TO THIS STIPULATION AND ITS TERMS:

Dated: _____, 2020

Plaintiff Teresa Vargas Perez

Dated: September 14, 2020

THE PARSONS GROUP, INC.

By: 

Its: President and Chairman


1 Approved as to form:

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3 Dated: September 14, 2020

HANSON BRIDGETT LLP

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By: 
Diane M. O'Malley
Attorneys for Defendant The Parsons Group, Inc.

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7 Dated: _____, 2020

GUNDZIK GUNDZIK HEEGER LLP

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Rebecca G. Gundzik
Attorneys for Plaintiff Teresa Vargas Perez,
individually and on behalf of all others similarly
situated

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13 Dated: _____, 2020

CASKEY & HOLZMAN

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Daniel M. Holzman
Attorneys for Plaintiff Teresa Vargas Perez,
individually and on behalf of all others similarly
situated

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Approved as to form:

Dated: _____, 2020

HANSON BRIDGETT LLP

By: _____

Diane M. O'Malley
Attorneys for Defendant The Parsons Group, Inc.

Dated: 9/11, 2020

GUNDZIK GUNDZIK HEEGER LLP



Rebecca G. Gundzik
Attorneys for Plaintiff Teresa Vargas Perez,
individually and on behalf of all others similarly
situated

Dated: 9/11, 2020

CASKEY & HOLZMAN



Daniel M. Holzman
Attorneys for Plaintiff Teresa Vargas Perez,
individually and on behalf of all others similarly
situated

Exhibit A

If you were employed by The Parsons Group, Inc. as a non-exempt employee in the state of California anytime between March 6, 2015 through October 15, 2020, you may be entitled to receive money from a class action settlement.

The Santa Barbara County Superior Court authorized this notice. This is not a solicitation from a lawyer. You are not being sued.

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.

You are receiving this Notice because the Court has preliminarily approved a proposed settlement in a class action filed on behalf of all non-exempt employees of Defendant The Parsons Group, Inc. ("Defendant" or "Parsons Group") who worked for Defendant in California from March 6, 2015 through October 15, 2020. A hearing to determine whether the settlement should receive the Court's final approval will be held on _____ at _____.m. in Department 6 of the Santa Barbara County Superior Court, which is located at 1100 Anacapa Street, Santa Barbara, CA 93121-1107.

This Notice explains the proposed settlement and provides an estimate of how much money you will receive as a settlement payment if you do not exclude yourself from the settlement. If you do not want to be part of the settlement class, then you must submit a Request for Exclusion (described in Section 9, below) no later than [45 days from mailing] otherwise you will be bound by the terms of the settlement, including the release of certain claims that you may have against Defendant, as described in Section 8 of this Notice.

1. PURPOSE OF THIS NOTICE

The Court has ordered that this Notice be sent to you because Defendant's records indicate that you are someone who worked for Defendant in the State of California any time from March 6, 2015 through October 15, 2020, and thus a potential class member under the settlement. The purpose of this notice is to provide you with information about the lawsuit and the proposed settlement and to advise you of your options.

2. PERSON ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT

The Court has certified, for settlement purposes only, the following class of persons (the "Class"):

All non-exempt California employees of Parsons Group who worked for Parsons Group in the State of California at any time from March 6, 2015 through October 15, 2020 ("Class Period") who do not opt-out of the settlement.

3. DESCRIPTION OF THE ACTION

A former employee of Parsons Group filed a class action against it in the Santa Barbara Superior Court. The case is called *Perez v. The Parsons Group Inc.*, Case No. 19CV01203 (the "Action"). Plaintiff Teresa Vargas Perez alleges the following claims on behalf of herself and the Class: (1) failure to provide meal and rest breaks; (2) failure to provide accurate wage statements; (3) failure to pay all wages owed at termination; (4) violation of the Unfair Practices Act; (5) civil penalties under the California Labor Code Private Attorneys' General Act ("PAGA"), California Labor Code sections 2698-2699.5, and (6) failure to reimburse necessary expenditures.

Defendant denies all liability and is confident that it has strong legal and factual defenses to these claims, but it recognizes the risks, distractions, and costs associated with continued litigation. Defendant contends that its conduct is and has been lawful at all relevant times and that Plaintiff's claims do not have merit and do not meet the requirements for class certification.

