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**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES**

JOEL SOTO CARENDAS, an individual, on  
behalf of himself and all others similarly  
situated,

Plaintiffs,

v.

SDG ENTERPRISES, a California Corporation;  
NICHOLAS SIMILI, an individual, and DOES  
1 - 100, inclusive,

Defendants.

Case No.: **19STCV25672**

*[Assigned for all purposes to the Honorable Amy  
D. Hogue I. Jones, Dept. 7]*

**JOINT STIPULATION OF CLASS ACTION  
SETTLEMENT AND RELEASE BETWEEN  
PLAINTIFF, ON BEHALF OF HIMSELF  
AND ALL OTHERS SIMILARLY  
SITUATED, AND DEFENDANTS**

**JOINT STIPULATION OF CLASS ACTION SETTLEMENT**

This Joint Stipulation of Class Action Settlement (“Agreement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Joel Soto Cardenas (“Plaintiff” or “Class Representative”), individually and on behalf of all others similarly situated, and Defendants SDG Enterprises (“SDG”) and Nicholas Simili (“Simili”) (collectively “Defendants”) (collectively with Plaintiffs, the “Parties”).

This settlement shall be binding on Plaintiff and the settlement class he purports to represent and Defendants and any of their former and present parents, subsidiaries, affiliates, divisions, corporations in common control, predecessors, successors and assigns, as well as all past and present officers, directors, employees, partners, shareholders and agents, attorneys, insurers, any other successors, assigns or legal representatives, if any, and any other individual or entity which could be liable for any of the Released Claims (hereinafter “Released Parties”), and the Parties’ respective counsel, subject to the terms and conditions hereof and the approval of the Court.

**RECITALS**

1. On July 24, 2019, Plaintiff filed a class action complaint against Defendants in the Superior Court of the State of California, County of Los Angeles, on behalf of himself and all others similarly situated. Plaintiff’s complaint alleged claims for (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Failure to Provide Meal Breaks); (3) Violation of California Labor Code § 226.7 (Failure to Provide Rest Breaks); (4) Violation of California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements); (6) Failure to Compensate All Hours Worked (Cal. Lab. Code § 204); (7) Failure to Pay Wages Upon Discharge (Cal. Lab. Code § 201); (8) Statutory Penalties (Cal. Lab. Code §§ 203 and 558); (9) Violation of the California Private Attorney General Act of 2004, California Labor Code § 2698 *et seq.*; and (10) Violation of California Business & Professions Code §§ 17200, *et seq.* (Unfair Business Practices).

2. Defendants deny all material allegations set forth in the Class Action Complaint for Damages and have asserted numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation, the Parties have agreed to fully and finally settle all actual or potential

1 claims by the Class Members.

2 3. Putative Class Counsel in the Action diligently investigated the proposed Class  
3 Members' claims against Defendants, including any and all applicable defenses and the applicable  
4 law. The investigation included, *inter alia*, the exchange of information pursuant to formal and  
5 informal discovery methods, analysis of Class Members' time and pay records, and review of  
6 numerous corporate policies and practices.

7 4. On March 9, 2020, the Parties participated in a mediation before Steve Serratore, Esq.  
8 (the "Mediator"), a respected mediator of wage and hour class actions. The Parties came to an  
9 agreement following the mediation and set forth the material terms of the agreement in a  
10 Memorandum of Understanding – which was signed by the Parties on March 9, 2020.

11 5. The settlement discussions during and after mediation were conducted at arm's length,  
12 and the settlement is the result of an informed and detailed analysis of Defendants' potential liability  
13 of total exposure in relation to the costs and risks associated with continued litigation.

14 6. Based on the data produced pursuant to informal discovery, as well as Class Counsel's  
15 own independent investigation and evaluation and the Mediator's efforts, Class Counsel believe that  
16 the settlement with Defendants for the consideration and on the terms set forth in this Settlement  
17 Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members in light of  
18 all known facts and circumstances, including the risk of significant delay and uncertainty associated  
19 with litigation, various defenses asserted by Defendants, and numerous potential appellate issues.

20 7. As part of this Settlement, the Parties agreed to file a First Amended Complaint to add  
21 an additional cause of action for Violation of Labor Code § 2802 (Failure to Reimburse Necessary  
22 Business Expenses). This Settlement Agreement is made contingent on the Court's granting leave to  
23 file the First Amended Complaint and adopting the First Amended Complaint as the operative  
24 complaint in this Action.

25 8. This Settlement Agreement is made and entered into by and between Plaintiff,  
26 individually and on behalf of all others similarly situated, and Defendants, and is subject to the terms  
27 and conditions hereof, and to the Court's approval. The Parties expressly acknowledge that this  
28 Agreement is entered into solely for the purpose of compromising significantly disputed claims and

1 that nothing herein is an admission of liability or wrongdoing by Defendants. If for any reason the  
2 Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned  
3 to their original respective positions.

4 **DEFINITIONS**

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

7 9. "Action" means *Joel Soto Carendas, an individual, on behalf of himself and all others*  
8 *similarly situated v. SDG Enterprises, a California Corporation; Nicholas Simili, an individual, and*  
9 *DOES 1 – 100, inclusive*; Los Angeles Superior Court, Case No. 19STCV25672 initially filed on July  
10 24, 2019.

11 10. "Attorneys' Fees and Costs" means attorneys' fees agreed upon by the Parties and  
12 approved by the Court for Class Counsels' litigation and resolution of this Action, and all costs  
13 incurred and to be incurred by Class Counsel in the Action, including but not limited to costs  
14 associated with documenting the Settlement, securing the Court's approval of the Settlement,  
15 administering the Settlement, obtaining entry of a judgment terminating this Action, and expenses for  
16 any experts. Class Counsel will request attorneys' fees not to exceed of One Third (1/3) of the Gross  
17 Settlement Amount, or up to Three Hundred Fifteen Thousand and No Cents (\$315,000.00). The  
18 Attorneys' Fees and Costs will also mean and include the additional reimbursement of any costs and  
19 expenses associated with Class Counsels' litigation and settlement of the Action, up to Fifteen  
20 Thousand Dollars and No Cents (\$15,000.00), subject to the Court's approval. Defendants have  
21 agreed not to oppose Class Counsels' request for fees and reimbursement of costs as set forth above.

22 11. "Class Counsel" means Sirmabekian Law Firm, P.C. and Srourian Law Firm, P.C.  
23 which will seek to be appointed counsel for the Settlement Class.

24 12. "Class List" means a complete list of all Class Members that Defendants will diligently  
25 and in good faith compile from its records and provide to the Settlement Administrator within five (5)  
26 calendar days after the date the Court signs the Preliminary Approval Order. The Class List will be  
27 formatted in a readable Microsoft Office Excel spreadsheet and will include each Class Member's full  
28 name; most recent mailing address and telephone number; Social Security number; dates of

1 employment; the respective number of Workweeks that each Class Member worked during the Class  
2 Period; and any other relevant information needed to calculate settlement payments.

3 13. "Class Member(s)" or "Settlement Class" means all non-exempt, hourly employees  
4 who, at any time from July 24, 2015 through the date of preliminary approval, were employed by  
5 Defendants in the State of California.

6 14. "Class Notice" means the Notice of Settlement of Class Action to be mailed, in both  
7 English and Spanish, to Class Members by the Settlement Administrator. The Class Notice shall be  
8 substantially in the form of Exhibit A to this Agreement.

9 15. "Class Period" means the period from July 24, 2015 to the date of preliminary approval.

10 16. "Class Representative" means Joel Soto Cardenas, who will seek to be appointed as the  
11 representatives for the Settlement Class.

12 17. "Class Representative Service Payment" means the amounts to be paid to the named  
13 Plaintiff in recognition of his effort and work in prosecuting the Action on behalf of Class Members  
14 and negotiating the Settlement. The Parties agree that Plaintiff will be paid, subject to Court approval,  
15 up to Five Thousand Dollars and No Cents (\$5,000.00) from the Gross Settlement Amount for his  
16 services on behalf of the class and in negotiating the Settlement, subject to the Court granting final  
17 approval of this Settlement Agreement and subject to the exhaustion of any and all appeals.

18 18. "Court" means the Superior Court of the State of California for the County of Los  
19 Angeles, the Honorable Amy D. Hogue presiding, or any other court taking jurisdiction of the Action.

20 19. "Defendants" mean SDG Enterprises and Nicholas Simili.

21 20. "Effective Date" means the date on which the settlement embodied in this Settlement  
22 Agreement shall become effective after all of the following events have occurred: (i) this Settlement  
23 Agreement has been executed by all Parties and by counsel for the Settlement Class and Defendants;  
24 (ii) the Court has given preliminary approval to the Settlement; (iii) notice has been given to the  
25 putative members of the Settlement Class, providing them with an opportunity to object to the terms  
26 of the Settlement or to opt out of the Settlement; (iv) the Court has held a formal fairness hearing and,  
27 having heard no objections to the Settlement, entered a final order and judgment certifying the Class  
28 and approving this Settlement Agreement; or (v) in the event there are written objections filed prior to

1 the formal fairness hearing which are not later withdrawn or denied, the later of the following events:  
2 when the period for filing any appeal, writ or other appellate proceeding opposing the Settlement has  
3 elapsed without any appeal, writ or other appellate proceeding having been filed; or any appeal, writ  
4 or other appellate proceeding opposing the Settlement has been dismissed finally and conclusively  
5 with no right to pursue further remedies or relief; or any appeal, writ or other appellate proceeding has  
6 upheld the Court's final order with no right to pursue further remedies or relief. In this regard, it is the  
7 intention of the parties that the Settlement shall not become effective until the Court's order approving  
8 the Settlement is completely final.

9 21. "Gross Settlement Amount" means the gross settlement amount of up to Nine Hundred  
10 Forty-Five Thousand Dollars and No Cents (\$945,000.00) to be paid by Defendants in full satisfaction  
11 of all claims arising from the Action, which includes all Individual Settlement Payments to  
12 Participating Class Members, the Class Representative Service Payment, Settlement Administration  
13 Costs to the Settlement Administrator, the Labor and Workforce Development Agency Payment, and  
14 the Attorneys' Fees and Costs to Class Counsel. This Gross Settlement Amount has been agreed to by  
15 Plaintiff and Defendants based on the aggregation of the agreed-upon settlement value of individual  
16 claims. Defendants will provide payment of the entire Gross Settlement Amount to the Settlement  
17 Administrator within thirty (30) calendar days after the Effective Date.

