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12	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
13	FOR THE COUNTY OF SAN FRANCISCO		
14			
15	JOSHUA SWEET, Individually and on Behalf of those Similarly Situated;	Case No. CGC-20-58	84213
16	Plaintiff,	JOINT STIPULAT	ION OF CLASS AND
17			E ACTION SETTLEMENT
18	vs.		
19	SF TIRE & SERVICE CENTRAL, INC., a	Complaint Filed:	April 22, 2020
20	California Corporation; and DOES 1 through 10, Inclusive,	FAC Filed: Trial Date:	June 3, 2020 None Set
21	Defendants.		
22			
23			
24	JOINT STIPULATION OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT		
25	This Joint Stipulation of Class and Representative Action Settlement ("Agreement" or		
26	"Settlement Agreement") is made and entered into by and between Plaintiff Joshua Sweet		
27	("Plaintiff") and Defendant SF Tire & Service Central, Inc. ("Defendant"). Plaintiff and Defendant		

28 collectively are referred to in the Agreement as "the Parties."

1 A. DEFINITIONS 2 The following definitions are applicable to this Agreement. Definitions contained 3 elsewhere in this Agreement shall also be effective: 1 "Action" means Joshua Sweet v. SF Tire & Service Central, Inc., et al., filed on 4 5 April 22, 2020 in San Francisco Superior Court, Case No. CGC-20-584213. 2. "Agreement" or "Settlement Agreement" means this Joint Stipulation of Class and 6 7 Representative Action Settlement. 8 3. "Class" or "Class Member(s)" means all current and former hourly-paid or non-9 exempt employees who worked for Defendant within the State of California at any time during the 10 Class Period. Defendant has determined that there are approximately 547 individuals that comprise 11 the Class, including 467 former employees. 4 12 "Class Counsel" means Kevin Woodall of Woodall Law Offices. 5. 13 "Class Counsel Award" means such award of fees, costs and expenses as the Court 14 may authorize for payment to Class Counsel for the services they have rendered and will render to 15 Plaintiff and the Class in the Action. Defendant agrees not to oppose Class Counsel Award of up 16 to thirty-three percent (33%) of the Maximum Settlement Amount (\$1,475,000.00), *i.e.* the sum of 17 One Million Four Hundred Fifty Thousand Dollars (\$1,450,000.00) and reimbursement of actual litigation costs and expenses of up to Twenty-Five Thousand Dollars (\$25,000.00), subject to the 18 19 Court finally approving this Settlement. 20 6. "Class List and Data" means a true and complete list of all Class Members that 21 Defendant will compile, based on its business records, and provide to the Settlement Administrator 22 within five (5) business days after the Court grants preliminary approval of the Settlement. The 23 Class List shall be formatted in Microsoft Office Excel, and shall include each Class Member's 24 full name, their last known home address, email addresses (if any), beginning and ending dates of 25 employment, and number of workweeks during the Class Period. 26 7. "Class Period" means the period from April 22, 2016, through January 1, 2020. 27 "Class Representative" or "Plaintiff" means Plaintiff Joshua Sweet. 8. 28 /// -2-JOINT STIPULATION OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT

9. "Complaint" means the operative Class and Representative Action Complaint filed
 by Plaintiff in this Action.

3 10. "Counsel for Defendant" or "Defense Counsel" means Linda M. Moroney and
4 Natalie B. Fujikawa of Gordon Rees Scully Mansukhani, LLP.

11. "Court" means the Superior Court for the State of California, County of San Francisco, or any other Court taking jurisdiction of the Action.

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12. "Defendant" means SF Tire & Service Central, Inc.

13. "Effective Date" shall be the last day on which to appeal an order granting final approval of the Settlement Agreement if timely objections are filed, or the resolution of any such appeal that does not alter the terms of the settlement.

14. "Enhancement Payment" or "Service Payment" means the amount that the Court authorizes to be paid to Plaintiff, in addition to his Individual Settlement Payment, in recognition of his efforts and risks in assisting with the prosecution of the Action. Subject to the Court granting final approval, the Parties agree that Plaintiff shall be paid up to Seven Thousand Five Hundred Dollars (\$7,500.00) from the Maximum Settlement Amount.

15. "Final Approval" means that the Final Approval Order and Judgment have been entered by the Court.

16. "Maximum Settlement Amount" means the maximum settlement amount of One Million Four Hundred Seventy-Five Thousand Dollars (\$1,475,000. 00) to be paid by Defendant as a result of this Stipulation. The Maximum Settlement Amount includes all Individual Settlement Payments to Settlement Class Members, the Enhancement Payment to Plaintiff, Settlement Administration Costs to the Settlement Administrator, the PAGA Payment, and Class Counsel Award. Defendant shall have no monetary responsibility of any kind in connection with this settlement other than payment of the Maximum Settlement Amount.