This Settlement is a compromise reached after good faith, arm's length negotiations between Plaintiff and Defendant (the "Parties"), through their attorneys, and is not an admission of liability on the part of Defendants. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate and reasonable. Plaintiff also believes this Settlement is in the best interests of all Class Members.

FOR MORE INFORMATION CALL 1-800-_____.

The Court has made no ruling on the merits of Plaintiff's claims or Defendant's defenses.

4. WHO ARE THE ATTORNEYS REPRESENTING THE PARTIES?

Attorneys representing Plaintiffs and the class ("Class Counsel") are:

Aaron C. Gundzik Rebecca Gundzik Gundzik Gundzik Heeger LLP 14011 Ventura Blvd., Suite 206E Sherman Oaks, CA 91423 Telephone: (818) 290-7461 Facsimile: (818) 918-2316	Daniel M. Holzman Caskey & Holzman 24025 Park Sorrento, Ste. 400 Calabasas, CA 91302 Telephone: (818) 657-1070 Facsimile: (818) 297-1775
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Attorneys representing Defendant are:

Diane M. O'Malley Winston K. Hu Hanson Bridgett LLP 425 Market Street, 26th Floor San Francisco, California 94105 Telephone: (415) 777-3200 Facsimile: (415) 541-9366	
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5. THE TERMS OF THE PROPOSED SETTLEMENT

The following is a summary of the settlement. The specific and complete terms of the proposed Settlement are stated in the Stipulation of Class Action Settlement ("Settlement Agreement"), a copy of which is filed with the Court. You can obtain a copy of the Settlement Agreement from Class Counsel (see contact information in Section 4 above) or review it on the following website: www._____.

Defendant has agreed to pay \$381,000 to settle any and all obligations for the claims alleged in the lawsuit. This amount is called the Gross Settlement Amount. As discussed below, the Gross Settlement Amount will be used to cover all payments to the settlement class, settlement administration costs, attorneys' fees and costs, a service and release award to the Plaintiff, and funds owed to the state of California in settlement of penalties. All of these payments will be deducted from the Gross Settlement Amount. The remaining amount (the "Net Settlement Amount") will be distributed to class members who do not timely submit Requests for Exclusion, as discussed below.

- (a) **Attorneys' Fees and Costs:** Class Counsel has worked on this matter without compensation and have advanced funds to pay for expenses necessary to prosecute the Action. Accordingly, under the settlement, Class Counsel may request an amount not to exceed \$127,000 to compensate them for their work on the case, plus their reasonable costs and expenses incurred in the litigation not to exceed \$20,000. Subject to court approval, the attorneys' fees and costs will be deducted from the Gross Settlement Amount.
- (b) **Service and Release Award:** The Plaintiff is requesting a service and release award of \$10,000, in addition to the amount she will receive as a Class member, to compensate her for undergoing the burden of prosecuting the Action and for the broader release of claims she is required to provide to Defendant. Subject to court approval, the service and release award will be deducted from the Gross Settlement Amount.
- (c) **Settlement Administration Costs:** The Settlement Administrator, Phoenix Class Action Administration Solutions, has advised the parties that the settlement administration costs will not exceed \$7,500. Subject to court approval, the settlement administration costs will be deducted from the Gross Settlement Amount.
- (d) **Payment to State of California:** A total of \$10,000 of the Gross Settlement Amount will be allocated to settle allegations that Defendant owes penalties to the state for alleged violations of the California Labor Code. Of this amount, \$7,500 (75%) will be paid to the California Labor & Workforce Development Agency ("LWDA"). Subject to court

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approval, the \$7,500 payment to the LWDA will also be deducted from the Gross Settlement Amount. The other 25%, which is \$2,500, will be distributed to class members as part of the Net Settlement Amount discussed below.

(e) **Payments to Settlement Class Members:** The remainder of the Gross Settlement Amount (the "Net Settlement Amount") will be distributed to Class Members who do not exclude themselves from the settlement ("Settlement Class Members"). The amount of each Settlement Class Member's share of the Net Settlement Amount will be calculated by dividing the total number of qualifying workweeks worked by the Class Member during the Class Period by the total number of qualifying workweeks worked by all Settlement Class Members during the Class Period and multiplying that fraction by the Net Settlement Amount. A qualifying workweek is a full or partial week that a class member worked for Defendant during the Class Period.