18 22. "Individual Settlement Payment" means each Participating Class Member's share of  
19 the Net Settlement Amount, to be distributed to all Participating Class Members.

20 23. "Labor and Workforce Development Agency Payment" means the amount that the  
21 Parties have agreed to pay to the LWDA in connection with PAGA. The Parties have agreed that  
22 Twenty Thousand Dollars and No Cents (\$20,000.00) of the Gross Settlement Amount will be  
23 allocated to the resolution of any Class Members' claims arising under PAGA. Pursuant to PAGA,  
24 75%, or Fifteen Thousand Five Hundred Dollars and No Cents (\$15,000.00), of this sum will be paid  
25 to the California LWDA, and the remaining 25% of it, or Five Thousand Dollars (\$5,000.00), will be  
26 part of the Gross Settlement Amount available for distribution to Class Members.

27 24. "Net Settlement Amount" means the Gross Settlement Amount less: attorneys' fees as  
28 awarded by the Court, litigation costs and expenses as awarded by the Court, Class Representative

1 Service Payment as awarded by the Court, the reasonable costs of administering the Settlement by the  
2 Settlement Administrator, and the payment to the LWDA.

3 (a) At the time of mediation, Defendants represented that there were approximately  
4 401 employees and approximately 40,086 workweeks. If as of the date of preliminary approval, the  
5 number of workweeks increases by more than Ten Percent (10%), then there will be a pro rata  
6 adjustment to the Gross Settlement Amount, which shall automatically increase in proportion to the  
7 increased percentage of workweeks. For example, if such increase in workweeks during the  
8 Settlement Period is 15% at the time of preliminary approval, the Gross Settlement Amount shall  
9 correspondingly increase by 15%.

10 25. "Notice of Objection" means a Class Member's valid and timely written objection to  
11 the Settlement Agreement submitted by a Class Member. For the Notice of Objection to be valid, it  
12 must: (a) be signed by the Class Member; (b) contain the objector's full name, address, telephone  
13 number, and last four digits of the Social Security Number of the Class Member objecting to the  
14 Settlement; (c) clearly state all grounds for the objection accompanied by any legal support for such  
15 objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is  
16 based; (e) be returned by fax or mail to the Settlement Administrator at the specified address and/or  
17 facsimile number; and (f) be postmarked or faxed on or before the Response Deadline. The date of the  
18 fax or postmark on the return mailing envelope will be the exclusive means to determine whether a  
19 written objection has been timely submitted.

20 26. "Parties" means Plaintiff and Defendants collectively.

21 27. "Participating Class Members" means all Class Members who do not timely complete  
22 and mail a Request for Exclusion Form.

23 28. "Plaintiff" means Joel Soto Cardenas.

24 29. "Preliminary Approval" means the Court order granting preliminary approval of the  
25 Settlement Agreement.

26 30. "Released Claims" means all claims, rights, demands, liabilities and causes of action of  
27 every nature and description based on the facts alleged in the Action against Defendants or any other  
28 Released Parties, including without limitation statutory, constitutional, contractual or common law

1 claims for the wages, damages, unpaid costs, penalties, liquidated damages, punitive damages,  
2 interest, restitution, equitable relief, or any other relief, alleged in the First Amended Class Action  
3 Complaint including claims based on the following categories of allegations: (1) Violation of  
4 California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§  
5 226.7 and 512(a) (Failure to Provide Meal Breaks); (3) Violation of California Labor Code § 226.7  
6 (Failure to Provide Rest Breaks); (4) Violation of California Labor Code §§ 1194, 1197, and 1197.1  
7 (Unpaid Minimum Wages); (5) Violation of California Labor Code § 226(a) (Non-Compliant Wage  
8 Statements); (6) Failure to Compensate All Hours Worked (Cal. Lab. Code § 204); (7) Failure to Pay  
9 Wages Upon Discharge (Cal. Lab. Code § 201); (8) Statutory Penalties (Cal. Lab. Code §§ 203 and  
10 558); (9) Violation of the California Private Attorney General Act of 2004, California Labor Code §  
11 2698 *et seq.*; (10) Violation of California Business & Professions Code §§ 17200, *et seq.* (Unfair  
12 Business Practices); and (11) Violation of Labor Code § 2802 (Failure to Reimburse Necessary Business  
13 Expenses).

14 31. “Released Claims Period” means the period from July 24, 2015 to the date of  
15 preliminary approval.

16 32. “Released Parties” means Defendants and any of their former and present parents,  
17 subsidiaries, affiliates, divisions, corporations in common control, predecessors, successors, and  
18 assigns, as well as all past and present officers, directors, employees, partners, shareholders and  
19 agents, attorneys, insurers, and any other successors, assigns, or legal representatives, if any, and any  
20 other individual or entity which could be liable for any of the Released Claims.

21 33. “Request for Exclusion” means the Request for Exclusion Form submitted by a Class  
22 Member indicating a request to be excluded from the settlement. The Request for Exclusion Form  
23 must: (a) be signed by the Class Member; (b) contain the name, address, telephone number, and the  
24 last four digits of the Social Security Number of the Class Member requesting exclusion; (c) clearly  
25 state that the Class Member does not wish to be included in the settlement; (d) be returned by fax or  
26 mail to the Settlement Administrator at the specified address and/or facsimile number; and (e) be  
27 postmarked or faxed on or before the Response Deadline. The date of the fax or postmark on the  
28 return mailing envelope will be the exclusive means to determine whether a Request for Exclusion



1 Form has been timely submitted. A Class Member who does not request exclusion from the  
2 settlement will be deemed a Participating Class Member and will be bound by all terms of the  
3 settlement, if the settlement is granted final approval by the Court.

4 34. "Response Deadline" means the deadline by which Class Members must fax or  
5 postmark to the Settlement Administrator valid Request for Exclusion Forms, submit disputes to  
6 information on Class Notices, or fax or postmark to the Settlement Administrator valid objections to  
7 the settlement. The Response Deadline will be forty-five (45) calendar days from the initial mailing  
8 of the Class Notice by the Settlement Administrator, unless the 45th day falls on a Sunday or Federal  
9 holiday, in which case the Response Deadline will be extended to the next day on which the U.S.  
10 Postal Service is open. The Response Deadline for Requests for Exclusion will be extended ten (10)  
11 calendar days for any Class Member who is re-mailed a Class Notice by the Settlement Administrator,  
12 unless the 10th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be  
13 extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also  
14 be extended by express agreement between Class Counsel and Defendants. Under no circumstances,  
15 however, will the Settlement Administrator have the authority to extend the deadline for Class  
16 Members to: (1) submit a Request for Exclusion Form; (2) dispute information on Class Notices; or  
17 (3) submit objections to the settlement.

18 35. "Settlement Administrator" means CPT Group, Inc. The Parties each represent that  
19 they do not have any financial interest in the Settlement Administrator or otherwise have a  
20 relationship with the Settlement Administrator that could create a conflict of interest.

21 36. "Settlement Administration Costs" means the costs payable from the Gross Settlement  
22 Amount to the Settlement Administrator for administering this Settlement, including, but not limited  
23 to, translating the Notice Packet in Spanish, printing and distributing Class Notices to Class Members  
24 in both English and Spanish, and tracking documents for this Settlement, calculating estimated  
25 amounts per Class Member, tax reporting, distributing the appropriate settlement amounts, and  
26 providing necessary reports and declarations, and other duties and responsibilities set forth herein to  
27 process this Settlement, and as requested by the Parties. The Settlement Administration Costs will be  
28 paid from the Gross Settlement Amount and are currently estimated to be Twenty Thousand Dollars

1 and No Cents (\$20,000.00).

2 37. "Workweeks" means the number of weeks of employment for each Class Member as a  
3 non-exempt employee during the Class Period excluding any weeks during which a Class Member  
4 was on a leave of absence or took paid time off. The Settlement Administrator will calculate the  
5 number of Workweeks by calculating the number of days each Class Member was employed during  
6 the Class Period, dividing by seven (7), and rounding up to the nearest whole number.

7 **CLASS CERTIFICATION**

8 38. Solely for purposes of settling the Action, and not for purposes of class certification  
9 should the matter not be settled or for any other reason, the Parties stipulate and agree that the  
10 requisites for establishing class certification with respect to the Settlement Class have been met and  
11 are met. More specifically, the Parties stipulate and agree that:

- 12 **a.** The Settlement Class is ascertainable and so numerous as to make it impracticable  
13 to join all Class Members;
- 14 **b.** There are common questions of law and fact including, but not limited to, the  
15 following:
- 16 i. Whether Defendants failed to pay the minimum wage;
  - 17 ii. Whether Defendants failed to pay overtime wages;
  - 18 iii. Whether Defendants failed to compensate for all hours worked;
  - 19 iv. Whether Defendants failed to provide meal periods or pay meal period  
20 premiums in lieu thereof;
  - 21 v. Whether Defendants failed to provide rest periods or pay rest period  
22 premiums in lieu thereof;
  - 23 vi. Whether Defendants failed to provide proper wage statements to Class  
24 Members;
  - 25 vii. Whether Defendants failed to furnish accurate wage and hour  
26 statements;
  - 27 viii. Whether Defendants failed to pay Class Members' wages upon  
28 termination, giving rise to waiting time penalties;

- ix. Whether Defendants failed to pay overtime to Class Members;
- x. Whether Defendants engaged in unfair or unlawful business practices;
- xi. Whether Defendants failed to comply with the Private Attorneys General Act; and
- xii. Whether Defendants failed to reimburse Class Members for all necessary business expenses.

39. Solely for purposes of settling the Action, and not for purposes of class certification should the matter not be settled or for any other reason, the Class Representative's claims are typical of the claims of the members of the Settlement Class; should this Settlement not be approved or be terminated, however, this stipulation shall be null and void and shall not be admissible for any purpose whatsoever.