25 17. "Individual Settlement Payment" means the amount payable from the Net
26 Settlement Amount to each Settlement Class Member.

18. "Net Settlement Amount" means the balance of the Maximum Settlement Amount
remaining after deduction of the approved Enhancement Payment to Plaintiff, Settlement

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1 Administration Costs, the California Labor and Workforce Development Agency's ("LWDA") 2 portion of the PAGA Payment, and Class Counsel Award. The entire Net Settlement Amount is the maximum amount that will be available for distribution to Settlement Class Members. 3

19. "Notice of Objection" means a Class Member's valid and timely written objection to the Settlement. For the Notice of Objection to be valid, it must include: (a) the objector's full name, signature, address, and telephone number; (b) a written statement of basis for the objection; and (c) any copies of papers, briefs, or documents upon which the objection is based. The Notice of Objection must be returned by mail to the Settlement Administrator at the specified address indicated in the Notice Packet and must be postmarked by the Response Deadline.

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

21. "PAGA Payment" means the portion of the Maximum Settlement Amount that the Parties have agreed will be allocated to resolve all claims, penalties, and remedies under the Private Attorneys General Act of 2004 (Cal. Lab. Code § 2698, et seq., "PAGA"). The amount of the PAGA Payment is subject to Court approval pursuant to California Labor Code section 2699(1). The Parties have agreed that Thirty Thousand Dollars (\$30,000.00) of the Maximum Settlement Amount shall be allocated to the resolution of claims arising under PAGA. Pursuant to the PAGA, seventy-five percent (75%) of the PAGA Payment, *i.e.* the sum of Twenty-Two Thousand, Five Hundred Dollars (\$22,500.00), shall be paid to the LWDA, and twenty-five percent (25%) of the PAGA Payment, *i.e.* the sum of Seven Thousand, Five Hundred Dollars (\$7,500.00), shall be part of the Net Settlement Amount to be distributed to Settlement Class Members.

22 22. "Parties" means Plaintiff, on behalf of himself and Settlement Class Members, and 23 Defendant collectively.

24 23. "Preliminary Approval" means the Court's order granting preliminary approval of the Settlement.

26 24. "Released Claims" means the following: all claims, including penalties, costs and 27 attorneys' fees related thereto, that could have been brought under the facts and allegations made 28 in the operative Complaint, including, but not limited to: (1) Unpaid Overtime Wages (Lab. Code

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§§ 510 and 1198); (2) Meal Period Violations (Lab. Code §§ 226.7 and 512); (3) Rest Period
 Violations (Lab. Code § 226.7); (4) Failure to Timely Pay Final Wages (Lab. Code §§ 201 and
 202); (5) Non-Compliant Wage Statements (Lab. Code § 226); (6) Unfair Business Practices (Bus.
 & Prof. Code §§ 17200, *et seq.*); and (7) and Penalties under the California Private Attorneys'
 General Act pursued in the Action, that accrued at any time during the Class Period.

25. "Released Parties" means Defendant and Defendant's affiliates, parents, and their respective successors and predecessors in interest, all of their respective officers, directors, employees, administrators, fiduciaries, trustees and agents, and each of their past, present and future officers, directors, shareholders, employees, agents, principals, heirs, representatives, attorneys, accountants, auditors, consultants, insurers and reinsurers.

26. "Request for Exclusion" means a timely letter submitted by a Class Member indicating a request to be excluded from the Settlement. The Request for Exclusion must: (a) clearly state that the Class Member does not wish to be included in the Settlement; (b) set forth the name, address, and telephone number of the Class Member requesting exclusion; (c) be signed by the Class Member; (d) be returned by mail to the Settlement Administrator at the specified address indicated in the Notice Packet; and (e) be postmarked on or before the Response Deadline.

27. "Response Deadline" means the latter of forty-five (45) days after the Settlement Administrator initially mails the Notice Packet to Class Members or thirty (30) days after returned Notice Packets are re-mailed to a corrected address, and is the last date on which Class Members may submit Requests for Exclusion or Notices of Objections to the Settlement.

28. "Settlement" means the agreement among the Parties to resolve the Action, as set forth in this Stipulation.

29. "Settlement Administration Costs" means the fees and expenses reasonably incurred by the Settlement Administrator as a result of the procedures and processes expressly required by this Agreement, which are estimated at Seven Thousand Dollars (\$7,000.00). Any portion of the Settlement Administration Costs not used or approved by the Court shall be added to the Net Settlement Amount.

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30. "Settlement Administrator" means Phoenix Settlement Administrators.

31. "Settlement Class" or "Settlement Class Members" means all Class Members who
 do not submit valid and timely Requests for Exclusion.

32. "Settlement Payment Check" means the payment of the Individual Settlement Payment to Settlement Class Members.