6. WHAT YOU WILL RECEIVE UNDER THE SETTLEMENT

According to Defendant's records, you worked a total of ___ qualifying workweeks during the Class Period. Under the settlement, you will receive approximately \$_____.

Your settlement payment is being calculated using the following formula: (Individual Settlement Class Member's Qualifying Workweeks ÷ All Settlement Class Members' Qualifying Workweeks) x Net Settlement Amount.

This amount may increase or decrease based on various factors, including the number of class members who submit Requests for Exclusion, the amounts approved by the Court for attorneys' fees and costs, settlement administration costs, service and release awards to Plaintiffs, payment to the LWDA, and disputes by other class members regarding their qualifying workweeks during the Class Period. **You do not need to do anything to receive your settlement payment. You will receive a settlement payment unless you exclude yourself from the settlement.**

7. PAYMENT SCHEDULE

The Settlement Administrator will send out settlement checks to Class Members after the settlement is finally approved by the Court. You will have 180 days after the Settlement Administrator mails your settlement check to cash it; otherwise it will be voided and the amount of your settlement payment will be sent to the Court-appointed *cy pres* recipient, Santa Barbara Children's Education Fund, a nonprofit in Santa Barbara, California focused on providing and supporting programs that enrich the academic, artistic, and personal development of students in the Santa Barbara Unified School District. For tax purposes, 25% of your settlement payment shall be attributed to wages and reported on a W-2 form; 25% will be attributed to interest, 25% will be attributed to penalties and 25% will be attributed to reimbursement of expenses. The amount of interest and penalties will be reported on an IRS Form 1099. Nothing in this Notice should be construed as providing you with tax advice. You should consult with your tax advisor concerning the tax consequences of the payment you receive.

8. RELEASE OF CLAIMS

Unless you submit a valid Request for Exclusion (described below in section 9), you will release Parsons Group and its past, present and/or future officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers ("Released Parties") from all causes of action and factual or legal theories that were alleged in the Complaint or that could arise from facts alleged in the Complaint, including all damages, penalties, interest and other amounts recoverable under said claims, causes of action, or legal theories of relief. The claims that you will be releasing by participating in the settlement include claims for: (1) failure to provide meal and rest breaks; (2) failure to provide accurate wage statements; (3) failure to pay all wages owed at termination; (4) violation of the Unfair Practices Act; (5) recovery of civil penalties under the California Labor Code Private Attorneys' General Act ("PAGA"), California Labor Code sections 2698-2699.5, and (6) failure to reimburse necessary expenditures occurring during the Class Period as well as all other California statutory, common or administrative law claims and causes of action which could have been alleged in the Action based on the facts and allegations in the operative complaints occurring during the Class Period. The release only effects claims that arose at any time between March 6, 2015 and October 15, 2020.

FOR MORE INFORMATION CALL 1-800-_____.

9. YOUR OPTIONS

As a Class Member you have three options. Each option will affect your rights, which you should understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, are explained below:

(a) You Can Do Nothing.

If you do nothing, you will remain a Class Member and will receive a settlement payment. You will also be bound by the release of claims set forth in Section 8 above. The payment will remain valid and negotiable for one hundred eighty (180) days from the date of the issuance. This deadline to cash the payment check cannot be extended.

(b) You Can Exclude Yourself from the Settlement Class.

If you do not want to remain a member of the settlement class, you can request exclusion (*i.e.*, opt out) by sending the Settlement Administrator a written Request for Exclusion at the address specified in Section 13 below. The deadline to postmark a Request for Exclusion is **[45 days from mailing]**. A Request for Exclusion is a written statement that unambiguously requests exclusion from the settlement class. The Request for Exclusion must include the case number (*Perez v. The Parsons Group Inc.*, Case No. 19CV01203), your name, current address and telephone number, and the last four digits of your social security number (for verification purposes). You must also sign the Request for Exclusion. You should keep a copy of your Request for Exclusion. Moreover, to demonstrate receipt by the Settlement Administrator, you may elect to send your Request for Exclusion via certified mail. Requests for Exclusion that do not include all required information, or that are not postmarked on or before **[45 days from mailing]**, will not be valid.