40. Solely for purposes of settling the Action, and not for purposes of class certification should the matter not be settled or for any other reason, the Class Representative and Class Counsel will fairly and adequately protect the interests of the Settlement Class; should this Settlement not be approved or be terminated, however, this stipulation shall be null and void and shall not be admissible for any purpose whatsoever.

41. Solely for purposes of settling the Action, and not for purposes of class certification should the matter not be settled or for any other reason, the prosecution of separate actions by individual members of the Settlement Class would create the risk of inconsistent or varying adjudications, which would establish incompatible standards of conduct; should this Settlement not be approved or be terminated, however, this stipulation shall be null and void and shall not be admissible for any purpose whatsoever.

42. With respect to the Settlement Class, the Class Representatives believe that questions of law and fact common to the members of the Settlement Class predominate over any questions affecting any individual member in such Class, and a class action is superior to other available means for the fair and efficient adjudication of the controversy.

**TERMS OF AGREEMENT**

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements set

1 forth herein, the Parties agree, subject to the Court's approval, as follows:

2 43. Funding of the Gross Settlement Amount. No later than thirty (30) calendar days after  
3 the Effective Date, Defendants will make a deposit of the entire Gross Settlement Amount of Nine  
4 Hundred Forty-Five Thousand Dollars and No Cents (\$945,000.00), for payment of all Court  
5 approved and claimed amounts with the Settlement Administrator. In addition, no later than thirty  
6 (30) calendar days after the Effective Date, Defendants will also deposit the employer's share of any  
7 payroll taxes due on behalf of Class Members over and above the Gross Settlement Amount with the  
8 Settlement Administrator. Within seven (7) calendar days of the complete funding of the Settlement,  
9 the Settlement Administrator will issue payments to (a) Participating Class Members; (b) Plaintiff; (c)  
10 Class Counsel; and (d) the LWDA. The Settlement Administrator will also issue a payment to itself  
11 for Court-approved services performed in connection with the settlement.

12 44. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any application  
13 or motion by Class Counsel for Attorneys' Fees and Costs of not more than Three Hundred and  
14 Fifteen Thousand Dollars and No Cents (\$315,000.00), plus the reimbursement of costs and expenses  
15 associated with Class Counsel's litigation and settlement of the Action, not to exceed Fifteen  
16 Thousand Dollars and No Cents (\$15,000.00), both of which will be paid from the Gross Settlement  
17 Amount. In the event that the Court awards any amount less than Fifteen Thousand Dollars  
18 (\$15,000.00) for Litigation Costs, the Parties agree that any amount not awarded shall become part of  
19 the Net Settlement Amount available for distribution to Class Members.

20 45. Class Representative Service Payment. In exchange for a general release, and in  
21 recognition of his effort and work in prosecuting the Action on behalf of Class Members and  
22 negotiating the Settlement, Defendants agree not to oppose or impede any application or motion for a  
23 Class Representative Enhancement Payment of up to Five Thousand Dollars and No Cents (\$5,000.00)  
24 to the Class Representative. The Class Representative Service Payments, which will be paid from the  
25 Gross Settlement Amount, will be in addition to Plaintiff's Individual Settlement Payment paid  
26 pursuant to the Settlement. In the event that the Court awards any amount less than Five Thousand  
27 Dollars (\$5,000.00) for the Class Representative Service Payment, the Parties agree that any amount  
28 not awarded shall become part of the Net Settlement Amount available for distribution to Class

1 Members.

2 46. Additional General Release of All Claims by Class Representative Only. In addition to  
3 the releases made by the Participating Class Members described above, as of the Effective Date, and  
4 only after the Settlement has been fully funded, the Class Representative knowingly and voluntarily  
5 releases and forever discharges the Released Parties from any and all claims, demands, rights,  
6 liabilities and causes of action of every nature and description whatsoever, contingent or absolute,  
7 suspected or unsuspected, liquidated or unliquidated, known or unknown, asserted or that might have  
8 been asserted, whether in tort, contract, or for violation of any local, state, or federal statute, rule or  
9 regulation or common law obligation, or any foreign law, arising out of, relating to, or in connection  
10 with any act or omission by or on the part of any of the Released Parties committed or omitted during  
11 the Class Period that relates in any way to his employment with Defendants (the “General Release”).  
12 Such claims include, but are not limited to: breaches of contract, whether written, oral or implied;  
13 violations of any public policy; tort claims, including but not limited to intentional infliction of  
14 emotional distress and negligent infliction of emotional distress, defamation, misrepresentation, and  
15 fraud; retaliation claims; common law claims; any other claims for damages, costs, fees, or other  
16 expenses, including attorneys’ fees; and any violations of the following statutes, laws, and regulations:  
17 Title VII of the Civil Rights Act of 1964, as amended; The Civil Rights Act of 1991; Sections 1981  
18 through 1988 of Title 42 of the United States Code, as amended; The Americans with Disabilities Act  
19 of 1990, as amended; The Age Discrimination in Employment Act of 1967, as amended; the Older  
20 Workers Benefit Protection Act; the Employment Retirement Income Security Act of 1974, as  
21 amended; the Occupational Safety and Health Act, as amended; the Sarbanes-Oxley Act of 2002; the  
22 Family and Medical Leave Act of 1993, as amended; the Fair Labor Standards Act; the California Fair  
23 Employment and Housing Act – Cal. Gov. Code § 12900 *et seq.*; the California Family Rights Act –  
24 Cal. Gov. Code §12945.2 *et seq.*; the California Unruh Civil Rights Act – Civ. Code §51 *et seq.*; the  
25 California Whistleblower Protection Law – Cal. Lab. Code §1102.5(a) to (c); the California  
26 Occupational Safety and Health Act, as amended, Cal. Lab. Code § 6300 *et seq.*, and any applicable  
27 regulations thereunder; the California Labor Code; the Labor Code Private Attorneys General Act of  
28 2004 – Cal. Lab. Code § 2698 *et seq.*; California Labor Code § 132a; and any other federal, state, or

1 local civil employment law, statute, regulation, or ordinance capable of being released by the Class  
2 Representative, excluding any claims that cannot be released as a matter of law.

3 This General Release includes any unknown claims that the Class Representative do not know or  
4 suspect to exist in their favor at the time of the General Release, which, if known by them, might have  
5 affected their settlement with, and release of, the Released Parties or might have affected their decision  
6 not to object to this Settlement or the General Release. The Class Representative stipulates and agrees  
7 that, upon the Effective Date, he shall be deemed to have, and by operation of the Court's Final  
8 Approval Order, shall have expressly waived and relinquished, to the fullest extent permitted by law, the  
9 provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar  
10 provision under federal or state law, which provides:

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

15 The Class Representative may hereafter discover facts in addition to or different from those they  
16 now know or believe to be true with respect to the subject matter of the General Release, but upon the  
17 Effective Date, shall be deemed to have, and by operation of the Court's Final Approval Order, shall  
18 have, fully, finally, and forever settled and released any and all of the claims released pursuant to the  
19 General Release whether known or unknown, suspected or unsuspected, contingent or non-contingent,  
20 on account of any action, inaction, matter, thing, or event, that occurred or failed to occur at any time in  
21 the past, from the beginning of time through and including the Effective Date, or heretofore have existed  
22 upon any theory of law or equity now existing or coming into existence in the future, including, but not  
23 limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or  
24 rule, without regard to the subsequent discovery or existence of such different or additional facts.  
25 Notwithstanding the above, the scope of the General Release provided to Defendants and the Released  
26 Parties by the Class Representative does not include any claims that cannot be released as a matter of  
27 law.

28 47. Settlement Administration Costs. The Settlement Administrator will be paid for the  
reasonable costs of administration of the Settlement and distribution of payments from the Gross

1 Settlement Amount, which is currently estimated to be Twenty Thousand Dollars and No Cents  
2 (\$20,000.00). These costs, which will be paid from the Gross Settlement Amount, will include, *inter*  
3 *alia*, the required tax reporting on the Individual Settlement Payment, the issuing of IRS Forms 1099  
4 and W-2, distributing the Class Notice, calculating and distributing the Gross Settlement Amount and  
5 Attorneys' Fees and Costs, and providing necessary reports and declarations.

6 48. Labor and Workforce Development Agency Payment. Subject to Court approval, the  
7 Parties agree that the amount of Twenty Thousand Dollars and No Cents (\$20,000.00) from the Gross  
8 Settlement Amount will be designated for satisfaction of Plaintiff's and Class Members' PAGA  
9 claims. Pursuant to PAGA, Seventy-Five Percent (75%), or \$15,000.00, of this sum will be paid to  
10 the LWDA and Twenty-Five Percent (25%), or \$5,000.00, will be distributed to Class Members as  
11 part of the Net Settlement Amount.

12 49. Net Settlement Amount. The Net Settlement Amount will be used to satisfy Individual  
13 Settlement Payments to Participating Class Members from the Settlement Class in accordance with the  
14 terms of this Agreement.

15 50. Individual Settlement Payment Calculations. Individual Settlement Payments will be  
16 calculated and apportioned from the Net Settlement Amount on a pro rata basis, calculated by dividing  
17 the Net Settlement Amount by the total number of Workweeks worked by each Class Member during  
18 the Class Period. Specific calculations of Individual Settlement Payments will be made as follows:

- 19 a. Settlement Administrator will calculate the total number of Workweeks worked  
20 by each Class Member ("Individual Workweeks") and the total number of  
21 Workweeks worked by all Class Members ("Class Workweeks) during the Class  
22 Period.
- 23 b. To determine each Class Member's estimated "Individual Settlement Payment"  
24 the Settlement Administrator will use the following formula: Estimated  
25 Individual Settlement Payment = (Net Settlement Amount ÷ Class Workweeks)  
26 x Individual Workweeks for each individual Class Member.
- 27 c. The Individual Settlement Payment will be reduced by any required deductions  
28 for each Participating Class Members as set forth herein, including all

1 applicable tax withholdings or deductions. Any such applicable tax  
2 withholdings or other required deductions shall be paid from the Net Settlement  
3 Amount.