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B. FACTUAL BACKGROUND

1. On April 22, 2020, Plaintiff initiated this Action in San Francisco County Superior Court, asserting causes of action for: (1) Unpaid Overtime Wages (Lab. Code §§ 510 and 1198); (2) Meal Period Violations (Lab. Code §§ 226.7 and 512); (3) Rest Period Violations (Lab. Code § 226.7); (4) Failure to Timely Pay Final Wages (Lab. Code §§ 201 and 202); (5) Non-Compliant Wage Statements (Lab. Code § 226); and (6) Unfair Business Practices (Bus. & Prof. Code §§ 17200, *et seq.*). On June 3, 2020, Plaintiff filed a First Amended Complaint adding a Cause of Action for penalties under the California Private Attorneys' General Act, which includes the same class allegations and a failure to provide suitable seating allegation. As alleged in the pleadings, Plaintiff seeks to represent the Class and other aggrieved employees. Plaintiff further seeks damages, penalties, attorneys' fees, and costs.

2. The Parties engaged in informal discovery. Defendant provided a sampling of pay and time records for the Settlement Class Members within the Class Period that allowed Plaintiff to analyze records and determine an appropriate value for Settlement.

3. On or about September 25, 2020, the Parties agreed to participate in private mediation. In connection with the mediation, Defendant produced Plaintiff's personnel and payroll records, as well as Defendant's written employment policies and procedures. Defendant also produced data relating to the number of Class Members and weeks worked by each Class Member, as well as a sampling of Class Members' payroll and timekeeping data, which allowed Plaintiff's counsel to conduct a full damage analysis.

4. On July 19, 2021, the Parties engaged in mediation with Jeffery A. Ross, an
experienced wage and hour class action mediator. After the exchange of further information and
extended negotiations, Plaintiff and Defendant reached the present class-wide settlement. The
settlement discussions were conducted at arm's length.

5. The Parties recognize the risk, expense, and delay in continuing the Action, and therefore believe the Settlement to be fair, reasonable, and adequate. Accordingly, the Parties desire to settle, compromise, and discharge all disputes and claims arising from or relating to the Action.

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PROCEDURE FOR APPROVAL AND IMPLEMENTATION OF SETTLEMENT

1 Settlement Consideration. Defendant shall pay the sum of the Maximum Settlement Amount as specified in this Agreement, which shall be used to pay: (1) Individual Settlement Payments; (2) Class Counsel Award; (3) Enhancement Payment; (4) Settlement Administration Costs; and (5) the PAGA Payment. Defendant shall have no monetary responsibility of any kind in connection with this settlement other than payment of the Maximum Settlement Amount. The Parties agree that this is a non-reversionary Settlement and that no portion of the Maximum Settlement Amount shall revert to Defendant.

2. Funding of the Maximum Settlement Amount. The Maximum Settlement Amount will be paid by Defendant to the Settlement Administrator no earlier than the Effective Date, and per the following installment plan:

A payment of Seven Hundred Seventy-Five Thousand Dollars a. (\$775,000.00) shall be made to the Settlement Administrator within fifteen (15) days of the Effective Date;

b. Another payment of Three Hundred Thousand Dollars (\$300,000) shall be paid to the Settlement Administrator no later than March 1, 2022; and

c. A final payment of Four Hundred Thousand Dollars (\$400,000) shall be paid to the Settlement Administrator no later than March 1, 2023.

3. Class Counsel Award. Defendant agrees not to oppose Class Counsel Award of up to thirty-three percent (33%) of the Maximum Settlement Amount (\$1,475,000.00), *i.e.* the sum of Four Hundred Eight-Six Thousand Seven Hundred Fifty Dollars (\$486,750.00) and reimbursement of actual litigation costs and expenses of up to Twenty-Five Thousand Dollars (\$25,000.00), which shall be paid from the Maximum Settlement Amount. Any portion of the Class Counsel Award

not awarded to Class Counsel shall be added to the Net Settlement Amount and shall be distributed 2 to Settlement Class Members as provided in this Agreement. It is agreed that no order of the Court, including any order concerning attorneys' fees, may alter or otherwise increase the Maximum 3 4 Settlement Amount. It is understood and agreed by the Parties, Class Counsel and Defendant's 5 counsel that no amounts designated herein as Class Counsel's fees and expenses are accessible or 6 otherwise available to Class Counsel until the payment amount and method are agreed to by Class Counsel and the Settlement Administrator pursuant to an Attorney Fee Distribution Agreement. A Form 1099 shall be issued to Class Counsel reflecting the awarded attorney's fees, costs and expenses.