If you submit a valid and timely Request for Exclusion, you will not be bound by the settlement or the release of claims in Section 8 above and you will not receive any money under the settlement. You will also be barred from objecting to this settlement. By opting out of the settlement class, you will retain whatever rights or claims you may have against Defendant.

If you do not submit a timely and valid Request for Exclusion from the settlement class by the deadline specified above, then you will be bound by all terms and conditions of the settlement, including the Release of Claims, if it is approved by the Court and by the judgment, and you will receive a settlement payment.

(c) You Can Object to the Settlement.

If you do not submit a Request for Exclusion from the settlement, you may object to the settlement by sending your written objections to the Settlement Administrator at the address specified in Section 13 below. The deadline to postmark your objections is **[45 days from mailing]**. Only Class Members who have not requested exclusion may object to the settlement.

Your objection must state the basis of your objection and include any papers and briefs in support of your position. Your objection must be signed and must contain your current address and telephone number (or that of your attorney) and refer to this case (*Perez v. The Parsons Group Inc.*, Case No. 19CV01203).

If you object to the settlement and if the Court approves the settlement notwithstanding your objections, you will be bound by the terms of the settlement and be deemed to have released all of the Released Claims as set forth in Section 8 above, and you will not be permitted to file a Request for Exclusion.

10. PROCEDURE FOR CONTESTING THE CALCULATION OF YOUR SETTLEMENT PAYMENT AS STATED IN THIS NOTICE

If you wish to remain a Settlement Class Member but you disagree with the number of qualifying workweeks attributed to you in Section 6 above, you can contest the calculation. To do so, you must provide the Settlement Administrator with a written explanation of your position. The statement must also include your full name, current address and telephone number, and must identify this case (*Perez v. The Parsons Group Inc.*, Case No. 19CV01203). You must provide written documentation supporting the number of workweeks you believe that you worked; otherwise, the number listed above will be presumed correct. You must postmark your written statement no later than **[45 days from mailing]**. The Settlement Administrator will consider the documentation you submit and will communicate with you and the parties as necessary

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regarding the dispute to determine whether an adjustment is warranted before making a final determination regarding your settlement payment. The Settlement Administrator will advise you of its final determination.

11. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT

The Final Approval Hearing on the fairness and adequacy of the proposed settlement, the plan of distribution, the service and release awards to the Plaintiffs, and Class Counsel’s request for attorneys’ fees and costs, and other issues will be held on _____, 20__ at ____m., in Department 6 of the Santa Barbara County Superior Court, which is located at 1100 Anacapa Street, Santa Barbara, CA 93121-1107. The Final Approval Hearing may be continued to another date without further notice. If you plan to attend the Final Approval Hearing, it is recommended that you contact the Settlement Administrator to confirm the date and time.

12. NON-RETALIATION

Defendant will not retaliate or take any adverse action against a Class Member for participating in the settlement and/or refusing to participate in the settlement.

13. ADDITIONAL INFORMATION AND COURTHOUSE SOCIAL DISTANCING INFORMATION.

This Notice only summarizes the lawsuit and settlement. For more information, you may inspect the Court file at the Santa Barbara County Superior Court, 1100 Anacapa Street, Santa Barbara, CA 93121-1107, subject to the social distancing procedures in place at the Courthouse. You may also review the settlement agreement and other documents on-line at [www._____](http://www.____) or you may contact the Settlement Administrator as follows:

Phoenix Settlement Administrators

Telephone: _____

Facsimile: _____

Email: _____

Website: _____

You may also contact Class Counsel at the address and telephone number provided in Section 4 above. If your address changes or is different from the address on the envelope enclosing this Notice, please promptly notify the settlement administrator.

If you are planning to come to the Final Approval Hearing, you should review the Court’s social distancing requirements at: https://www.sbcourts.org/gi/notices/C19_ANA.pdf.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE

FOR MORE INFORMATION CALL 1-800-_____.