4 51. Settlement Awards Do Not Trigger Additional Benefits. All settlement awards to Class  
5 Members shall be deemed to be paid to such Class Members solely in the year in which such  
6 payments actually are received by the Class Members. It is expressly understood and agreed that the  
7 receipt of such individual settlement awards will not entitle any Class Member to additional  
8 compensation or benefits under any company bonus, contest or other compensation or benefit plan or  
9 agreement in place during the period covered by the Settlement, nor will it entitle any Class Member  
10 to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits. It  
11 is the intent of this Settlement that the individual settlement awards provided for in this Settlement are  
12 the sole payments to be made by Defendant to the Class Members, and that the Class Members are not  
13 entitled to any new or additional compensation or benefits as a result of having received the individual  
14 settlement awards (notwithstanding any contrary language or agreement in any benefit or  
15 compensation plan document that might have been in effect during the period covered by this  
16 Settlement).

17 52. Settlement Administration Process. The Parties agree to cooperate in the  
18 administration of the settlement and to make all reasonable efforts to control and minimize the costs  
19 and expenses incurred in administration of the Settlement.

20 53. Delivery of the Class List. Defendants shall provide the Class List to the Settlement  
21 Administrator within five (5) calendar days from the date on which the Court signs the Preliminary  
22 Approval Order.

23 54. Notice by First-Class U.S. Mail. Within seven (7) calendar days after receiving the  
24 Class List from Defendants, the Settlement Administrator will mail the Class Notice, in both English  
25 and Spanish, to all Class Members via regular first-class U.S. Mail, using the most current, known  
26 mailing addresses identified in the Class List.

27 55. Confirmation of Contact Information in the Class List. Prior to mailing, the Settlement  
28 Administrator will perform a search based on the National Change of Address Database or any other



1 similar services available, such as provided by Experian, for information to update and correct for any  
2 known or identifiable address changes. Any Class Notices returned to the Settlement Administrator as  
3 non-deliverable on or before the Response Deadline will be sent promptly via regular first-class U.S.  
4 Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date  
5 of such re-mailing on the Class Notice. If no forwarding address is provided, the Settlement  
6 Administrator will promptly attempt to determine the correct address using a skip-trace, or other  
7 search using the name, address and/or Social Security number of the Class Member involved, and will  
8 then perform a single re-mailing. For those Class Members who receive a re-mailed Class Notice, the  
9 Response Deadline to fax or postmark a Request for Exclusion, submit disputes to information on  
10 Class Notices, or fax or postmark valid objections to the settlement will be extended ten (10) calendar  
11 days, unless the 10th day falls on a Sunday or Federal holiday, in which case the Response Deadline  
12 will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline  
13 may also be extended by express agreement between Class Counsel and Defendant.

14 56. Class Notices. All Class Members will be mailed a Class Notice in both English and  
15 Spanish. Each Class Notice will provide: (a) information regarding the nature of the Action; (b) a  
16 summary of the Settlement's principal terms; (c) the Settlement Class definition; (d) the total number  
17 of Workweeks each respective Class Member worked for Defendants during the Class Period; (e) each  
18 Class Member's estimated Individual Settlement Payment and the formula for calculating Individual  
19 Settlement Payments; (f) the dates which comprise the Class Period; (g) instructions on how to submit  
20 valid objections to the Settlement or Request for Exclusion Forms; (h) the deadlines by which the  
21 Class Member must fax or postmark Request for Exclusion Forms, submit disputes to information on  
22 Class Notices, or fax or postmark objections to the settlement; (i) the claims to be released, as set forth  
23 herein; and (j) the date for the Final Approval Hearing.

24 57. Disputed Information on Class Notices. Class Members will have an opportunity to  
25 dispute the information provided in their Class Notices. Any such dispute (along with supporting  
26 evidence) shall be sent in writing to the Settlement Administrator postmarked or fax time-stamped on  
27 or before the Response Deadline. To the extent Class Members dispute the number of Workweeks to  
28 which they have been credited or the amount of their Individual Settlement Payment, Class Members

1 should produce any evidence to the Settlement Administrator that shows such information is  
2 inaccurate. Class Members should also include the last four digits of their social security number  
3 along with their written dispute. Absent evidence rebutting Defendants' records, Defendants' records  
4 will be presumed determinative. However, if a Class Member produces evidence to the contrary, the  
5 Parties will evaluate the evidence submitted by the Class Member and will make the final decision as  
6 to the number of Workweeks that should be applied and/or the Individual Settlement Payment to  
7 which the Class Member may be entitled.

8       58.     Settlement Checks. The Settlement Administrator will then be responsible for making  
9 appropriate deductions, reporting obligations, and issuing the Individual Settlement Payments.

10       59.     Request for Exclusion Procedures. Any Class Member wishing to opt out from the  
11 Settlement Agreement must sign and postmark or fax a written Request for Exclusion Form to the  
12 Settlement Administrator within the Response Deadline as set forth herein. The date of fax or the  
13 postmark on the return mailing envelope will be the exclusive means to determine whether a Request  
14 for Exclusion has been timely submitted. All Requests for Exclusion will be submitted to the  
15 Settlement Administrator, who will certify jointly to Class Counsel and Defendants' Counsel the  
16 Request for Exclusion was timely submitted.

17       60.     Defective Submissions. If a Class Member's Request for Exclusion is defective as to  
18 the requirements listed herein, that Class Member will be given an opportunity to cure the defect(s).  
19 The Settlement Administrator will mail the Class Member a cure letter within three (3) business days  
20 of receiving the defective submission to advise the Class Member that his or her submission is  
21 defective and that the defect must be cured to render the Request for Exclusion valid. The Class  
22 Member will have until the later of (a) the Response Deadline or (b) fifteen (15) calendar days from  
23 the date of the cure letter, whichever date is later, to postmark or fax a revised Request for Exclusion.  
24 If a Class Member responds to a cure letter by filing a defective Request for Exclusion, then the  
25 Settlement Administrator will have no further obligation to give notice of a need to cure. If the  
26 revised Request for Exclusion Form is not postmarked or received by fax within that period, it will be  
27 deemed untimely.

28       61.     Settlement Terms Bind All Class Members Who Do Not Opt Out. Any Class Member

1 who does not affirmatively opt out of the Settlement Agreement by submitting a timely and valid  
2 Request for Exclusion Form will be bound by all of its terms, including those pertaining to the  
3 Released Claims, as well as any Judgment that may be entered by the Court if it grants final approval  
4 to the Settlement.

5       62. Notice of Objection Procedures. To object to the Settlement Agreement, a Class  
6 Member may submit a valid, timely and written Notice of Objection to the Settlement Administrator  
7 within the Response Deadline as set forth herein. The date of the fax or postmark on the return  
8 mailing envelope will be the exclusive means to determine whether a written objection has been  
9 timely submitted. Class Members may also appear at the Final Approval Hearing, either in person or  
10 through an attorney. Class Members who fail to object in the specific and technical manner specified  
11 above will be deemed to have waived all objections to the Settlement and will be foreclosed from  
12 making any objections and seeking any adjudication or review, whether by appeal or otherwise, to the  
13 Settlement Agreement. At no time will any of the Parties or their counsel seek to solicit or otherwise  
14 encourage Class Members to submit written objections to the Settlement Agreement or appeal from  
15 the Order and Judgment. Class Counsel will not represent any Class Members with respect to any  
16 such objections to this Settlement.

17       63. Certification Reports Regarding Individual Settlement Payment Calculations. The  
18 Settlement Administrator will provide Defendants' counsel and Class Counsel a weekly report which  
19 certifies: (a) the number of Class notices mailed to Class Members returned as undeliverable; (b) the  
20 number of returned Class Notices re-mailed to Class Members; (c) the number of Class Members who  
21 have submitted valid Request for Exclusion Forms; and (d) whether any Class Member has submitted  
22 a challenge to any information contained in their Class Notice. Additionally, the Settlement  
23 Administrator will provide to counsel for both Parties any updated reports regarding the  
24 administration of the Settlement Agreement as needed or requested.

25       64. Payroll Taxes. In accordance with this Settlement, the transfer of the Gross Settlement  
26 Amount of Nine Hundred Forty-Five Thousand Dollars and No Cents (\$945,000.00) approved by the  
27 Court shall, to the fullest extent possible, resolve, satisfy and completely extinguish all of Defendants'  
28 liability with respect to the Settlement Class except that Defendants shall solely be responsible for the

1 employer portion of the payroll taxes. Upon the transfer of funds to the Settlement Administrator,  
2 Defendants shall have no further payment or defense obligation whatsoever with respect to any claims  
3 covered by this Settlement made or asserted by any person or entity anywhere in the world in  
4 connection with the Class Members.

5         65.     Uncashed Settlement Checks. Any checks issued by the Settlement Administrator to  
6 Participating Class Members will be negotiable for one hundred eighty (180) calendar days from their  
7 issuance and shall thereafter be automatically canceled if not cashed by the Participating Class  
8 Member within that time, at which time the Participating Class Member's claim to any Individual  
9 Settlement Payment shall be deemed null and void and of no further force and effect, although the  
10 Participating Class Member shall remain bound by the Court's judgment entered in the Action. Upon  
11 request of a Participating Class Member, the Settlement Administrator will promptly reissue the  
12 Participating Class Member's lost or damages Individual Settlement Payment check within the 180-  
13 day period from the date checks are issued. After one-hundred eighty (180) calendar days from the  
14 date of mailing, the checks shall become null and void, and the Settlement Administrator will take all  
15 steps necessary to ensure that the funds from the Participating Class Member's un-cashed check(s),  
16 including unpaid cash residue(s), or other unclaimed or abandoned fund(s), are transmitted to the cy  
17 pres designation, Legal Aid Foundation of Los Angeles. The Parties agree that this disposition results  
18 in no "unpaid residue" under California Civil Procedure Code § 384, because the entire Net Settlement  
19 Fund will be paid out to Settlement Class Members, whether or not they all cash their settlement  
20 checks. Therefore, unless the Court requires otherwise, Defendant will not be required to pay any  
21 interest on funds distributed to the Settlement Administrator.