4 Class Representative Enhancement Payment. Defendant agrees not to oppose any application or motion by Plaintiff for an Enhancement Payment of up to Seven Thousand Five Hundred Dollars (\$7,500.00) to Plaintiff. The Enhancement Payment shall be paid from the Maximum Settlement Amount and shall be paid in addition to Plaintiff's Individual Settlement Payment as a Settlement Class Member. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff reflecting the Enhancement Payment. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on Plaintiff's Enhancement Payment and shall hold harmless Defendant from any claim or liability for taxes, penalties, or interest arising as a result of the Enhancement Payment. Any portion of the Enhancement Payment not awarded to Plaintiff shall be added to the Net Settlement Amount and shall be distributed to Class Members as provided in this Agreement. It is agreed that no order of the Court, including any order concerning the Enhancement Award, may alter or otherwise increase the Maximum Settlement Amount.

5. Settlement Administration Costs. The Settlement Administrator shall be paid for the reasonable costs of administration of the Settlement from the Maximum Settlement Amount, not to exceed Eight Thousand Dollars (\$8,000.00). These costs, which shall be paid from the Maximum Settlement Amount, shall include, inter alia, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 IRS Forms, establishing a Qualified Settlement Fund, administering and distributing the Maximum Settlement Amount and Class Counsel Award, and

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providing necessary reports and declarations. Any portion of the Settlement Administration Costs 1 2 not allowed shall be added to the Net Settlement Amount and shall be distributed to Settlement 3 Class Members as provided in this Agreement.

4 6. PAGA Payment. Subject to Court approval, the Parties agree that the amount of 5 Thirty Thousand Dollars (\$30,000,00) of the Maximum Settlement Amount shall be designated 6 for satisfaction of claims for civil penalties under the PAGA. The Settlement Administrator shall 7 pay seventy-five percent (75%) of the PAGA Payment, *i.e.* the sum of Twenty-Two Thousand, 8 Five Hundred Dollars (\$22,500.00), shall be paid to the LWDA. The remaining twenty-five 9 percent (25%), *i.e.* the sum of Seven Thousand, Five Hundred Dollars (\$7,500.00), shall be part 10 of the Net Settlement Amount to be distributed to Settlement Class Members as per this 11 Agreement.

7. 12 Net Settlement Amount. The Net Settlement Amount shall be used to satisfy Individual Settlement Payments to Settlement Class Members in accordance with the terms of this 13 14 Agreement. The Settlement Administrator will allocate the Individual Settlement Payments by 15 number of workweeks each Settlement Class Member was employed by Defendant in California 16 during the Class Period. Specifically, after Defendant provides the number of said workweeks for 17 each Settlement Class Member, the Settlement Administrator will divide the Net Settlement Amount by the total number of workweeks in the Class Period for all Settlement Class Members 18 to arrive at an amount per workweek. That amount will then be multiplied by the number of 19 20 workweeks of each Settlement Class Member to arrive at the Individual Settlement Payments. 21 Settlement Class Members are entitled to 100% of the Net Settlement Amount. Defendant 22 maintains no reversionary right to any portion of the Net Settlement Amount. If there are any 23 timely submitted Requests for Exclusion, the Settlement Administrator shall proportionately 24 increase the Individual Settlement Payments for each Settlement Class Member so that the 25 amount actually distributed to Settlement Class Members equals 100% of the Net Settlement 26 Amount.

27 8. Calculation of Maximum Settlement Amount. The Maximum Settlement Amount was calculated with, and is premised on, Defendant's representation that approximately 547 Class

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Members worked a total of 18,761 workweeks during the Class Period. In the event the number of
 workweeks during the Class Period exceeds 18,761, Plaintiff will have the option to either
 proportionally increase the Maximum Settlement Amount or rescind the Settlement Agreement.

9. No Credit toward Benefit Plans. The Individual Settlement Payments made to 4 5 Settlement Class Members under this Agreement, the Enhancement Payment made to Plaintiff, as 6 well as any other payments made pursuant to this Agreement, shall not be utilized to calculate any 7 additional benefits under any benefit plans to which any Class Members may be eligible, including, 8 but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation 9 plans, sick leave plans, PTO plans, and any other benefit plans. Rather, it is the Parties' intention that this Settlement will not affect any rights, contributions, or amounts to which any Class 10 11 Members may be entitled under any benefit plans.

10. <u>Settlement Administration Process</u>. The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in the administration of the Settlement. The Settlement Administrator shall provide the following services:

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a. Establish and maintain a Qualified Settlement Fund account;

b. Verify the last known address for each Class Member through a generally utilized, national address update database prior to mailing the Notice Packet;

c.

Print and mail the Notice Packet;

d. Conduct additional address searches for mailed Notice Packets that are returned as undeliverable and, to the extent new and more current addresses are found, also reprint and re-mail Notice Packets accordingly;

e. Establish and maintain a toll-free informational telephone support line to
assist Class Members who have questions regarding the Notice Packet;

25 f. Field inquiries from Class Members, and administer any Requests for
26 Exclusion;

g. Provide weekly status reports to counsel for the Parties, including: (a) the
number of Notices mailed (including information regarding undeliverable and/or emailed

Notices); (b) the number of disputes received (and sending copies of said disputes); (c) the number
 of objections received; and (d) the number of requests for exclusion received;

h. Calculate Individual Settlement Payments;

i. Distribute and pay the Enhancement Payment, Individual Settlement Payments, the PAGA Payment to the LWDA, and fees and costs awarded to Class Counsel;

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j. Prepare and issue 1099 tax forms; and

k. Provide declarations and/or other information to the Court as requested.