22         Within fourteen (14) days after the expiration of the one hundred and eighty (180) day period  
23 that checks remain negotiable, the Settlement Administrator shall file a declaration with the Court,  
24 stating exactly the total amount of Participating Class Members' uncashed checks. Pursuant to that  
25 declaration, the Court shall re-open and amend the judgment following the final distribution of funds  
26 and include the specific cy pres payment to Legal Aid Foundation of Los Angeles in the judgment. The  
27 Parties agree that this can be done by the Court, without a hearing.

28         66.     Certification of Completion. Upon completion of administration of the Settlement, the

1 Settlement Administrator will provide a written declaration under oath to certify such completion to  
2 the Court and counsel for all Parties.

3 67. Treatment of Individual Settlement Payments. All Individual Settlement Payments will  
4 be allocated as follows: thirty percent (30%) of each Individual Settlement Payment will be allocated  
5 as wages reportable on IRS W-2 form; forty percent (40%) as interest; and thirty (30%) as penalties  
6 reportable on IRS Form 1099.

7 68. Administration of Taxes by the Settlement Administrator. The Settlement  
8 Administrator will be responsible for issuing to Plaintiff, Participating Class Members, and Class  
9 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to  
10 this Agreement. The Settlement Administrator will also be responsible for forwarding all payroll taxes  
11 and penalties to the appropriate government authorities.

12 69. Tax Liability. Defendants make no representation as to the tax treatment or legal effect  
13 of the payments called for hereunder, and Plaintiff and Participating Class Members are not relying on  
14 any statement, representation, or calculation by Defendants or by the Settlement Administrator in this  
15 regard. Plaintiff and Participating Class Members understand and agree that, except for Defendants'  
16 payment of the employer's portion of any payroll taxes, they will be solely responsible for the  
17 payment of any taxes and penalties assessed on the payments described herein and will defend,  
18 indemnify, and hold Defendants free and harmless from and against any claims resulting from  
19 treatment of such payments as non-taxable damages.

20 70. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES  
21 OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS  
22 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY")  
23 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO  
24 WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR  
25 THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL  
26 ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE  
27 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY  
28 DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE

1 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN,  
2 INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN  
3 CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT  
4 BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR  
5 ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY  
6 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER  
7 PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE  
8 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY  
9 HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY  
10 SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER  
11 SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE  
12 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY  
13 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS  
14 AGREEMENT.

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

19 72. Release of Claims by Class Members. Upon the Effective Date, and only after the  
20 Settlement has been fully funded, Plaintiff and all Class Members will be deemed to have fully, finally  
21 and forever released, settled, compromised, relinquished, and discharged any and all Released Claims  
22 with respect to all of the Released Parties . The Settlement Class and each member of the Class who  
23 has not submitted a valid Request for Exclusion Form, fully releases and discharges the Released  
24 Parties for the Released Claims for any period during the Released Claims Period.

25 73. Duties of the Parties Prior to Court Approval. The Parties shall promptly submit this  
26 Settlement Agreement to the Court in support of Plaintiff's Motion for Preliminary Approval and  
27 determination by the Court as to its fairness, adequacy, and reasonableness. The Motion for  
28 Preliminary Approval shall, *inter alia*, request entry of an order scheduling a fairness hearing on the

1 question of whether the proposed settlement, including payment of attorneys' fees and costs, and the  
2 Class Representative's Service Payment, should be finally approved as fair, reasonable and adequate  
3 as to the members of the Settlement Class. In addition, the Motion shall ask the Court to issue an  
4 Order:

- 5 a. Certifying the Settlement Class for settlement purposes only;
- 6 b. Approving, as to form and content, the proposed Class Notice;
- 7 c. Approving the manner and method for Class Members to request exclusion from  
8 the Settlement as contained herein and within the Class Notice;
- 9 d. Directing the mailing of the Class Notice by first class mail to the Class Members;
- 10 e. Preliminarily approving the Settlement subject only to the objections of Class  
11 Members and final review by the Court; and
- 12 f. Enjoining Plaintiff and all Class Members from filing or prosecuting any claims,  
13 suits or administrative proceedings (including filing claims with the California  
14 Division of Labor Standards Enforcement and the Labor and Workforce  
15 Development Agency) regarding the Released Claims unless and until such Class  
16 Members have filed valid Requests for Exclusion with the Settlement  
17 Administrator.

18 74. Duties of the Parties Following Final Court Approval. Following final approval by the  
19 Court of the Settlement provided for in this Settlement Agreement, Class Counsel will submit a  
20 proposed final order of approval and judgment.

- 21 a. Approving the Settlement, adjudging the terms thereof to be fair, reasonable and  
22 adequate, and directing consummation of its terms and provisions;
- 23 b. Approving Class Counsel's application for an award of attorneys' fees and costs;
- 24 c. Approving the Class Representative Service Payment to the Class Representative;
- 25 d. Setting a date when the parties shall report to the court the total amount that was  
26 actually paid to the Class Members; and
- 27 e. Entering judgment in this Action barring and enjoining all members of the  
28 Settlement Class from prosecuting against any of the Released Parties, any

1                   individual or class, collective or representative claims released herein, upon  
2                   satisfaction of all payments and obligations hereunder.

3           75.    Revocation of Settlement Agreement (by Defendants). If five percent (5%) or more of  
4 the Class Members timely elect to opt out of the Settlement, Defendants may, in the exercise of its  
5 sole discretion, rescind the Settlement and all actions taken in furtherance of it will thereby be null and  
6 void. Defendants must exercise this right of rescission, in writing, to Class Counsel within thirty (30)  
7 calendar days after the Settlement Administrator notifies the Parties of the total number of opt-outs  
8 received by the Response Deadline. If the option to rescind is exercised, then Defendants shall be  
9 solely responsible for all costs of the Settlement administration accrued to that point.

10           76.    Nullification of Settlement Agreement. In the event that: (a) the Court does not finally  
11 approve the Settlement as provided herein; or (b) the Settlement does not become final for any other  
12 reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be  
13 null and void. Any order or judgment entered by the Court in furtherance of this Settlement  
14 Agreement will likewise be treated as void from the beginning.

15           77.    Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to  
16 request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary  
17 Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes only,  
18 (b) Preliminary Approval of the proposed Settlement Agreement, and (c) setting a date for a Final  
19 Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the Class  
20 Notice to be sent to all Class Members as specified herein. In conjunction with the Preliminary  
21 Approval hearing, Plaintiff will submit this Settlement Agreement, which sets forth the terms of this  
22 Settlement, and will include the proposed Class Notice, attached as Exhibit A. Class Counsel will be  
23 responsible for drafting all documents necessary to obtain preliminary approval. Defendants agree not  
24 to oppose the Motion for Preliminary Approval.

25           78.    Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the  
26 deadlines to fax or postmark Request for Exclusion Forms, submit disputes to information on Class  
27 Notices, or fax or postmark valid objections to the settlement, and with the Court's permission, a Final  
28 Approval/Settlement Fairness Hearing will be conducted to determine the Final Approval of the



1 Settlement Agreement along with the amounts properly payable for (a) Individual Settlement  
2 Payment; (b) the LWDA Payment; (c) the Attorneys' Fees and Costs; (d) the Class Representatives  
3 Service Payment; and (e) all Settlement Administration Costs. The Final Approval/Settlement  
4 Fairness Hearing will not be held earlier than thirty (30) days after the Response Deadline. Class  
5 Counsel will be responsible for drafting all documents necessary to obtain final approval. Class  
6 Counsel will also be responsible for drafting the attorneys' fees and costs application to be heard at  
7 the final approval hearing.

8 79. Termination of Settlement. Subject to the obligation(s) of cooperation, either Party  
9 may terminate this Settlement if the Court declines to enter the Preliminary Approval Order, the Final  
10 Approval Order or final judgment in substantially the form submitted by the Parties, or the Settlement  
11 Agreement as agreed does not become final because of appellate court action. The terminating Party  
12 shall give to the other Party (through its counsel) written notice of its decision to terminate no later  
13 than ten (10) days after receiving notice that one of the enumerated events has occurred. Termination  
14 shall have the following effects:

- 15 a. The Settlement Agreement shall be terminated and shall have no force or effect,  
16 and no Party shall be bound by any of its terms;
- 17 b. In the event the Settlement is terminated, Defendants shall have no obligation to  
18 make any payments to any party, class member or attorney, except that the  
19 terminating Party shall pay the Settlement Administrator for services rendered up  
20 to the date the Settlement Administrator is notified that the settlement has been  
21 terminated;
- 22 c. The Preliminary Approval Order, Final Approval Order and Judgment, including  
23 any order of class certification, shall be vacated;
- 24 d. The Settlement Agreement and all negotiations, statements and proceedings  
25 relating thereto shall be without prejudice to the rights of any of the Parties, all of  
26 whom shall be restored to their respective positions in the Action prior to the  
27 settlement;
- 28

1 e. Neither this Stipulated Settlement, nor any ancillary documents, actions,  
2 statements or filings in furtherance of settlement with respect to this Action shall  
3 have any force or effect or be admissible or offered into evidence in the Action or  
4 any other action for any purpose whatsoever.

5 80. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the  
6 Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment to  
7 the Court for its approval, pursuant to Rule 3.770 of the California Rules of Court. After entry of the  
8 Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (a) the  
9 interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters,  
10 and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this  
11 Agreement.

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

15 82. Confidentiality. The Class Representative and Class Counsel will not make any public  
16 disclosure of the Settlement until after the Motion for Preliminary Approval is filed. Class Counsel  
17 will take all steps necessary to ensure the Class Representative is aware of, and will encourage him to  
18 adhere to, the restriction against any public disclosure of the Settlement until after the Motion for  
19 Preliminary Approval is filed. Class Counsel will not include or use the settlement for any marketing  
20 or promotional purposes. Class counsel will not be deemed in breach of this section unless notice is  
21 provided by Defendants and Class Counsel is given ten (10) days to cure.

22 Following preliminary approval of the Settlement, the Class Representative and Class Counsel  
23 will not have any communications with any media other than to direct any media inquiries to the  
24 public records of the Action on file with the Court. Nothing herein will restrict Class Counsel from  
25 including publicly available information regarding this settlement in future judicial submissions  
26 regarding Class Counsel's qualifications and experience.

27 83. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the  
28 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral

1 agreements, representations, and statements may be deemed binding on the Parties. The Parties  
2 expressly recognize California Civil Code Section 1625 and California Code of Civil Procedure  
3 Section 1856(a), which provide that a written agreement is to be construed according to its terms and  
4 may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic  
5 oral or written representations or terms will modify, vary or contradict the terms of this Agreement.

6 84. Amendment or Modification. This Settlement Agreement may be amended or modified  
7 only by a written instrument signed by the named Parties and counsel for all Parties or their  
8 successors-in-interest.

9 85. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and  
10 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement  
11 Agreement and to take all appropriate action required or permitted to be taken by such Parties  
12 pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents  
13 required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will  
14 cooperate with each other and use their best efforts to effect the implementation of the Settlement. If  
15 the Parties are unable to reach agreement on the form or content of any document needed to  
16 implement the Settlement, or on any supplemental provisions that may become necessary to effectuate  
17 the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such  
18 disagreement.

19 86. Signatories. It is agreed that because the members of the Class are so numerous, it is  
20 impossible or impractical to have each member of the Class execute this Settlement Agreement. The  
21 Class Notice, attached hereto as Exhibit A, will advise all Class Members of the binding nature of the  
22 release, and the release shall have the same force and effect as if this Settlement Agreement were  
23 executed by each member of the Class.

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

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

28 89. Execution and Counterparts. This Settlement Agreement is subject only to the

1 execution of all Parties. However, the Agreement may be executed in one or more counterparts. All  
2 executed counterparts and each of them, including facsimile and scanned copies of the signature page,  
3 will be deemed to be one and the same instrument provided that counsel for the Parties will exchange  
4 among themselves original signed counterparts.

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

11 91. Invalidity of Any Provision. Before declaring any provision of this Settlement  
12 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent  
13 possible consistent with applicable precedents so as to define all provisions of this Settlement  
14 Agreement valid and enforceable.

15 92. Plaintiff's Waiver of Right to Be Excluded. Plaintiff agree to sign this Settlement  
16 Agreement and, by signing this Settlement Agreement, is hereby bound by the terms herein. For good  
17 and valuable consideration, Plaintiff further agrees that he will not request to be excluded from the  
18 Settlement Agreement. Any such request for exclusion by Plaintiff will be void and of no force or  
19 effect. Efforts by Plaintiff to circumvent the terms of this paragraph will be void and of no force or  
20 effect.

21 93. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class  
22 certification for purposes of this Settlement only; except, however, that Plaintiff or Class Counsel may  
23 appeal any reduction in the Attorneys' Fees and Costs below the amount it requests from the Court,  
24 and either party may appeal any court order that materially alters the Settlement Agreement's terms.

25 94. Non-Admission of Liability. The Parties enter into this Agreement to resolve the  
26 dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation.  
27 In entering into this Agreement, Defendants do not admit, and specifically denies, they have violated  
28 any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any

1 statute or any other applicable laws, regulations or legal requirements; breached any contract; violated  
2 or breached any duty; engaged in any misrepresentation or deception; or engaged in any other  
3 unlawful conduct with respect to its employees. Neither this Agreement, nor any of its terms or  
4 provisions, nor any of the negotiations connected with it, shall be construed as an admission or  
5 concession by Defendants of any such violations or failures to comply with any applicable law.  
6 Except as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its  
7 terms and provisions shall not be offered or received as evidence in any action or proceeding to  
8 establish any liability or admission on the part of Defendants or to establish the existence of any  
9 condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable  
10 law.

11 95. Captions. The captions and section numbers in this Agreement are inserted for the  
12 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the  
13 provisions of this Agreement.

14 96. Waiver. No waiver of any condition or covenant contained in this Agreement or failure  
15 to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a  
16 further waiver by such party of the same or any other condition, covenant, right or remedy.

17 97. Enforcement Actions. In the event that one or more of the Parties institutes any legal  
18 action or other proceeding against any other Party or Parties to enforce the provisions of this  
19 Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties  
20 will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs,  
21 including expert witness fees incurred in connection with any enforcement actions.

22 98. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and  
23 conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly against  
24 one party than another merely by virtue of the fact that it may have been prepared by counsel for one  
25 of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all  
26 Parties have contributed to the preparation of this Agreement.

27 99. Representation by Counsel. The Parties acknowledge that they have been represented  
28 by counsel throughout all negotiations that preceded the execution of this Agreement, and that this

1 Agreement has been executed with the consent and advice of counsel, and reviewed in full. Further,  
2 Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

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

5 101. Notices. Unless otherwise specifically provided herein, all notices, demands or other  
6 communications given hereunder shall be in writing and shall be deemed to have been duly given as  
7 of the third business day after mailing by United States registered or certified mail, return receipt  
8 requested, addressed as follows:

9 To Plaintiff and the Settlement Class:

10 Sarkis Sirmabekian, Esq.  
11 SIRMABEKIAN LAW FIRM, P.C.  
12 3435 Wilshire Boulevard, Suite 1710  
13 Los Angeles, CA 90010

14 Daniel Srourian, Esq.  
15 SROURIAN LAW FIRM, P.C.  
16 3435 Wilshire Boulevard, Suite 1710  
17 Los Angeles, CA 90010

18 To SDG Enterprises and Randy Nicholas Simili:

19 Jonathan Fraser Light, Esq.  
20 Brier Miron Setlur, Esq.  
21 760 Paseo Camarillo, Suite 300  
22 Camarillo, CA 93010

23 102. Cooperation and Execution of Necessary Documents. All Parties will cooperate in  
24 good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this  
25 Settlement Agreement.

26 103. Integration Clause. This Settlement Agreement contains the entire agreement between  
27 the Parties relating to the settlement and transaction contemplated hereby, and all prior or  
28 contemporaneous agreements, understandings, representations, and statements, whether oral or written  
and whether by a party or such party's legal counsel, are merged herein. No rights hereunder may be  
waived except in writing.

104. Binding Agreement. The Parties warrant that they understand and have full authority to

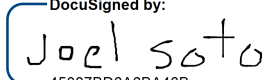
1 enter into this Agreement, and further intend that this Agreement will be fully enforceable and binding  
2 on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to  
3 enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply  
4 under federal or state law.

5 105. IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this  
6 Joint Stipulation of Settlement and Release Between Plaintiff and Defendants as of the date(s) set  
7 forth below:

8 **SIGNATURES**

9 **PLAINTIFF**

10 Dated: 3/25/2020 \_\_\_\_\_

11 DocuSigned by:  
  
12 Plaintiff Joel Soto Cardenas

13 **DEFENDANTS**

14 SDG Enterprises

15 Dated: \_\_\_\_\_

16 \_\_\_\_\_  
17 Printed Name of Authorized Signatory

18 Dated: \_\_\_\_\_

19 \_\_\_\_\_  
20 Nicholas Simili

1 contemporaneous agreements, understandings, representations, and statements, whether oral or written  
2 and whether by a party or such party's legal counsel, are merged herein. No rights hereunder may be  
3 waived except in writing.

4 104. Binding Agreement. The Parties warrant that they understand and have full authority to  
5 enter into this Agreement, and further intend that this Agreement will be fully enforceable and binding  
6 on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to  
7 enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply  
8 under federal or state law.

9 105. IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this  
10 Joint Stipulation of Settlement and Release Between Plaintiff and Defendants as of the date(s) set  
11 forth below:

12 **SIGNATURES**

13 **PLAINTIFF**

14  
15 Dated: \_\_\_\_\_

\_\_\_\_\_  
16 Plaintiff Joel Soto Cardenas

17  
18 **DEFENDANTS**

19  
20 SDG Enterprises

21 Dated: 9-24-20  
22 \_\_\_\_\_

\_\_\_\_\_  
23 Robert Garcia  
24 Printed Name of Authorized Signatory

25  
26 Dated: \_\_\_\_\_

\_\_\_\_\_  
27 Nicholas Simili  
28



1 contemporaneous agreements, understandings, representations, and statements, whether oral or written  
2 and whether by a party or such party's legal counsel, are merged herein. No rights hereunder may be  
3 waived except in writing.

4 104. Binding Agreement. The Parties warrant that they understand and have full authority to  
5 enter into this Agreement, and further intend that this Agreement will be fully enforceable and binding  
6 on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to  
7 enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply  
8 under federal or state law.

9 105. IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this  
10 Joint Stipulation of Settlement and Release Between Plaintiff and Defendants as of the date(s) set  
11 forth below:

12 **SIGNATURES**

13  
14 **PLAINTIFF**

15 Dated: \_\_\_\_\_

\_\_\_\_\_  
16 Plaintiff Joel Soto Cardenas

17  
18 **DEFENDANTS**

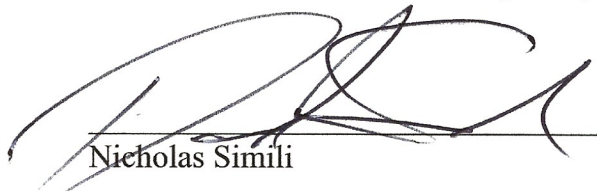
19  
20 SDG Enterprises

21 Dated: \_\_\_\_\_

\_\_\_\_\_  
22

23  
24 Printed Name of Authorized Signatory

25 Dated: 9.24.20

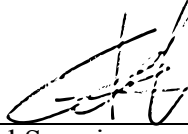
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**APPROVED AS TO FORM**

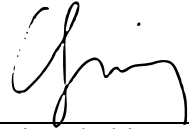
DATED: 3/25/19

**SROURIAN LAW FIRM, P.C.**

By:   
Daniel Srourian  
Attorneys for Plaintiff and the Proposed Class

DATED: 3/25/19

**SIRMABEKIAN LAW FIRM, P.C.**

By:   
Sarkis Sirmabekian  
Attorneys for Plaintiff and the Proposed Class

DATED: \_\_\_\_\_

**LIGHTGABLER**

By: \_\_\_\_\_  
Jonathan Fraser Light  
Brier Miron Setlur  
Attorneys for Defendant

**APPROVED AS TO FORM**

DATED: \_\_\_\_\_

**SROURIAN LAW FIRM, P.C.**

By: \_\_\_\_\_  
Daniel Srourian  
Attorneys for Plaintiff and the Proposed Class


DATED: \_\_\_\_\_

**SIRMABEKIAN LAW FIRM, P.C.**

By: \_\_\_\_\_  
Sarkis Sirmabekian  
Attorneys for Plaintiff and the Proposed Class

DATED: September 24, 2020

**LIGHTGABLER**

By:  \_\_\_\_\_  
Jonathan Fraser Light  
Chandra A. Beaton  
Brier Miron Setlur  
Attorneys for Defendants

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# EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

**IF YOU WORKED AS AN HOURLY EMPLOYEE FOR SDG ENTERPRISES OR NICHOLAS SIMILI IN THE STATE OF CALIFORNIA, YOU MAY OBTAIN PAYMENTS FROM A SETTLEMENT REACHED IN A PROPOSED CLASS ACTION LAWSUIT**

**PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED.**

This Notice is court approved. This is not a solicitation from an attorney.