11. <u>Delivery of the Class List and Data</u>. Within five (5) business days of Preliminary Approval, Defendant shall provide the Class List and Data to the Settlement Administrator.

12. <u>Notice by First-Class U.S. Mail</u>. Within five (5) business days after receiving the Class List and Data from Defendant, the Settlement Administrator shall mail a Notice Packet to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List, and send the Notice Packet via email to all Class Members, if their email addresses are available to Defendant.

13. <u>Confirmation of Contact Information in the Class List</u>. Prior to mailing, the Settlement Administrator shall perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes.

14. <u>Notice Packets</u>. All Class Members will be mailed a Notice Packet. Each Notice Packet will provide: (1) information regarding the nature of the Action; (2) a summary of the Settlement's principal terms; (3) the Class definition; (4) each Class Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments, if they do not request to be excluded; (5) the dates that comprise the Class Period; (6) instructions on how to submit valid Requests for Exclusion, or objections; (7) the deadlines by which the Class Member must submit a Request for Exclusion or Notice of Objection to the Settlement; (8) the date for the final approval hearing; and (9) the claims to be released. The Notice Packet will also inform Class Members that, in order to receive the Individual Settlement Payment, they do not need to do anything except keep the Settlement Administrator apprised of their current mailing addresses. 1 15 Re-Mailing of Returned Notices. Any Notice Packets returned to the Settlement 2 Administrator as non-deliverable on or before the Response Deadline shall be re-sent promptly via 3 regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator shall indicate the date of such re-mailing on the Notice Packet. If no forwarding 4 5 address is provided, the Settlement Administrator shall promptly attempt to determine the correct 6 address using a skip-trace, or other search using the name and/or address of the Class Member 7 involved and shall then perform a re-mailing. Those Class Members who receive a re-mailed 8 Notice Packet shall have their Response Deadline extended thirty (30) days from the re-mailing 9 date.

10 16. Request for Exclusion Procedures. Any Class Member, other than Plaintiff, may opt-out from the Settlement by submitting a written Request for Exclusion to the Settlement 11 12 Administrator postmarked by the Response Deadline or via email by the Response Deadline. A 13 Request for Exclusion must: (1) contain the name, address, and telephone number of the person 14 requesting exclusion; (2) clearly state that the Class Member does not wish to be included in the 15 Settlement; (3) be signed by the Class Member; (4) be returned by mail to the Settlement 16 Administrator at the specified address; and (5) be postmarked or emailed on or before the Response 17 Deadline. The date of the postmark or email shall be the exclusive means to determine whether a 18 Request for Exclusion is timely. By submitting such a Request for Exclusion, a Class Member 19 shall be deemed to have exercised their option to opt out of the Action and not be bound by this 20 Agreement. Accordingly, a Class Member who timely submits a valid Request for Exclusion will 21 not be entitled to any payments under this Settlement and will not be bound by the terms of the 22 Settlement. Any Class Member who fails to submit a valid and timely Request for Exclusion on 23 or before the Response Deadline shall be deemed a Settlement Class Member and will be bound 24 by all terms of the Settlement to the fullest possible extent if the Settlement is granted final 25 approval by the Court. At no time shall any of the Parties or their counsel seek to solicit or 26 otherwise encourage Class Members to submit a Request for Exclusion.

27 17. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member who does not affirmatively opt-out of the Settlement by submitting a valid and timely

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Request for Exclusion shall be bound by all terms of the Settlement to the fullest possible extent, including those pertaining to the Released Claims, as well as any Judgment that may be entered by the Court.

18. <u>Objection Procedures</u>. Any Class Member who does not opt-out of this Settlement shall be entitled to object to the Settlement. To object to the Settlement, a Class Member must return by mail a written statement of objection to the Settlement Administrator at the specified address by the Response Deadline. The Notice of Objection must include: (a) the objector's full name, signature, address, and telephone number; (b) a written statement of the basis for the objection; and (c) any copies of papers, briefs, or documents upon which the objection is based. Alternatively, a Class Member may appear at the Final Approval Hearing and present their objection to the Court orally, even without written objection.

At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written objections to the Settlement or appeal from the Order and Judgment. Any Class Member who submits a valid Request for Exclusion shall not be allowed to object to this Settlement. No later than five (5) days after the Response Deadline, the Settlement Administrator shall provide Defense Counsel with a complete list of all Class Members who have timely and properly requested exclusion from the Class.

19. Defendant's Right to Rescind. If more than five percent (5%) of the Class Members submit a timely and valid Request for Exclusion, Defendant will have the right, but not the obligation, to revoke and void this Agreement at its discretion. Defendant must exercise the option to rescind within ten (10) business days of Defense Counsel receiving notification from the Settlement Administrator that more than five percent (5%) of the Class Members have submitted timely and valid Requests for Exclusion from the Settlement. If Defendant exercises this right to void the Agreement, then the Parties will have no further obligations under the Agreement, including, without limitation, any obligation by Defendant to pay the Maximum Settlement Amount, or any amounts that otherwise would have been owed under this Agreement, except that Defendant shall pay all Settlement Administration Costs incurred by the Settlement Administrator. In the event the Settlement is terminated, the Parties shall proceed in all respects as if this

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Agreement had not been executed. The Parties agree that they will not encourage any Class
 Member to object to the Settlement or to opt out.

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20. <u>Settlement Administrator's Website and Reports of Information</u>. The Settlement Administrator shall establish a website containing the complaint, Class Notice, this settlement agreement and other documents deemed useful for Class Members. The Settlement Administrator shall provide Defense Counsel and Class Counsel a weekly report which certifies the number of Class Members who have submitted valid Requests for Exclusion. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement as needed or requested. The Settlement Administrator shall also forward to Parties' counsel any Notices of Objection received immediately upon receipt. Further, the Settlement Administrator shall immediately forward any Request for Exclusion to the Parties' counsel so that they can determine whether the Request for Exclusion is valid and timely.

13 21. Distribution Timing of Individual Settlement Payments. No earlier than the 14 Effective Date, and no later than 15 calendar days after the Effective Date, the Settlement 15 Administrator shall issue initial payments to (1) Settlement Class Members; (2) the Labor and 16 Workforce Development Agency; (3) Plaintiff; (4) Class Counsel (unless a later date is set forth 17 in the Attorney Fee Distribution Agreement); and (5) the Settlement Administrator from 18 Defendant's first two payments totaling \$1,075,000 made to the Settlement Administrator. With 19 these initial payments, each will receive prorated amounts of the entire amounts due to each of them (or 72.88 percent of the entire amounts due to them). No earlier than the Effective Date, 20 21 and no later than March 16, 2023, the Settlement Administrator shall issue the second and final 22 payments to (1) Settlement Class Members; (2) the Labor and Workforce Development Agency; 23 (3) Plaintiff; (4) Class Counsel (unless a later date is set forth in the Attorney Fee Distribution 24 Agreement); and (5) the Settlement Administrator from Defendant's third payment of \$400,000 made to the Settlement Administrator. With these second and final payments, each will receive 25 26 prorated amounts of the entire amounts due to each of them (or 27.12 percent of the entire amounts 27 due to them).

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22. <u>Uncashed Settlement Payment Checks</u>. Any Settlement Payment Checks issued by

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1 the Settlement Administrator to Settlement Class Members shall be negotiable for not less than 2 one hundred eighty (180) calendar days from the date of their issuance. This is a non-reversionary settlement. All Individual Settlement Payments to Class Members that remain un-cashed after one 3 hundred eighty (180) days of the mailing of Settlement Payment Checks by the Settlement 4 5 Administrator shall be paid out pursuant to California Code of Civil Procedure section 384 to the following *cy pres* recipient: California Rural Legal Assistance Foundation. In such event, those 6 7 Class Members will nevertheless remain bound by the Settlement.

Defendant shall submit a declaration to the Court during the settlement approval process explaining why this organization is an appropriate cy pres recipient. Should the Court reject California Rural Legal Assistance Foundation as a viable *cy pres* recipient, the Parties agree to select Legal Services of Northern California as an alternate *cy pres* recipient or another *cy pres* recipient approved by the Court.

23. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator shall provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

24. Administration Costs if Settlement Fails or is Delayed. If the Court does not approve the Settlement due to an objection or the Settlement is otherwise deemed void or rescinded, any costs incurred by the Settlement Administrator shall be borne equally by Defendant and Plaintiff, unless otherwise specified in this Agreement.

25. Treatment of Individual Settlement Payments. Two thirds (2/3) of the Individual Settlement Payments shall be allocated as interest, penalties, and other non-wage damages, to be reported on an IRS Form 1099 by the Settlement Administrator. The remaining one third (1/3) of the Individual Settlement Payments shall be allocated as wages, subject to payroll deductions and to be reported on an IRS Form W-2 by the Settlement Administrator.

26. Administration of Taxes by the Settlement Administrator. The Settlement 26 Administrator shall be responsible for issuing to Plaintiff, Settlement Class Members, and Class Counsel, 1099 and W-2 forms or other tax forms as may be required by law for all amounts paid 28 pursuant to this Agreement.