**WHY DID I GET THIS NOTICE?**

You have received this Class Notice because we believe that you are a class member who may be entitled to money from this settlement.

This Class Notice describes a proposed settlement of the lawsuit *Joel Soto Cardenas, individually and on behalf of all others similarly situated, and Defendants SDG Enterprises and Nicholas Simili* pending in the Los Angeles County Superior Court, Case No. 19STCV25672 (the “Lawsuit”). This Class Notice is being sent to you by the order of the Los Angeles County Superior Court, which preliminarily approved the settlement and conditionally certified the Settlement Class on [date of preliminary approval].

This Notice informs you of the terms of the proposed settlement, describes your rights and options in connection with the settlement, and explains what steps you may take to participate in, object to, or exclude yourself from, the settlement. **If you do not exclude yourself from the settlement and the settlement is finally approved by the Court, you will receive a settlement payment and be bound by the terms of the settlement and any final judgment.**

**WHAT IS THIS LAWSUIT ABOUT?**

The Lawsuit was filed by Plaintiff Joel Soto Cardenas (“Plaintiff”) on behalf of himself and all others similarly situated who worked as hourly employees for SDG Enterprises or Nicholas Simili (“Defendants”) in California between July 24, 2015 and [date of preliminary approval].

The Lawsuit alleges Defendants violated California and federal law by failing to pay the minimum wage, failing to compensate for all hours worked, failing to pay overtime, failing to pay meal period compensation, failing to pay rest period compensation, failing to furnish accurate wage and hour statements, failing to maintain accurate payroll records, failing to pay wages upon discharge and failing to reimburse all necessary business expenses. The Lawsuit also alleges Defendants engaged in unfair business practices and violated the California Private Attorneys General Act (“PAGA”) by engaging in these alleged violations. Plaintiff seeks to bring these claims as a class and representative action on behalf of himself and other current and former employees of Defendants.

Any Questions? Call [Settlement Admin Toll Free Ph. #]

Defendants deny each and all of these claims and contentions alleged by the Plaintiff and contends they have complied with the law at all times. The Court has not made any rulings regarding the merits of the Lawsuit.

After engaging in extensive investigation and a full day of mediation before an experienced mediator, in which both sides recognized the substantial risks of an adverse result in the Lawsuit for either side, Plaintiff and Defendants agreed on a class settlement that was preliminarily approved by the Court on [date of preliminary approval]. Plaintiff and Class Counsel support the settlement.

The settlement represents a compromise of highly disputed claims. Nothing in the settlement is intended to or will be construed as an admission by Defendants that Plaintiff's claims in the Lawsuit have merit or that they have any liability to Plaintiff or the Class on those claims.

The parties and their counsel have concluded that the settlement is advantageous, considering the risks and uncertainties to each side of continued litigation and trial.

### **WHAT IS A CLASS ACTION?**

In a class action lawsuit, one or more persons, called Class Representatives, sue on behalf of other people who have similar claims. Joel Soto Cardenas is the Class Representative in the Lawsuit, and he asserts claims on behalf of himself and the Class Members. All of the Class Members form a Class. A class action allows one court to resolve the claims of all the Class Members at the same time. A California Superior Court judge, Judge Amy D. Hogue, is in charge of this class action.

### **WHY IS THERE A SETTLEMENT?**

The Court did not decide in favor of Plaintiff or Defendants. Instead, both sides agreed to a settlement. That way, both sides avoid the risks and costs of a trial, and people affected will quickly receive compensation. The Class Representative and the attorneys think the settlement is best for the Class.

### **WHO IS INCLUDED IN THE SETTLEMENT CLASS?**

All individuals who worked for Defendants as an hourly worker in California from July 24, 2015 through [date of preliminary approval], are included in the Class.

According to Defendants' records, you are member of the Class and eligible for payments under the settlement. If you are still not sure if you are entitled to participate in the settlement, please call [SETTLEMENT ADMIN. TOLL FREE PHONE NUMBER].

### **WHAT ARE THE TERMS OF THE CLASS SETTLEMENT?**

In exchange for the release of claims against it and final disposition of the Lawsuit, Defendants will pay Nine Hundred Forty-Five Thousand Dollars and Zero Cents (\$945,000.00) ("Gross Settlement Amount"). After attorney's fees and costs, a service payment to the Plaintiff, a payment to the California Labor and Workforce Development Agency, and settlement administration costs are deducted from the Gross Settlement Amount, the remaining "Net Settlement Amount" will be distributed to Participating Class Members. Subject to Court approval, the Gross Settlement Amount will be allocated as follows:

Any Questions? Call [Settlement Admin Toll Free Ph. #]

**Individual Settlement Payment:** Each Participating Class Member will receive a payment based the total number of weeks worked as an hourly employee in California during the relevant time period. Individual Settlement Payments will be calculated as follows:

The total number of Workweeks worked by each Participating Class Member (“Individual Workweeks”) will be added together to determine the total number of Workweeks worked by all Participating Class Members (“Class Workweeks”). The Net Settlement Amount will then be divided by the Class Workweeks to determine the “Weekly Rate.”

Each Participating Class Member’s “Individual Settlement Payment” then will be calculated using the following formula: Individual Settlement Payment = Weekly Rate x Individual Workweeks.

- **Class Representative Service Payment:** For acting as the Class Representative, Plaintiff will request from the Court an award of \$5,000.00 in recognition of and as compensation for his efforts, such as starting the Lawsuit, volunteering time to assist with the case, and providing information and documents, as well as risks he assumed in starting and assisting with the prosecution of the Lawsuit. Any amount ordered by the Court will be paid from the Gross Settlement Amount.
- **Class Counsel’s Attorney’s Fees and Costs:** Class Counsel will request from the Court no more than one-third of the Gross Settlement Amount (\$315,000.00) as attorney’s fees for litigation and resolution of the Lawsuit. Class Counsel will also request from the Court reimbursement for litigation costs advanced on behalf of the Class, which are estimated to be no more than \$15,000.00. Any amount ordered by the Court for Class Counsel’s attorney’s fees and costs will be paid from the Gross Settlement Amount.
- **PAGA Payment:** \$20,000.00 from the Gross Settlement Amount is allocated for payment to the State of California under the Private Attorneys General Act of 2004. Upon Court approval, 75% of the allocation (\$15,000.00) will be paid to the California Labor and Workforce Development Agency, and 25% (\$5,000.00) of the allocation will be distributed to the Class Members as part of the Net Settlement Amount. Any amount ordered by the Court will be paid from the Gross Settlement Amount.
- **Settlement Administration:** The costs of settlement administration payable to the Settlement Administrator will not exceed \$20,000.00, and pays for tasks such as mailing and tracking this Class Notice, mailing checks and tax forms, and reporting to the parties and the Court. Any amount ordered by the Court will be paid from the Gross Settlement Amount.
- All checks issued to Participating Class Members shall remain valid and negotiable for one hundred and eighty (180) days from the date of their issuance. After that time, the checks shall become null and void, and the Settlement Administrator will take all steps necessary to ensure that the funds from the Participating Class Member’s un-cashed check(s), including unpaid cash residue(s), or other unclaimed or abandoned fund(s), are transmitted to the Legal Aid Foundation of Los Angeles.

**WHAT DO I NEED TO DO TO RECEIVE A SETTLEMENT PAYMENT, AND HOW MUCH WILL I RECEIVE?**

**You do not need to do anything to receive a payment from the settlement.**

Defendants' records show that, while you worked as an hourly employee during the relevant time period, you worked a total of [XXX] weeks. Accordingly, your anticipated settlement share is [\$ AMOUNT]. The actual amount may vary somewhat based on the actual implementation of the settlement.

Thirty percent (30%) of your payment will be issued in a check representing unpaid wages with applicable federal, state, and local tax withholdings taken out, and you will be sent an IRS Form W-2 for tax purposes (just like a paycheck); forty percent (40%) of your payment will represent interest; and thirty percent (30%) of your payment will be issued in a check representing penalties and will be reported on IRS Form 1099 for tax purposes. You will need to speak with an accountant or other tax professional about any tax issues related to your settlement checks.

If you don't agree with the information about the amount of your anticipated settlement share, you have an opportunity to dispute the information. Any disputes should be sent in writing to the Settlement Administrator postmarked or fax time-stamped on or before the [RESPONSE DEADLINE]. Along with your written letter explaining the dispute, you should include the last four digits of your social security number and any records (such as paystubs, pay checks or other records) that you have to support your calculation of the total number of weeks you worked for Defendants as an hourly employee in California during the relevant time period. The date of the postmark or fax time-stamp will determine if your dispute was timely sent. Any evidence submitted by you will be evaluated and a final decision will be made as to the correct amount of your settlement share.

The Settlement Administrator is:

*Carendas v. SDG Enterprises, et al.*  
 c/o CPT GROUP, INC.  
 Street  
 City, California Zip Code

**WHAT AM I GIVING UP TO STAY IN THE CLASS AND GET COMPENSATION?**

Unless you ask to be excluded, you will remain a part of the Settlement Class, and that means you can't sue, continue to sue, or be a part of any other lawsuit or proceeding making any of the same claims and allegations made in *this* case. It also means all of the Court's orders will apply to you and legally bind you. If you stay in the Settlement Class, upon the Effective Date, and only after the Settlement has been fully funded, Plaintiff and all Class Members will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged Defendants and any of their former and present parents, subsidiaries, affiliates, divisions, corporations in common control, predecessors, successors, and assigns, as well as all past and present officers, directors, employees, partners, shareholders and agents, attorneys, insurers, and any other successors, assigns, or legal representatives, if any, and any other individual or entity which could be liable for any of the Released Claims from any and all Release Claims. The Settlement Class and each member of the Class who has not submitted a valid Request for Exclusion, fully releases and discharges the Released Parties for the

Any Questions? Call [Settlement Admin Toll Free Ph. #]



Released Claims for any period during the Released Claims Period which is the period from July 24, 2015 to [date of preliminary approval].

Pursuant to the Settlement Agreement, "Released Claims" means all claims, rights, demands, liabilities and causes of action of every nature and description based on the facts alleged in the Action against Defendant or any other Released Parties, including without limitation statutory, constitutional, contractual or common law claims for the wages, damages, unpaid costs, penalties, liquidated damages, punitive damages, interest, restitution, equitable relief, or any other relief, alleged in the First Amended Class Action Complaint For Damages including claims based on the following categories of allegations: (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Failure to Provide Meal Breaks); (3) Violation of California Labor Code § 226.7 (Failure to Provide Rest Breaks); (4) Violation of California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements); (6) Failure to Compensate All Hours Worked (Cal. Lab. Code § 204); (7) Failure to Pay Wages Upon Discharge (Cal. Lab. Code § 201); (8) Statutory Penalties (Cal. Lab. Code §§ 203 and 558); (9) Violation of the California Private Attorney General Act of 2004, California Labor Code § 2698 *et seq.*; (10) Violation of California Business & Professions Code §§ 17200, *et seq.* (Unfair Business Practices); and (11) Violation of Labor Code § 2802 (Failure to Reimburse Necessary Business Expenses).

#### **DO I HAVE A LAWYER IN THIS CASE?**

The Court has decided the law firms below are qualified to represent you and the Settlement Class. These law firms are called "Class Counsel."

Daniel Srourian (SBN 285678) <b>SROURIAN LAW FIRM, P.C.</b> 3435 Wilshire Blvd., Suite 1710 Los Angeles, California 90010 Telephone: (310) 601.3131 Facsimile: (310) 388.8444 Email: daniel@slfla.com	Sarkis Sirmabekian (SBN 278588) <b>SIRMABEKIAN LAW FIRM, P.C.</b> 3435 Wilshire Blvd., Suite 1710 Los Angeles, California 90010 Telephone: (818) 473.5003 Facsimile: (818) 476.5619
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If you want to be represented by your own lawyer, you may hire one at your own expense.

#### **WHAT IF I DON'T WANT TO PARTICIPATE IN THIS SETTLEMENT?**

You have the right to request exclusion from the settlement. To do so, you must submit the Request for Exclusion Form to the Settlement Administrator at the following address:

*Carendas v. SDG Enterprises, et al.*  
 c/o CPT GROUP, INC.  
 Street  
 City, California Zip Code

To be valid, a Request for Exclusion must: (a) be signed by you; (b) contain your full name, address, telephone number, and the last four digits of your Social Security Number; (c) clearly state that you do not wish to be included in the settlement; (d) be returned by fax or mail to the Settlement Administrator

Any Questions? Call [Settlement Admin Toll Free Ph. #]

at the specified address and/or facsimile number above; and (e) be postmarked or faxed on or before the [RESPONSE DEADLINE]. The date of the fax or postmark on the return mailing envelope will determine if your Request for Exclusion was timely submitted. Unless you timely request to be excluded from the settlement, you will be bound by the judgment upon final approval of the settlement and payment of the Gross Settlement Amount, including the Release described in this Notice. The Request for Exclusion Form is included with this Notice.

**If you timely request to be excluded from the settlement, you will not be entitled to receive any payment under the settlement.** Class Counsel will not represent your interests if you request to be excluded.

#### **WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?**

Any Class Member who has **not** asked to be excluded from the settlement may object to the proposed settlement in writing. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense. The Final Approval Hearing is scheduled to take place on [date of final approval hearing], 2020, at x:xx x.m. in Department 7 of the Superior Court of the State of California for the County of Los Angeles, located at 312 N. Spring St., Los Angeles, CA 90012.

To be valid, all written objections and supporting papers, if any, must: (a) be signed by you; (b) contain your full name, address, telephone number, and last four digits of your Social Security Number; (c) clearly state all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which your objection is based; (e) be returned by fax or mail to the Settlement Administrator at the specified address and/or facsimile number provided below; and (f) be postmarked or faxed on or before the [RESPONSE DEADLINE]. The date of the fax or postmark on the return mailing envelope will be the exclusive means to determine whether a written objection has been timely submitted.

*Carendas v. SDG Enterprises, et al.*

c/o CPT GROUP, INC.

Street

City, California Zip Code

To be valid, your written objection and all supporting papers, if any, must be postmarked or faxed on or before [RESPONSE DEADLINE].

#### **WHAT HAPPENS IF I DO NOT EXCLUDE MYSELF FROM THIS SETTLEMENT?**

The settlement, if finally approved by the Court, will bind all Class Members who do not request to be excluded from the settlement whether or not they receive or timely cash their Individual Settlement Payment. Final approval of the settlement will bar any Class Member who does not request to be excluded from the settlement from initiating a lawsuit or proceeding regarding the Released Claims.

#### **WHAT IF MY CONTACT INFORMATION CHANGES?**

If, after you receive this Class Notice, you change your mailing address or telephone number, it is your responsibility to inform the Settlement Administrator of your updated information.

Any Questions? Call [Settlement Admin Toll Free Ph. #]

## THE FINAL APPROVAL HEARING

The Final Approval Hearing is scheduled to take place on [date of final approval hearing], 2020, at x:xx x.m. in Department 7 of the Superior Court of the State of California for the County of Los Angeles, located at 312 N. Spring St., Los Angeles, CA 90012. The date and time may change without further notice to the Class.

At the Final Approval Hearing, the Court will make a final decision whether to approve the settlement, and will also decide what amounts will be awarded to Plaintiff for a service award, and to Class Counsel for attorney's fees and costs.

If the Court grants final approval of the Settlement, notice of final judgment will be posted on the Settlement Administrator's website ([www.\\_\\_\\_\\_\\_](#)) within seven (7) calendar days after entry of the Final Order and Judgment.

## FURTHER INFORMATION

This Notice is only a summary of the settlement. To see a copy of the Settlement Agreement (which defines the capitalized terms used in this Notice), the Court's Preliminary Approval Order, and the operative complaint, they may be viewed at [URL to case-specific web page by Settlement Administrator].

**IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS**, you may contact the Settlement Administrator at [SETTLEMENT ADMIN. TOLL FREE PHONE NUMBER] or Class Counsel listed above. Please refer to the Carendas v. SDG Enterprises, et al. Class Action Settlement.

***PLEASE DO NOT TELEPHONE OR CONTACT THE COURT WITH QUESTIONS OR FOR INFORMATION REGARDING THIS SETTLEMENT***

Any Questions? Call [Settlement Admin Toll Free Ph. #]

**REQUEST FOR EXCLUSION FORM**

**THIS IS *NOT* A CLAIM FORM. [COMPLETE THIS FORM *ONLY IF YOU CHOOSE TO NOT PARTICIPATE IN THIS SETTLEMENT AND CHOOSE NOT TO RECEIVE A SETTLEMENT SHARE*]**

In The Matter of

*Joel Soto Carendas, an individual, on behalf of himself and all others similarly situated v. SDG Enterprises, a California Corporation; Nicholas Simili, an individual, and DOES 1 – 100, inclusive; Los Angeles Superior Court, Case No. 19STCV25672*

**INSTRUCTIONS:** TO EXCLUDE YOURSELF OR “OPT-OUT” OF THE SETTLEMENT, THIS FORM MUST BE COMPLETED AND POSTMARKED OR FAXED TO THE SETTLEMENT ADMINISTRATOR, CPT GROUP, INC., NO LATER THAN [REDACTED], AT THE ADDRESS AND/OR FACSIMILE NUMBER BELOW. IF YOU FAIL TO DO SO, YOU WILL LOSE YOUR RIGHT TO OPT-OUT.

*Carendas v. SDG Enterprises et al. Class Action Settlement*  
CPT GROUP INC.  
[ADDRESS] [FAX]

**Please fill in all of the following information (type or print):**

**Name of Class Member (First, Middle, Last):**

\_\_\_\_\_

**Address (Street Address, City, State, Zip):**

\_\_\_\_\_

**Telephone:** \_\_\_\_\_

**Last Four Digits of Social Security Number:** \_\_\_\_\_

**Location of Employment:**

\_\_\_\_\_

**Dates of Employment:** \_\_\_\_\_

**IT IS STRONGLY RECOMMENDED THAT YOU RETAIN PROOF OF MAILING OR FAXING THIS FORM ON OR BEFORE [DATE].**

*I verify that the following is true: My name, address and other contact information are set forth above. I received and had the opportunity to read the Class Notice that was sent to me along with this Request for Exclusion Form. I understand that by opting-out of this Class Action Settlement, I will not be eligible to receive any money that may result from any trial or settlement of this lawsuit, if there is*

Any Questions? Call [Settlement Admin Toll Free Ph. #]

***one. I do not wish to receive compensation under the terms of any judgment or settlement or to otherwise participate in this Class Action. I further understand that by opting-out, all personal representatives, spouses, and relatives who on account of a personal relationship to me might assert a claim for money will be deemed to have opted-out as well.***

*I also understand that if I wish to assert any claims related to those set forth in this lawsuit in my individual capacity, I shall have to do so separately. I understand that any such claims are subject to strict time limits, known as statutes of limitations, which restrict the time within which I may file any such action. I understand that I should consult with an attorney at my own expense if I wish to obtain advice regarding my rights with respect to this settlement or my choice to opt out of the settlement. Defendants have not encouraged me to opt out, and I choose to opt out on my own free will.*

*I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.*

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Date Signed

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Signature of Class Member