1 27 Tax Liability. Defendant, Defense Counsel, the Settlement Administrator, and 2 Plaintiff's counsel make no representation as to the tax treatment or legal effect of the payments 3 called for hereunder, and Plaintiff and Settlement Class Members are not relying on any statement, 4 representation, or calculation by Defendant, Defense Counsel, Plaintiff's counsel, or by the 5 Settlement Administrator in this regard. Plaintiff and Settlement Class Members understand and 6 agree that they will be solely responsible for the payment of any and all taxes and penalties 7 assessed on their respective payments described herein and will defend, indemnify, and hold 8 Defendant, Defense Counsel, Plaintiff's counsel and the Settlement Administrator free and 9 harmless from and against any claims resulting from treatment of such payments as non-taxable penalties/damages. 10

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

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PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
 OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF
 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
 AGREEMENT.

7 29. <u>No Prior Assignments</u>. The Parties and their counsel represent, covenant, and
8 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to
9 assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand,
10 action, cause of action or right herein released and discharged.

30. <u>Release of Claims by Settlement Class Members</u>. As of the date of the funding of the Maximum Settlement Amount, Plaintiff and all Settlement Class Members, as well as their spouses, heirs, executors, administrators, trustees, and/or permitted assigns, hereby do and shall be deemed to have fully, finally and forever released, settled, compromised, relinquished and ///

discharged, to the fullest extent possible, any and all of the Released Parties of and from any and all Released Claims.

31. <u>Nullification of Settlement</u>. In the event that the Settlement does not become final for any reason, then this Agreement, and any documents generated to bring it into effect, shall be null and void. Any order or judgment entered by the Court in furtherance of this Agreement shall likewise be treated as void from the beginning.

32. <u>Disputes Regarding Individual Settlement Payments</u>. In the event that Class Members have a dispute as to the data provided by the Defendant, Class Members will have the opportunity to provide documentation and/or an explanation. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Agreement, and that determination shall be binding.

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33. <u>Disputes Regarding Administration of Settlement</u>. Any disputes not resolved by the

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1 Settlement Administrator concerning the administration of the Settlement will be resolved by the 2 Court under the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the disputes without the necessity of involving 3 the Court. No further award of attorney fees or costs shall be sought by or made to Class Counsel 4 5 in connection with any such further proceedings.

34. 6 Preliminary Approval Hearing. Plaintiff shall obtain a hearing before the Court to 7 request the Preliminary Approval of the Settlement, conditional certification of the Class, and the 8 entry of a Preliminary Approval Order: (i) approving of the proposed Settlement, and (ii) setting a 9 date for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order shall 10 provide for the Notice Packet to be sent to all Class Members as specified herein. Class Counsel shall prepare the motion for Preliminary Approval of the Settlement and all supporting papers. 12 Defendant shall provide a declaration, if the Court deems necessary, supporting its lack of financial 13 ability to pay any additional amount to settle this Action. In conjunction with the Preliminary 14 Approval hearing, Plaintiff shall submit this Agreement, which sets forth the terms of this 15 Settlement, and will include the proposed Notice Packet, attached to this Agreement as Exhibit A.

35. Final Settlement Approval Hearing. Upon expiration of the deadlines to submit Requests for Exclusion or Notices of Objections to the Settlement, and with the Court's permission, a Final Approval/Settlement Fairness Hearing shall be conducted to determine the Final Approval of the Settlement along with the amounts properly payable for (i) Individual Settlement Payments; (ii) the LWDA Payment; (ii) the Class Counsel Award; (iii) the Enhancement Payment; and (iv) Settlement Administration Costs. Class Counsel will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will also be responsible for drafting the attorneys' fees and costs application to be heard at the Final Approval Hearing.

25 36. Entry of Judgment and Continued Jurisdiction of the Court. Concurrent with the 26 Motion for Final Approval, the Parties shall also jointly seek the entry of Judgment consistent with 27 the terms of this Agreement. After entry of the Judgment, the Court shall have continuing 28 jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms

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1 of the Settlement, (ii) Settlement administration matters, and (iii) such post-Judgment matters as 2 may be appropriate under court rules or as set forth in this Agreement.

3 37. Exhibits Incorporated by Reference. The terms of this Agreement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth 4 herein. Any Exhibits to this Agreement are an integral part of the Settlement. 5

38. 6 Confidentiality/Publicity. Plaintiff and Class Counsel agree that they will not issue 7 any press releases, initiate any contact with the press or media, respond to any press inquiry, post 8 information on any social media or website, or have any communication with the press or media 9 about the fact, amount, or terms of the Settlement. Plaintiff and Class Counsel agree they will not 10 advertise or market any of the terms of the Settlement through written, recorded, or electronic communications. In addition, Class Counsel will not put details about the settlement on their 12 website, unless no reference is made to the case name or Defendant. Plaintiff and Class Counsel 13 further agree that if they are contacted regarding this case, they will take reasonable steps to 14 determine whether the contacting party is a member of the Class. If the contacting party is not a 15 Class Member or the legal representative of a Class Member, Plaintiff and Class Counsel will state 16 only that the lawsuit exists and has been resolved. However, this will not prevent Class Counsel 17 from undertaking required submissions and disclosures that are required to obtain approval of the Settlement, including and not limited to, submission of the Settlement to the LWDA in conformity 18 with the PAGA statute. 19

39. Entire Agreement. This Agreement and any attached Exhibits constitute the entirety of the Parties' Settlement terms. No other prior or contemporaneous written or oral negotiations or agreements may be deemed binding on the Parties.

40. Disputes Regarding Language of Final Settlement Agreement. If the Parties have a dispute with regard to the language of the Agreement, the Parties agree to attempt to informally resolve the dispute by engaging Jeffrey A. Ross to mediate such dispute.

26 41. Amendment or Modification. This Agreement may be amended or modified only 27 by a written instrument signed by the Parties or their successors-in-interest.

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42. Authorization to Enter into Agreement. Counsel for all Parties warrant and

represent they are expressly authorized by the Parties whom they represent to negotiate this 2 Agreement and to take all appropriate actions required or permitted to be taken by the Parties 3 pursuant to this Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each 4 5 other and use their best and good-faith efforts to effect the implementation of the Settlement. If 6 the Parties are unable to reach agreement on the form or content of any document needed to 7 implement the Settlement, or on any supplemental provisions that may become necessary to 8 effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve 9 such disagreement.

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

44 California Law Governs. All terms of this Agreement and Exhibits hereto shall be governed by and interpreted according to the laws of the State of California.

45. Execution and Counterparts. This Agreement is subject only to the execution of all Parties. However, the Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, shall be deemed to be one and the same instrument provided that counsel for the Parties shall exchange among themselves original signed counterparts.

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

47. No Admission of Liability or Class Certification. The Parties are agreeing to class certification for settlement purposes only. This Agreement shall not constitute, in this or any other proceeding, an admission of any kind by Defendant, including without limitation, that Defendant committed any violation of statute or other wrongdoing, that Defendant is liable to Plaintiff or to

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any other Class Members, that certification of a class for trial or any other purpose is appropriate 1 2 or proper or that Plaintiff or any Class Member can establish any of the requisite elements for class treatment of any of the claims in this Action. If, for any reason, the Settlement is not finally 3 approved, this Agreement will be void and the Parties will be restored to their respective positions 4 5 in the lawsuit as if they had not entered into this Agreement. The Parties further agree that this 6 Agreement or any documents or orders issued related to this Settlement will not be admissible, 7 other than according to the Settlement's terms, in this or any other proceeding as evidence that 8 either: (i) a class action should be certified, or (ii) Defendant is liable to Plaintiff or any Class 9 Member.

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

49. <u>Captions</u>. The captions and section numbers in this Agreement are inserted for the
reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
provisions of this Agreement.

27 50. <u>Waiver</u>. No waiver of any condition or covenant contained in this Agreement or
28 failure to exercise a right or remedy by any of the Parties hereto shall be considered to imply or

constitute a further waiver by such party of the same or any other condition, covenant, right or 2 remedy.

51. 3 Enforcement Actions. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this 4 5 Settlement, or to declare rights and/or obligations under this Settlement, the prevailing Party or 6 Parties shall be entitled to recover from the non-prevailing Party or Parties reasonable attorneys' 7 fees and costs, including expert witness fees incurred in connection with any enforcement actions.

8 52. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms 9 and conditions of this Agreement. Accordingly, this Agreement shall not be construed more strictly 10 against one Party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Agreement.

53. Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Agreement.

54. Cooperation and Execution of Necessary Documents. All Parties shall cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Agreement.

55. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Agreement, and further intend that this Agreement shall be fully enforceable and binding on all Parties and agree that it shall be admissible and subject to disclosure in any proceeding to enforce its terms.

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IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action Settlement between Plaintiff and Defendant as of the date(s) set forth below:

4 5 12/6/2021 DATED: 6 Plaintiff Joshua Sweet 7 DEFENDANT SF TIRE & SERVICE 8 CENTRAL, INC. DocuSigned by: 9 DATED: December 8, 2021 | 3:34 PM PS 10 Christ Methere de, CEO 11 12 **APPROVED AS TO FORM** DATED: 12/7/2/ 13 WOODALL LAW OFFICES 14 By: 15 Kevin Woodall Attorneys for Plaintiff and the Class 16 17 GORDON REES SCULLY MANSUKHANI, LLP DocuSigned by: 18 December 9, 2021 | 9:52 AM PST DATED: 19 By Linda M. Moroney 20 Natalie B. Fujikawa Attorneys for Defendant SF Tire & Service 21 Central, Inc. 22 23 24 25 26 27 28 1211821/63387749v.1 -23-JOINT STIPULATION OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT