

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE Civil Complex Center 751 W. Santa Ana Blvd Santa Ana, CA 92701	
SHORT TITLE: Centino vs. Arrowhead Products Corporation	
CLERK'S CERTIFICATE OF MAILING/ELECTRONIC SERVICE	CASE NUMBER: 30-2018-00988493-CU-OE-CXC

I certify that I am not a party to this cause. I certify that a true copy of the above ORDER PRELIMINARILY APPROVING CLASS ACTION SETTLEMENT dated 01/16/20 has been placed for collection and mailing so as to cause it to be mailed in a sealed envelope with postage fully prepaid pursuant to standard court practice and addressed as indicated below. This certification occurred at Santa Ana, California on 1/21/20. Following standard court practice the mailing will occur at Sacramento, California on 1/22/20.

GUNDZIK GUNDZIK HEEGER LLP
14011 VENTURA BOULEVARD 206E
SHERMAN OAKS, CA 91423

Clerk of the Court, by: V Harting, Deputy

I certify that I am not a party to this cause. I certify that the following document(s), ORDER PRELIMINARILY APPROVING CLASS ACTION SETTLEMENT dated 01/16/20, have been transmitted electronically by Orange County Superior Court at Santa Ana, CA. The transmission originated from Orange County Superior Court email address on January 21, 2020, at 12:32:47 PM PST. The electronically transmitted document(s) is in accordance with rule 2.251 of the California Rules of Court, addressed as shown above. The list of electronically served recipients are listed below:

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Clerk of the Court, by: V Harting, Deputy

CLERK'S CERTIFICATE OF MAILING/ELECTRONIC SERVICE

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE
CENTRAL JUSTICE CENTER

JAN 16 2020

DAVID H. YAMASAKI, Clerk of the Court

BY: _____, DEPUTY

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14 Attorneys for Plaintiffs Victor Castaneda and Ricardo Lopez, individually
and on behalf of all others similarly situated and as
15 a representative of aggrieved employees

16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
17 **FOR THE COUNTY OF ORANGE**

18 BRANDON CENTINO, VICTOR
CASTANEDA and RICARDO LOPEZ,
19 individually and on behalf of all others
similarly situated,
20
21 Plaintiffs,
22 vs.
23 ARROWHEAD PRODUCTS
CORPORATION, a Delaware corporation; and
24 DOES 1 through 25,
25 Defendants.

Case No.: 30-2018-00988493

*Assigned to Hon. Peter Wilson,
Department CX102*

~~PROPOSED~~ ORDER
PRELIMINARILY APPROVING
CLASS ACTION SETTLEMENT

DATE: January 16, 2020
TIME: 2:00 p.m.
PLACE: Department CX-102

Case Filed: December 29, 2017

26 On January 16, 2020, in Department CX-102 of the above-entitled court, Plaintiffs'
27 Motion for Preliminary Approval of Class Action Settlement came on for hearing. Plaintiffs
28

1 and Defendant Arrowhead Products Corporation appeared by their respective attorneys of
2 record.

3 The Court, having considered the motion, the Declaration of Aaron Gundzik, the
4 Declaration of the settlement administrator, the Stipulation of Class Action Settlement, the
5 First Amendment to Stipulation of Class Action Settlement (collectively, “Stipulation” or
6 “Settlement Agreement”) executed by the parties, as well as the Notice of Proposed Class
7 Action Settlement (“Notice of Settlement”) attached as Exhibit “1” hereto, makes the
8 following findings:

9 1. The parties to this action are Plaintiffs Victor Castaneda and Ricardo Lopez
10 (“Plaintiffs”) and Defendant Arrowhead Products Corporation (“Defendant”). Plaintiffs seek
11 to represent a class all current and former non-exempt employees of Defendant in California
12 during the Class Period, from December 29, 2013 through September 22, 2019.

13 2. After participating in an arms-length mediation, Plaintiffs and Defendant
14 have agreed to a proposed settlement of this action on behalf of the class that Plaintiffs seek
15 to represent. The terms of the proposed settlement are fully set forth in the Settlement
16 Agreement (included as Exhibit 1 to the Declaration of Aaron C. Gundzik in support of
17 Plaintiffs’ motion for preliminary approval and Exhibit 1 to the Supplemental Declaration of
18 Aaron C. Gundzik in support of Plaintiffs’ motion for preliminary approval). The original
19 Settlement Agreement and First Amendment are attached hereto as Exhibits 2 and 3,
20 respectively.

21 3. The terms of the proposed settlement include the following:

22 a. The proposed Class consists of all individuals who were employed by
23 Arrowhead in California as non-exempt employees during the applicable Class Period.

24 b. The Class Period is from December 29, 2013 through September 22,
25 2019.

26 c. In settlement, Defendant will pay the gross amount of \$1,800,000,
27 plus the employer’s share of withholding taxes. From the gross settlement amount, the
28 parties propose to deduct fees for settlement administration costs (\$15,000), payment to the

1 Labor and Workforce Development Agency (“LWDA”) of \$37,500 in settlement of claims
2 under the California Labor Code Private Attorneys General Act (“PAGA”), a service and
3 release payment to Plaintiffs in the amount of no more than \$7,500 each, Class Counsel’s
4 reasonable and actual costs, not to exceed \$15,000, and Class counsel’s attorneys’ fees as
5 approved by the Court, but not to exceed \$600,000.

6 d. The amount remaining, after deductions approved by the Court, will
7 be distributed to individual Settlement Class Members in accord with the formula specified
8 in the Settlement Agreement.

9 4. The Parties propose that notice of this proposed settlement be sent to all Class
10 members by regular mail and that Class members shall have 45 days to opt out of or object
11 to the settlement.

12 5. The proposed Class counsel are experienced, and, in their view, the proposed
13 settlement is fair and reasonable.

14 6. The proposed settlement is fair and reasonable to Class members.

15 7. The notice procedure set forth in the Settlement Agreement will adequately
16 notify the Class of the settlement and of their right to opt out or object.

17 8. The Settlement Agreement and Notice include a proposed release which will
18 bind those Class members who do not opt out of the Class.

19 Based upon the foregoing, **IT IS HEREBY ORDERED THAT:**

20 1. The motion is granted.

21 2. The class action settlement, as set forth in the Settlement Agreement, is
22 preliminarily approved pursuant to Rules of Court 3.766 and 3.769.

23 3. The proposed class is provisionally certified as an opt-out class action under
24 Section 382 of the Code of Civil Procedure solely for the purpose of the settlement of this
25 matter, with the class defined as specified above and in the Settlement Agreement.

26 4. Plaintiffs Victor Castaneda and Ricardo Lopez are appointed as the class
27 representatives for the provisionally-certified class.

28

1 5. Aaron C. Gundzik, Jonathan Lebe and Rodney Mesriani are appointed as
2 Class counsel for the provisionally-certified class.

3 6. Phoenix Class Action Administration Solutions is approved as the Settlement
4 Administrator.

5 7. The Notice of Settlement substantially in the form attached hereto as Exhibit
6 1 is approved and the Settlement Administrator is authorized to send the Notice of
7 Settlement to the provisionally-certified class.

8 8. The Court directs the settlement administrator to mail the Notice of
9 Settlement to the Class members in a manner consistent with the Settlement Agreement.

10 9. The Court preliminarily approves of the Class release in the Settlement
11 Agreement.

12 10. The Court directs that any and all objections to the Settlement be sent to the
13 Settlement Administrator and postmarked no later than 45 calendar days after the Notice of
14 Settlement is initially mailed or if re-mailed, no later than the earlier of (a) 45 calendar days
15 from remailing and (b) 10 days before the Final Approval Hearing.

16 11. The Court directs that all requests for exclusion must be sent to the
17 Settlement Administrator and postmarked no later than 45 calendar days after the Notice of
18 Settlement is mailed or if re-mailed, no later than the earlier of (a) 45 calendar days from
19 remailing and (b) 10 days before the Final Approval Hearing.

20 12. A Final Approval Hearing on the question of whether the proposed class
21 settlement should be finally approved as fair, reasonable, and adequate as to the members
22 of the proposed settlement class, for approval of Class Counsel's Attorneys' Fees and Class
23 Counsel's Costs, for approval of the service and release payments to the class
24 representatives, for approval of the fees of the settlement administrator and for approval of
25 the payment to the LWDA in settlement of all PAGA claims is set for
26 May 21, 2020 at 2:00 p.m., in Department CX-102 of the above-entitled Court.

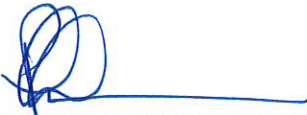
27
28

1 13. The Court orders that the papers in support of the final approval of the
2 settlement and Plaintiff's award of attorneys' fees and costs shall be filed by April 20,
3 2020.

4 14. Based on the terms of the Settlement Agreement, the following sets forth the
5 proposed schedule of events to occur with respect to the effectuation of the settlement:

Event	Date
Deadline for Defendant to provide Class data to settlement administrator (within 20 days of preliminary approval)	February 5, 2020
Deadline to mail Notice of Settlement to Class Members (within ten days of receipt of class data from Defendant)	February 17, 2020
Deadline to dispute workweeks, opt out of or object to settlement (within 45 days of mailing or re-mailing of Notice of Settlement)	April 2, 2020
Outside deadline to dispute workweeks, opt out or object to settlement for re-mailed notices (10 days before Final Approval Hearing)	May 11, 2020

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18 Dated: 1-16-2020

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19 Hon. Peter Wilson

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Exhibit 1

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND HEARING DATE FOR COURT APPROVAL

If you have been a non-exempt employee of Arrowhead Products Corporation, you may be entitled to receive money from a class action settlement.

*The Superior Court of the State of California for Orange County authorized this notice.
This is not a solicitation from a lawyer.*

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

You are receiving this Notice because the Court has preliminarily approved a proposed settlement in a class action filed on behalf of all non-exempt employees of Defendant Arrowhead Products Corporation (“Defendant” or “Arrowhead”) who worked for Defendant in California between December 29, 2013 and September 22, 2019. The proposed settlement will resolve all Released Claims (defined below) against Defendant. A hearing addressing the fairness, adequacy, and reasonableness of the settlement will be held on _____ at _____.m. to determine whether the settlement should receive the Court’s final approval.

If you are a member of the settlement class, you will receive a settlement payment and will be bound by the terms of the release described below, unless you properly submit a timely Request for Exclusion from the settlement (described below). This Notice explains the proposed settlement and provides an estimate of how much money you will receive as a settlement payment if you do not exclude yourself from the settlement. If you do not want to be part of the settlement class, then you must submit a Request for Exclusion (described below) no later than [45 days from mailing] otherwise you will be bound by the terms of the settlement.

1. PURPOSE OF THIS NOTICE

The Court has ordered that this Notice be sent to you because you have been identified as a member of the class based on Defendant’s records. The purpose of this Notice is to provide you with information about the lawsuit and the proposed settlement and to advise you of your options.

2. PERSONS ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT

All members of the “Class” are eligible to receive a settlement payment. The Class is comprised of all individuals who were employed by Arrowhead in California as non-exempt employees at any time(s) between December 29, 2013 and September 22, 2019. Individual members of the Class are referred to as “Class Members.”

3. DESCRIPTION OF THE LAWSUIT

One former and one current employee of Arrowhead are Plaintiffs in a class action lawsuit filed against Arrowhead in the Orange County Superior Court. The case is called *Centino v. Arrowhead Products Corporation*, Case No.: 30-2018-00988493 (the “Action”). The Action alleges that Plaintiffs and other non-exempt employees of Defendant were not paid for all of their work, were not paid all overtime amounts due to them at the correct overtime rate, were not provided with compliant meal and rest breaks, were not provided compliant wage statements, were not paid all amounts due at separation, and were not paid for all accrued vacation pay at termination. Based on these facts and others, Plaintiffs’ Second Amended Complaint (the “Complaint”) alleges causes of action for: (1) failure to pay wages for all work performed; (2) failure to pay overtime; (3) failure to provide compliant meal and rest breaks; (4) failure to provide accurate wage statements; (5) failure to provide final wages; (6) failure to pay accrued vacation at termination; (7) unfair business practices; and (8) recovery of civil penalties under the Labor Code Private Attorneys’ General Act (“PAGA”).

Throughout the litigation, Arrowhead has denied and continues to deny all of Plaintiffs’ allegations and denies any wrongdoing. Arrowhead maintains that it correctly paid employees for all regular and overtime worked and otherwise complied with all applicable California employment laws. Although Arrowhead continues to deny that it violated any laws, it has agreed to a settlement in order to resolve this action without incurring further disruption or expenses from continued litigation.

FOR MORE INFORMATION CALL 1-800-_____.

The Court never made any ruling regarding the merits of the claims asserted by Plaintiffs on behalf of themselves and others in the Action, nor did it rule on Arrowhead's asserted defenses. Based on the settlement agreement entered into by and between Arrowhead and Plaintiffs, the Court has preliminarily approved the proposed settlement. The Court will decide whether to give final approval to the settlement at a hearing scheduled for _____, 20__ at _____.m. (the "Final Approval Hearing").

4. WHO ARE THE ATTORNEYS REPRESENTING THE PARTIES?

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

Aaron C. Gundzik Rebecca Gundzik Gundzik Gundzik Heeger LLP 14011 Ventura Blvd., Suite 206E Sherman Oaks, CA 91423 Telephone: (818) 290-7461 Facsimile: (818) 918-2316	Jonathan M. Lebe Lebe Law, a Professional Law Corporation 777 S. Alameda Street, Second Floor Los Angeles, CA 90021 Telephone: (310) 921-7056 Facsimile: (310) 820-1258 Rodney Mesriani Mesriani Law Group, a Professional Law Corporation 5723 Melrose Avenue, Second Floor Los Angeles, CA 90038 Telephone: (310) 921-7050 Facsimile: (310) 820-1258
--	---

Attorneys representing Arrowhead are:

Kate Gold Philippe A. Lebel Proskauer Rose LLP 2029 Century Park East, Suite 2400 Los Angeles, CA 90067-3210 Telephone: (310) 284-5623 Facsimile: (310) 557-2193
--

5. THE TERMS OF THE PROPOSED SETTLEMENT

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

Arrowhead has agreed to pay the gross amount of \$1,800,000.00 to settle any and all obligations for the claims alleged in the lawsuit. This amount is called the "Gross Settlement Amount." As discussed below, the Gross Settlement Amount will be used to cover all payments to the Class, settlement administration costs, attorneys' fees and costs, service and release awards to the Plaintiffs, and funds owed to the State of California in settlement of penalties. All of these payments will be deducted from the Gross Settlement Amount. The remaining amount (called the "Net Settlement Amount") will be distributed to Class Members who do not timely submit Requests for Exclusion, as discussed below.

(a) Attorneys' Fees and Costs: Class Counsel has worked on this matter without compensation and have advanced funds to pay for expenses necessary to prosecute the Action. Accordingly, under the settlement, Class Counsel may request an amount not to exceed \$600,000 (*i.e.*, 1/3 of the Gross Settlement Amount) to compensate them for their work on the case, plus their reasonable costs and expenses incurred in the litigation not to exceed \$15,000. Subject to court approval, the attorneys' fees and costs will be deducted from the Gross Settlement Amount. Any portion of the above amounts requested by Class Counsel that are not approved by the court will become part of the Net Settlement Amount and will be paid to Class Members who do not timely submit a Request for Exclusion.

FOR MORE INFORMATION CALL 1-800-_____.

(b) **Service and Release Awards:** The two Plaintiffs are requesting service and release awards of up to \$7,500 each for a total of up to \$15,000, in addition to the amount Plaintiffs will receive as members of the Class, to compensate them for undergoing the burden and expense of prosecuting the action, and for the broader release of claims they are providing to Defendant. Subject to court approval, the service and release awards will be deducted from the Gross Settlement Amount. Any portion of the above amounts that are not approved by the court will become part of the Net Settlement Amount and will be paid to Class Members who do not timely submit a Request for Exclusion.

(c) **Settlement Administration Costs:** The Settlement Administrator, Phoenix Class Administration Solutions, has advised the parties that the settlement administration costs will not exceed \$15,000. Subject to court approval, the settlement administration costs will be deducted from the Gross Settlement Amount.

(d) **Payment to State of California:** A total of \$50,000 of the Gross Settlement Amount will be allocated to settle allegations that Defendant owes civil penalties to the State for alleged violations of the California Labor Code pursuant to Plaintiffs' PAGA cause of action (the "PAGA Amount"). If approved by the Court, \$37,500 (75%) will be paid from the Gross Settlement Amount to the California Labor & Workforce Development Agency ("LWDA"). The remaining 25% of the PAGA Amount, which is \$12,500, will be distributed to Class Members as part of the Net Settlement amount discussed below.

(e) **Payments to Settlement Class Members:** The Net Settlement Amount will be distributed to Class Members who do not timely submit a valid Request for Exclusion (*i.e.*, who do not exclude themselves from the settlement); these individuals are referred to as "Settlement Class Members" or collectively as the "Settlement Class." The amount of each Settlement Class Member's share of the Net Settlement Amount will be calculated by dividing the total number of qualifying workweeks worked by the Class Member between December 29, 2013 and September 22, 2019 by the total number of qualifying workweeks worked by all Settlement Class Members between December 29, 2013 and September 22, 2019 and multiplying that fraction by the Net Settlement Amount. A qualifying workweek is the number of calendar days worked for Defendant in an hourly, non-exempt position between December 29, 2013 and September 22, 2019, excluding days on leave of absence (if any), divided by seven (7) and rounded up to the nearest whole workweek.

6. WHAT YOU WILL RECEIVE UNDER THE SETTLEMENT

According to Defendant's records, you worked a total of ___ qualifying workweeks between December 29, 2013 and September 22, 2019. Under the settlement, it is presently estimated that you will receive approximately \$ _____. This amount may increase or decrease based on various factors, including the number of Class Members who submit Requests for Exclusion, the amounts approved by the Court for attorneys' fees and costs, settlement administration costs, service and release awards to Plaintiffs, payment to the LWDA, and disputes by other Class Members regarding their qualifying workweeks. **To receive your settlement payment, you do not need to do anything. You will receive a settlement payment unless you exclude yourself from the settlement.**

7. PAYMENT SCHEDULE AND TAX ALLOCATION

The Settlement Administrator will send out settlement checks to Settlement Class Members after the settlement is finally approved by the court. You will have 180 days after the Settlement Administrator mails your settlement check to cash it; otherwise it will be voided and the amount of your settlement payment will be sent to the California State Controller's Office Unclaimed Property Fund in your name and you will need to contact that agency to obtain your funds.

For tax purposes, one-third of your settlement payment shall be attributed to wages and reported on a W-2 form; the remaining two-thirds will be attributed to interest and penalties. The amount of interest and penalties will be reported on an IRS Form 1099. Nothing in this Notice should be construed as providing you with tax advice. You should consult with your tax advisor concerning the tax consequences of the payment you receive.

It is expressly understood and agreed that the receipt of settlement payments shall not entitle any Settlement Class Member to additional compensation or benefits under any agreement or under any bonus, contest or other compensation or benefit plan or agreement in place during the period covered by the settlement, nor shall it entitle any Settlement Class Member to any increased pension and/or retirement, or other deferred compensation benefits.

8. RELEASE OF CLAIMS

FOR MORE INFORMATION CALL 1-800-_____.

Unless you submit a valid Request for Exclusion (described below) by [RESPONSE DEADLINE], you will release Arrowhead and all of its parent, subsidiary, affiliated or related companies and entities and any successor(s), as well as its/their officers, directors, investors, owners, shareholders, employees, partners, agents, and attorneys, and any entities or partnerships with which they are affiliated from all claims pled in the Complaint or that could have been pled in the original Complaint, the First Amended Complaint and/or the Second Amended Complaint, deriving from, arising out of, and/or based on the facts alleged in the original Complaint, the First Amended Complaint and/or the Second Amended Complaint during the Class Period, whether known or unknown, including claims for wages, penalties, interest, attorneys' fees and/or costs, for: (1) violation of Labor Code section 204 and the IWC Wage Order(s) for untimely payment of wages during employment; (2) violation of Labor Code section 510 for failure to pay overtime; (3) violation of Labor Code sections 226.7 and 512(a) for failure to provide meal and rest breaks; (4) violation of Labor Code section 226(a) for failure to provide accurate itemized wage statements and/or maintain required records; (5) violation of Labor Code sections 201-203 for failure to timely pay wages upon termination or resignation; (6) violation of Labor Code section 227.3 for failure to pay accrued vacation wages upon termination; (7) violation of Business and Professions Code section 17200 et seq.; and (8) PAGA penalties for alleged violations of Labor Code sections 201-204, 226, 226.7, 227.3, 246, 247.5, 248.5, 256, 510, 512, 558, and 2810.5. This release is for conduct occurring from December 29, 2013 through September 22, 2019. The claims and liability covered by this release are referred as the "Released Claims."

9. YOUR FOUR OPTIONS

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

(a) Option One: You Can Do Nothing.

If you do nothing, you will be a member of the Settlement Class and will receive a settlement payment. As a Settlement Class Member, you also will be bound by the release of claims set forth in Section 8 above.

(b) Option Two: You Can Contest the Calculation of Your Settlement Payment as Stated in this Notice.

You can contest the number of qualifying workweeks that you worked identified in Section 6 above. To do so, you must provide the Settlement Administrator with a written explanation of why you believe you were not credited with the correct number of qualifying workweeks. The statement must also include your full name, current address and telephone number, and must identify this case (Case No.: 30-2018-00988493). You must provide written documentation supporting the number of qualifying workweeks you believe that you worked; otherwise, the number listed above will be presumed correct. You must postmark your written statement no later than **[45 days from mailing]**. The Settlement Administrator will consider the documentation you submit and will communicate with you and the parties as necessary regarding the dispute to determine whether an adjustment is warranted before making a final determination regarding your settlement payment. Ultimately, it will be up to the Settlement Administrator to determine the number of qualifying workweeks to credit you for; once it has made that determination, the Settlement Administrator will mail you its final determination. Thereafter, you will be a member of the Settlement Class and will receive a settlement payment. As a Settlement Class Member, you also will be bound by the release of claims set forth in Section 8 above.

(c) Option Three: You Can Exclude Yourself from the Settlement Class.

If you do not want to participate in this settlement and become a Settlement Class Member, you can request exclusion (i.e., opt out) by filling out and signing the enclosed Request for Exclusion form and sending it to the Settlement Administrator. The deadline to postmark a Request for Exclusion is **[45 days from mailing]**. You should keep a copy of your Request for Exclusion. Moreover, to demonstrate receipt by the Settlement Administrator, you may elect to send your Request for Exclusion via certified mail. Requests for Exclusion that do not include all required information, or that are not postmarked on or before the deadline, will not be valid. **IMPORTANT: RETURN THE ENCLOSED REQUEST FOR EXCLUSION FORM ONLY IF YOU DO NOT WANT TO PARTICIPATE IN THE SETTLEMENT.**

If you submit a valid and timely Request for Exclusion, you will not be bound by the settlement or the release of claims in Section 8 above; however, you will not receive any money under the settlement. You will also be barred from objecting

FOR MORE INFORMATION CALL 1-800-_____.

to this settlement. By opting out of the settlement class, you will retain whatever rights or claims you may have against Defendant.

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

(d) Option Four: You Can Object to the Settlement.

If you do not submit a timely and valid Request for Exclusion, you may object to the settlement by sending your written objections to the Settlement Administrator at the address specified in Section 11 below. The deadline to postmark objections is **[45 days from mailing]**. Only Settlement Class Members (*i.e.*, Class Members who have not opted-out) may object to the settlement.

Your objection must state the basis of your objection and include any papers and briefs in support of your position. Your objection must be signed and must contain your current address and telephone number (or that of your attorney) and refer to this case (Case No.: 30-2018-00988493).

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

10. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT

The Final Approval Hearing on the fairness and adequacy of the proposed settlement, the plan of distribution, the service and release payments to Plaintiffs, and Class Counsel's request for attorneys' fees and costs, and other issues is presently scheduled for _____, 20__ at _____.m., in Department CX102 of the Orange County Superior Court, Civil Complex Center located at 751 West Santa Ana Blvd., Santa Ana, CA 92701. The Final Approval Hearing may be continued to another date without further notice. If you plan to attend the Final Approval Hearing, it is recommended that you contact the Settlement Administrator to confirm the date and time or consult the court's website (<https://ocapps.occourts.org/civilwebShoppingNS/Search.do#searchAnchor>).

11. NON-RETALIATION

Defendant will not retaliate or take any adverse action against a Class Member for participating in the settlement, for objecting to the settlement or for submitting a Request for Exclusion from the settlement.

12. ADDITIONAL INFORMATION.

This Notice only summarizes the Action and the parties' settlement. For more information, you may inspect the Court file at the Orange County Superior Court, Civil Complex Center located at 751 West Santa Ana Blvd., Santa Ana, CA 92701. Or, you can access the court file on line at <http://www.occourts.org/online-services/case-access/>. From that page, click on the "Access Now" button next to "Civil Case & Document Access." On the page that loads next, click "Accept Terms." The next page will ask for Case Number. Insert "00988493" in the "Case Number" box. Click the "I am not a Robot" box and then click "Search." On the next page click on "Register of Actions," which will provide a list of all court filings to date in this case. To obtain any of the listed filings, click the box next to the name of the filing in the column labeled "Select." Next click on "Cart" and then "Checkout."

You may also review the settlement agreement and other documents on-line at [www._____](http://www._____.) or you may contact the Settlement Administrator as follows:

[Phoenix]
Telephone: _____
Facsimile: _____
Email: _____
Website: _____

FOR MORE INFORMATION CALL 1-800-_____.

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

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE

FOR MORE INFORMATION CALL 1-800-_____.

CENTINO V. ARROWHEAD PRODUCTS CORPORATION – Class Administrator
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863

IMPORTANT LEGAL MATERIALS

<PSA ID>	If the pre-printed information to the left is not correct or if there is no pre-printed information, please complete the information below:
<Name>	<u>Name:</u>
<Address>	<u>Street Address:</u>
<City>, <State> <Zip>	<u>City, State, Zip Code:</u>

SETTLEMENT EXCLUSION FORM

IMPORTANT: COMPLETE THIS FORM AND RETURN IT ONLY IF YOU WISH TO EXCLUDE YOURSELF FROM THE SETTLEMENT. IF YOU EXCLUDE YOURSELF FROM THE SETTLEMENT, YOU WILL NOT RECEIVE YOUR PAYMENT FROM THE SETTLEMENT.

I request to be excluded from the Settlement Class in the matter of *Centino v. Arrowhead Products Corporation*, 2018-00988493, Orange County Superior Court. I understand that by submitting this Exclusion Form, I will no longer be eligible for a payment from the settlement.

Last Four Numbers of your Social Security Number

Sign your name here

Date

Print your name here

TO BE TIMELY, A REQUEST SUBMITTED BY FAX MUST BE SENT ON OR BEFORE _____. A REQUEST SUBMITTED BY MAIL MUST BE POSTMARKED ON OR BEFORE _____. IT MUST BE SENT TO THE FOLLOWING ADDRESS OR FAX NUMBER:

MAIL OR FAX TO:
Centino v. Arrowhead Products Corporation
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Phone: (800) 523-5773
Fax: _____

Exhibit 2

1 AARON C. GUNDZIK (State Bar No. 132137)
 REBECCA G. GUNDZIK (State Bar No. 138446)
 2 GARTENBERG GELFAND HAYTON LLP
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19 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

20 **FOR THE COUNTY OF ORANGE**

21 BRANDON CENTINO, VICTOR
 CASTANEDA and RICARDO LOPEZ,
 22 individually and on behalf of all others similarly
 situated,

23 Plaintiffs,

24 vs.

25 ARROWHEAD PRODUCTS
 26 CORPORATION, a Delaware corporation; and
 DOES 1 through 25,

27 Defendants.

Case No.: 30-2018-00988493

Assigned to Hon. Peter Wilson,
 Department CX102

**STIPULATION OF CLASS ACTION
 SETTLEMENT**

Complaint Filed: December 29, 2017

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

2 This is a class action filed on behalf of current and former non-exempt employees who
3 worked for Defendant Arrowhead Products Corporation (“Defendant” or “Arrowhead”) in
4 California during the Class Period, as defined below. The Second Amended Complaint alleges
5 causes of action against Defendant for: (1) failure to pay wages for all work performed; (2)
6 failure to pay overtime; (3) failure to provide compliant meal and rest breaks; (4) failure to
7 provide accurate wage statements; (5) failure to provide final wages; (6) failure to pay accrued
8 vacation at termination; (7) unfair business practices; and (8) recovery of civil penalties under
9 the California Labor Code section 2699 et. seq., the Private Attorneys’ General Act
10 (“PAGA”).

11 Under the terms of the parties’ Settlement and after final approval and entry of
12 judgment pursuant to California Rule of Court 3.769, Defendant will pay a gross settlement
13 amount of one million eight hundred thousand dollars (\$1,800,000) (the “Gross Settlement
14 Amount”), plus the employer’s share of payroll taxes. The Settlement will be administered
15 by a third-party settlement administrator with experience administering class action
16 settlements of this type. Until distribution, the Gross Settlement Amount will be held in a
17 Qualified Settlement Fund established by the Settlement Administrator. This is an opt-out
18 settlement, and Class Members (as defined in Section II) will receive a settlement payment
19 unless they timely submit a Request for Exclusion. Settlement Class Members shall not be
20 required to submit a claim form.

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

- 24 A. Settlement Administration Costs, estimated to be \$15,000.
- 25 B. Class Counsel’s Attorneys’ Fees, to be approved by the Court, in an amount
26 not to exceed six hundred thousand dollars (\$600,000), which is one-third of the Gross
27 Settlement Amount;

28

1 C. Class Counsel's Costs, as approved by the Court, in an amount not to exceed
2 \$15,000;

3 D. Service and Release Awards to Plaintiffs Ricardo Lopez and Victor Casteneda
4 in the amount of \$7,500 each (for a total of \$15,000) as payment for their time and efforts in
5 pursuing this Action, and for the broader release and other covenants that they will be
6 providing to Defendant;

7 E. A payment of \$37,500 to the California Labor and Workforce Development
8 Agency (the "LWDA Payment"), which represents the Labor and Workforce Development
9 Agency's ("LWDA") 75% share of the total \$50,000 allocated to Plaintiffs' PAGA claims
10 (the "PAGA Amount"). The other 25% of the PAGA Amount (\$12,500) will become part of
11 the Net Settlement Amount (defined below) distributed to the Settlement Class.

12 F. The remainder of the Gross Settlement Amount (the "Net Settlement Amount")
13 will be distributed to Settlement Class Members based on the methodology discussed in
14 section IV.J.1, below. It is estimated that the Net Settlement Amount will be approximately
15 \$1,117,500, after deductions for Class Counsel's Attorneys' Fees, Class Counsel's Costs,
16 Settlement Administration Costs, the Service and Release Awards, and the payment to the
17 LWDA.

18 Defendant represents that the Class consisted of approximately 1,200 members as of
19 June 27, 2019.

20 **II. DEFINITIONS**

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

23 A. "Action" means this putative class and representative action pending in Orange
24 County Superior Court titled *Centino v. Arrowhead Products Corporation*, Case No. 30-2018-
25 00988493.

26 B. "Agreement" or "Stipulation" means this Stipulation of Class Action
27 Settlement.

28

1 C. "Class" means all individuals who were employed by Arrowhead in California
2 as non-exempt employees during the applicable Class Period (as defined below).

3 D. "Class Counsel" means Aaron C. Gundzik and Rebecca G. Gundzik,
4 Gartenberg Gelfand Hayton LLP, 15260 Ventura Blvd, Suite 1920, Sherman Oaks, CA 91403,
5 (213) 542-2100, Jonathan M. Lebe, Lebe Law, a Professional Law Corporation, 777 S.
6 Alameda Street, Second Floor, Los Angeles, CA 90021, (310) 921-7056 and Rodney
7 Mesriani, Mesriani Law Group, a Professional Law Corporation, 5723 Melrose Avenue,
8 Second Floor, Los Angeles, CA 90038, (310) 921-7050.

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

12 F. "Class Counsel's Costs" means the amount to be reimbursed to Class Counsel
13 for their reasonable costs and expenses incurred in the Action, subject to Court approval at the
14 Final Fairness and Approval Hearing.

15 G. "Class Data" means each Class Member's full name and, last known address,
16 telephone number, email address (if known), social security number and the dates the Class
17 Member was employed by Defendant in California as a non-exempt employee, excluding any
18 periods of time during which such employees were on a leave of absence.

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

20 I. "Class Period" means the period between December 29, 2013 through the
21 earlier of (i) the date that the Court grants preliminary approval of the Settlement or (ii)
22 September 22, 2019.

23 J. "Complaint" means the operative Second Amended Complaint in the Action,
24 which the Parties have stipulated to file as a condition of settlement.

25 K. "Court" means the Superior Court of the State of California, in and for the
26 County of Orange, where the Action is pending.

27 L. "Defendant" means Arrowhead Products Corporation, a Delaware corporation.
28

1 M. "Defendant's Counsel" means Kate S. Gold and Philippe A. Lebel of
2 Proskauer Rose LLP, 2029 Century Park East, Suite 2400, Los Angeles, CA 90067-3210.

3 N. "Effective Date" means the date of entry of a final judgment which grants final
4 approval of this Settlement.

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

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

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

13 R. "Gross Settlement Amount" means the one million eight hundred thousand
14 dollars (\$1,800,000) which Defendant will pay under this Settlement.

15 S. "LWDA Payment" means 75% of the PAGA Payment. The LWDA Payment
16 will be paid to the LWDA.

17 T. "Net Settlement Amount" means the amount remaining from the Gross
18 Settlement Amount after payments of Court-approved Class Counsel's Attorney's Fees and
19 Class Counsel's Costs, Service and Release Awards to the Representative Plaintiffs,
20 Settlement Administration Costs, and the LWDA Payment. It is estimated that the Net
21 Settlement Amount will be at least \$1,117,500.

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

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

27 W. "PAGA Amount" means the \$50,000 portion of the Gross Settlement Amount
28 that the Parties allocated to settlement of Plaintiffs' PAGA claims.

1 X. "Parties" means the Representative Plaintiffs on behalf of themselves and all
2 Settlement Class Members and Defendant.

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

5 Z. "Qualified Settlement Fund" or "QSF" means a federally insured bank account
6 to be established by the Settlement Administrator into which all payments from Defendant
7 related to this Settlement will be deposited and from which all payments authorized by the
8 Court will be made. The QSF will be established prior to Defendant's deposit of the Gross
9 Settlement Amount.

10 AA. "Qualifying Workweek" means the number of calendar days that each Class
11 Member worked for Defendant in an hourly, non-exempt position during the Class Period,
12 excluding days on leave of absence (if any), divided by seven (7) and rounded up to the nearest
13 whole workweek. Under this Agreement, all Class Members will be credited with at least one
14 Qualifying Workweek.

15 BB. As determined by the Court, "Released Claims" means all claims pled in the
16 Complaint or that could have been pled in the original Complaint, the First Amended
17 Complaint and/or the Second Amended Complaint, deriving from, arising out of, and/or based
18 on the facts alleged in the original Complaint, the First Amended Complaint and/or the Second
19 Amended Complaint during the Class Period, whether known or unknown, including claims
20 for wages, penalties, interest, attorneys' fees and/or costs, for: (1) violation of Labor Code
21 section 204 and the IWC Wage Order(s) for untimely payment of wages during employment;
22 (2) violation of Labor Code section 510 for failure to pay overtime; (3) violation of Labor
23 Code sections 226.7 and 512(a) for failure to provide meal and rest breaks; (4) violation of
24 Labor Code section 226(a) for failure to provide accurate itemized wage statements and/or
25 maintain required records; (5) violation of Labor Code sections 201-203 for failure to timely
26 pay wages upon termination or resignation; (6) violation of Labor Code section 227.3 for
27 failure to pay accrued vacation wages upon termination; (7) violation of Business and
28 Professions Code section 17200 *et seq.*; and (8) PAGA penalties for alleged violations of

1 Labor Code sections 201-204, 226, 226.7, 227.3, 246, 247.5, 248.5, 256, 510, 512, 558, and
2 2810.5.

3 CC. "Released Parties" means Defendant and all of its parent, subsidiary, affiliated
4 or related companies and entities and any successor(s), as well as its/their officers, directors,
5 investors, owners, shareholders, employees, partners, agents, and attorneys, and any entities
6 or partnerships with which they are affiliated.

7 DD. "Representative Plaintiffs" means Victor Castaneda and Ricardo Lopez.

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

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

15 GG. "Service and Release Award" means the payment to be made to the
16 Representative Plaintiffs for their service to the Class and for the broader general release that
17 they are providing to Defendant, which is in addition to whatever payment each otherwise
18 would be entitled to receive as a Settlement Class Member.

19 HH. "Settlement" means the disposition of the Action and all related claims
20 effectuated by this Agreement.

21 II. "Settlement Administration Costs" means the fees and costs incurred or
22 charged by the Settlement Administrator in connection with the execution of its duties under
23 this Agreement including, but not limited to fees and costs associated with: (1) establishing
24 and maintaining the QSF; (2) preparing, issuing and/or monitoring reports, filings, and notices
25 (including the cost of printing and mailing all notices and other documents to the Class
26 Members) required to be prepared in the course of administering the Settlement; (3)
27 computing the amount of the settlement payments, taxes, and any other payments to be made
28 under this Agreement; (4) calculating and handling inquiries about the calculation of

1 individual settlement payments; (5) establishing and operating a settlement payment center
2 website, address, and phone number to receive Class Members' inquiries about the Settlement;
3 (6) providing a due diligence declaration for submission to the Court prior to the final approval
4 hearing; (7) printing and providing Settlement Class Members and the Plaintiffs with W-2 and
5 1099 forms as required under this Agreement and applicable law; (8) preparing, issuing, and
6 filing any tax returns and information returns and any other filings required by any
7 governmental taxing authority or other governmental agency; and (9) for such other tasks as
8 the Parties mutually agree or the Court orders the Settlement Administrator to perform. The
9 Settlement Administration Costs will not exceed \$15,000. Settlement Administration Costs
10 will be paid out of the Gross Settlement Amount.

11 JJ. "Settlement Administrator" refers to Phoenix Class Administration Solutions.

12 KK. "Settlement Class" means all Class Members who have not submitted a timely
13 and complete Request for Exclusion.

14 LL. "Settlement Class Member" is a person who is a member of the Settlement
15 Class.

16 **III. BACKGROUND**

17 During the Class Period, Defendant operated a business in California which designs
18 and manufactures ducting systems and propulsion lines for the aerospace industry. Plaintiffs
19 contend that during the Class Period, they and other non-exempt employees of Defendant
20 were not paid for all of their work, were not paid all overtime amounts due to them at overtime
21 rates of pay, were not provided with compliant meal and rest breaks, were not provided
22 compliant wage statements, were not paid all amounts due at separation, and were not paid
23 for all accrued vacation pay at termination.

24 The Parties have undertaken significant investigation and informal discovery during
25 the prosecution of this Action. Such discovery and investigation include extensively
26 interviewing the Representative Plaintiffs and other Class Members, Defendant's production
27 and Plaintiffs' counsel's review of personnel records, policies, as well as time records for a
28 sample of Class Members during the Class Period, and other detailed information relevant to

1 the Class Members' claims. Counsel for the Parties have investigated the law as applied to
2 the facts discovered regarding the alleged claims of the Class and potential defenses thereto,
3 and the potential damages claimed by the Class, including the review of the records produced
4 by Defendant to Class Counsel for the purposes of mediation.

5 The Parties' attorneys have engaged in extensive discussions about the strengths and
6 weaknesses of the claims and defenses in the Action. On June 27, 2019, the Parties attended
7 a mediation before an experienced and well-regarded mediator, Hon. Carl West, during which
8 the Parties' reached an agreement regarding the resolution of this Action which is embodied
9 in the terms of this Agreement.

10 Plaintiffs and Class Counsel have concluded, after considering the sharply disputed
11 factual and legal issues involved in this Action, the risks attending further prosecution, and
12 the substantial benefits to be received pursuant to the compromise and settlement of the Action
13 as set forth in this Agreement, that this Settlement is in the best interests of the Representative
14 Plaintiffs and the Settlement Class and is fair and reasonable.

15 This Settlement contemplates: (i) entry of an order preliminarily approving the
16 Settlement and approving certification of a provisional Class for settlement purposes only,
17 contingent upon final approval of the Settlement; (ii) dissemination of a notice to Class
18 Members about the settlement; (iii) entry of a Final Approval Order granting final approval
19 of the Settlement; and (iv) entry of final judgment.

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

21 **A. Preliminary Approval of Settlement**

22 Within 21 days after this Stipulation has been signed by all Parties or at such other
23 time specified by the Court, Class Counsel will submit this Stipulation to the Court as part of
24 Plaintiffs' motion for preliminary approval of the settlement. Plaintiffs' motion will include
25 such briefing and evidence as may be required for the Court to determine that this Agreement
26 is fair and reasonable, as required by California Code of Civil Procedure section 382 and
27 California Rule of Court 3.769. Class Counsel will provide Defendant's counsel with the
28 opportunity to review and comment on all drafts of all papers to be filed in connection with

1 the motion for preliminary approval (notice of motion, memorandum of points and authorities
2 and declarations) at least three days before filing such motion with the Court. Plaintiffs'
3 motion for preliminary approval will also include a proposed order that is mutually agreed-
4 upon by the Parties. Defendant shall not oppose Plaintiffs' motion for preliminary approval
5 of the settlement to the extent it is consistent with the terms and conditions of this Agreement.
6 Defendant may, however, provide a written response to any characterization of the law or
7 facts contained in the motion for preliminary approval.

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

20 **B. Cooperation**

21 The Parties agree to fully cooperate with each other to accomplish the terms of this
22 Agreement, including but not limited to, execution of such documents and to take such other
23 reasonably necessary actions to implement the terms of this Agreement. No party, nor any of
24 its attorneys or agents, shall solicit or encourage any Class Member to opt out of or object to
25 the Settlement.

26 **C. Notice of Settlement**

27 Within 20 days of the Court's order granting preliminary approval of the Settlement,
28 Defendant will provide the Settlement Administrator with the Class Data in an electronic

1 format acceptable to the Settlement Administrator. At the same time, Defendant will provide
2 the Class Data, without Class Member names, contact information and social security
3 numbers, to Class Counsel. This information will remain confidential and will not be disclosed
4 to anyone, except as required to applicable taxing authorities, pursuant to Defendant's express
5 written authorization, by order of the Court, or as otherwise provided for in this Agreement.

6 Using the Class Data, the Settlement Administrator will: (1) confirm the number of
7 class members, (2) finalize and print the Notice of Settlement; (3) check all addresses against
8 the National Change of Address database; and (4) within ten (10) calendar days of receiving
9 the Class Data, send to each Class Member via First-Class United States mail an English and
10 Spanish version of the Notice of Settlement to the most recent address known for each Class
11 Member.

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

13 In the event that Defendant's Counsel or Class Counsel becomes aware of new
14 addresses for any Class Member, prior to the filing of the motion for final approval, such
15 information must immediately be communicated to the Settlement Administrator. The
16 Settlement Administrator will then re-send a Notice of Settlement to the Class Member(s) at
17 the new address.

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

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

24 Any Class Member who wishes to be excluded from the Settlement must notify the
25 Settlement Administrator in writing of his or her desire to be excluded by mailing his or her
26 own Request for Exclusion to the Settlement Administrator that clearly expresses such desire
27 and is signed by such Class Member. Any such Request for Exclusion shall include the Class
28 Member's name (and former names, if any), current address, telephone number, and last four

1 numbers of the Class Member's social security number. To be valid, the Request for Exclusion
2 must be postmarked by no later than the Response Deadline.

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

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

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

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

19 **F. Declaration of Compliance**

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

26 **G. Sufficient Notice**

27 Compliance with the procedures described in this Section IV shall constitute due and
28 sufficient notice to Class Members of this Settlement and of the Final Fairness and Approval

1 Hearing, shall satisfy the requirements of due process, and nothing else shall be required of
2 the Representative Plaintiffs, Class Counsel, Defendant, Defendant's Counsel, or the
3 Settlement Administrator to provide notice of the Settlement and the Final Fairness and
4 Approval Hearing.

5 **H. Objections to Settlement**

6 **1. Procedure and Deadline for Objections**

7 In order for any Class Member to object to this Agreement, or any term of it, the person
8 making the objection must not submit a Request for Exclusion (*i.e.*, must not opt out), and
9 must send to the Settlement Administrator, postmarked no later than the Response Deadline,
10 a Notice of Objection, signed by the objecting Class Member or his or her attorney, along with
11 all supporting papers (if any). The date the signed Notice of Objection was postmarked shall
12 be conclusively determined according to the records of the Settlement Administrator. The
13 Settlement Administrator shall send any Notices of Objections it receives to Defense Counsel
14 and Class Counsel within three (3) business days of receipt. The Court retains final authority
15 with respect to the consideration and admissibility of any Notice of Objection.

16 A Class Member who does not submit a valid and timely Request for Exclusion and
17 who objects to the Settlement will still be considered a Settlement Class Member.

18 **2. Responses to Objections**

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

23 **3. Waiver of Appeal**

24 Any Class Member who does not timely submit an objection to the Settlement and/or
25 does not comply with any other substantive or procedural obligations imposed by law, waives
26 any and all rights to appeal the Final Approval Order and Judgment, including all rights to
27 any post-judgment proceeding and appellate proceeding such as a motion to vacate the
28 judgment, motion for new trial, and extraordinary writs.

1 **I. Defendant's Right to Rescind**

2 By no later than 5:00 p.m. on the Response Deadline, the Settlement Administrator
3 must provide Defendant's Counsel with a complete list of all Requests for Exclusion received
4 as of the Response Deadline. If five percent (5%) or more of the Class Members submit timely
5 and valid Requests for Exclusion, Defendant may, at its option, rescind the Settlement. In that
6 event, all actions taken in furtherance of the Settlement will be null and void. Defendant must
7 exercise this right of rescission, in a writing to Class Counsel, within five (5) business days of
8 the Response Deadline. If Defendant exercises this right of rescission, Defendant must pay
9 the all expenses incurred by the Settlement Administrator as of the date of Defendant's notice
10 of rescission.

11 **J. Pro-Rata Increase in Settlement Fund**

12 If, as reflected in the Class Data delivered to the Settlement Administrator, the number
13 of workweeks worked by the Class during the Class Period exceeds 184,800, the Gross
14 Settlement Amount shall increase by the same percentage that the number of workweeks
15 exceeds 184,800.

16 **K. Final Fairness and Approval Hearing**

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

27 On the date set by the Court, the Final Fairness and Approval Hearing shall be held
28 before the Court in order to: (1) determine whether the Court should give this Settlement final

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

13 **L. Settlement Payments to Settlement Class Members**

14 **1. Calculation of Settlement Payments.**

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

17 **(Individual Settlement Class Member's Qualifying Workweeks ÷ All**
18 **Settlement Class Members' Qualifying Workweeks) x Net Settlement**
19 **Amount**

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

24 The Parties acknowledge and agree that the formula used to calculate individual
25 settlement payments does not imply that all the elements of damages alleged in the Action are
26 not being considered. The above formula was devised as a practical and logistical tool to
27 simplify the settlement process.

28

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

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

9 **3. Eligibility**

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

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

18 **4. Disputes about Qualifying Workweeks**

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

1 submitted by a Class Member within ten (10) days.

2 **5. Allocation of Settlement Payments**

3 Payment to each Settlement Class Member shall be allocated as follows: twenty
4 percent (20%) shall be attributed to wages, to be reported on a W-2 form; and forty percent
5 (60%) as penalties and liquidated damages and twenty percent (20%) as interest. The amount
6 of penalties, liquidated damages and interest will be reported on an IRS Form 1099.

7 **6. Payment of Payroll Taxes**

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

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

21 **7. Settlement Payments are Benefits-Neutral**

22 It is expressly understood and agreed that the receipt of Settlement Payments shall not
23 entitle any Settlement Class Member to additional compensation or benefits under any
24 agreement or under any bonus, contest or other compensation or benefit plan or agreement in
25 place during the period covered by the Settlement, nor shall it entitle any Settlement Class
26 Member to any increased pension and/or retirement, or other deferred compensation benefits.

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1 **8. Payments to Settlement Class Members**

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

5 **M. The Settlement Administrator**

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

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

27 In addition, the Settlement Administrator shall establish a static website and, on the
28 website, post this stipulation, any preliminary approval order and the Final Approval Order

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

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

7 **N. Time for Payment by Defendant**

8 Within 75 calendar days after the Effective Date, Defendant shall wire the Gross
9 Settlement Amount and Employer's Withholding Share to the QSF. Provided however, if any
10 appeal of the judgment or final approval order is pending at such time, the deadline for
11 Defendant's payment shall be 25 days following that date that such appeal is finally resolved.

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

19 **O. Payments to Class Counsel and the Representative Plaintiffs**

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

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1 **P. Payment to the LWDA**

2 Subject to Court approval, within ten (10) days of Defendant's deposit of the Gross
3 Settlement Amount with the Settlement Administrator, the Settlement Administrator shall
4 make payment from the QSF of the LWDA Amount to the LWDA.

5 To the extent the Court does not approve any or all of the PAGA payment sought by
6 Class Counsel, any amount disallowed by the Court will remain a portion of the Gross
7 Settlement Amount to be distributed in accordance with the terms of this Stipulation.

8 **Q. Un-cashed/Un-deposited Settlement Payment Checks**

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

17 If a Class Member's check is not cashed within 180 days, the check will be void and
18 a stop payment order may be placed on the check. In such event, the Settlement nevertheless
19 will be binding upon the Settlement Class Member. The funds represented by all uncashed
20 settlement checks will be transmitted by the Settlement Administrator to the California State
21 Controller's Office Unclaimed Property Fund in the name of the individual Settlement Class
22 Member.

23 **R. Class Counsel Attorneys' Fees and Costs**

24 Defendant will not oppose Class Counsel's application for an award of attorneys' fees
25 of up to six hundred thousand dollars (\$600,000), which is one-third of the Gross Settlement
26 Amount.

27 Defendant will not oppose Class Counsel's application for an award of their reasonable
28 litigation expenses and costs in an amount not to exceed \$15,000.

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

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

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

16 **S. Services and Release Award to Representative Plaintiffs**

17 The Representative Plaintiffs' Service and Release Awards, as approved by the Court,
18 shall be paid from the Gross Settlement Amount.

19 The Representative Plaintiffs shall be responsible for all portions of federal, state, and
20 local tax liabilities that may result from the payment of the Service and Release Awards and
21 agree that Defendant shall bear no responsibility for any such tax liabilities.

22 To the extent the Court does not approve any or all of the amount of the Service and
23 Release Awards sought by the Representative Plaintiffs, any amounts not awarded by the
24 Court will remain part of the Gross Settlement Amount and will be distributed in accordance
25 with the terms of this Stipulation and the Parties agree that the settlement shall remain binding
26 with such modification(s) and its terms will otherwise be unchanged.

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1 **T. Taxes**

2 **1. Withholding and Reporting Requirements**

3 The Settlement Administrator shall be responsible for ensuring that all taxes required
4 to be withheld from the wage portions of each Settlement Class Member's individual
5 settlement payment, along with the Employer's Withholding Share, are timely paid to the
6 appropriate tax authorities. The Settlement Administrator's responsibilities in this regard will
7 also include the following: (a) filing all Federal, state, and local employment tax returns, tax
8 withholding returns, and any other tax returns associated with the taxes, (b) timely and proper
9 filing of all required Federal, state, and local information returns (e.g., 1099s, W-2s, etc.) with
10 the appropriate taxing authorities, and (c) completion of any other steps necessary for
11 compliance with any tax obligations of the settlement fund under Federal, state and/or local
12 law. To verify the Settlement Administrator's compliance with the foregoing withholding and
13 reporting requirements, as soon as administratively practicable, the Settlement Administrator
14 shall furnish Class Counsel and Defendant's Counsel with copies of all filed tax returns and
15 information returns (including all 1099 and W-2 information returns), and a final accounting
16 adequate to demonstrate full compliance with all tax withholding, payment and reporting
17 obligations.

18 **2. Circular 230 Disclaimer**

19 Each party to this Agreement (for purposes of this section, the "Acknowledging
20 Party"; and each party to this Agreement other than the Acknowledging Party, and "Other
21 Party") acknowledges and agrees that: (1) no provision of this Agreement, and no written
22 communication or disclosure between or among the Parties or their attorneys and other
23 advisers, is or was intended to be, nor shall any such communication or disclosure constitute
24 or be construed or be relied upon as, tax advice within the meaning of United States Treasury
25 Department Circular 230 (31 CFR Part 10, as amended); (2) the Acknowledging Party (a) has
26 relied exclusively upon his, her, or its own, independent legal and tax advisers for advice
27 (including tax advice) in connection with this Agreement, (b) has not entered into this
28 Agreement based upon the recommendation of any other party or any attorney or advisor to

1 any other party, and (c) is not entitled to rely upon any communication or disclosure by any
2 attorney or adviser to any other party to avoid any tax penalty that may be imposed on the
3 Acknowledging Party; and (3) no attorney or adviser to any other party has imposed any
4 limitation that protects the confidentiality of any such attorney's or adviser's tax strategies
5 (regardless of whether such limitation is legally binding) upon disclosure by the
6 Acknowledging Party of the tax treatment or tax structure of any transaction, including any
7 transaction contemplated by this Agreement.

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

9 **A. No Admission of Liability**

10 Neither the acceptance nor the performance by Defendant of the terms of this
11 Stipulation nor any of the related negotiations or proceedings is or shall be claimed to be,
12 construed as, or deemed a precedent or an admission by Defendant of the truth or merit of any
13 allegations in the original Complaint, First Amended Complaint and/or Second Amended
14 Complaint, or that they have any liability to the Representative Plaintiffs or the Class
15 Members on their claims. Defendant denies that it has engaged in any unlawful activity, has
16 failed to comply with the law in any respect, or has any liability to anyone under the claims
17 asserted in the Action. This Agreement is entered into solely for the purpose of compromising
18 highly disputed claims.

19 **B. Nullification**

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

27 **VI. RELEASE**

28 It is the desire of the Representative Plaintiffs, Class Members (except those who

1 exclude themselves from the Settlement), and Defendant to fully, finally, and forever settle,
2 compromise, and discharge the Released Claims. Upon entry of the Final Approval Order
3 and Defendant's payment of the Gross Settlement Amount and Employer's Withholding
4 Share, and except as to such rights or claims as may be created by this Settlement Agreement,
5 the Class Members, on behalf of themselves, and each of their heirs, representatives,
6 successors, assigns, and attorneys, shall be deemed to have, and by operation of the final
7 judgment shall have, fully released and discharged the Released Parties from any and all
8 Released Claims that accrued during the Class Period. This release shall be binding on all
9 Class Members who have not timely submitted a valid and complete Request for Exclusion,
10 including each of their respective attorneys, agents, spouses, executors, representatives,
11 guardians ad litem, heirs, successors, and assigns, and shall inure to the benefit of the Released
12 Parties.

13 Further, upon entry of the Final Approval Order and Defendant's payment of the Gross
14 Settlement Amount and Employer's Withholding Share, and except as to such rights or claims
15 as may be created by this Settlement Agreement, the Class Members, on behalf of themselves,
16 and each of their heirs, representatives, successors, assigns, and attorneys hereby covenant an
17 agree that they will not initiate or participate in any proceeding seeking PAGA penalties
18 against Defendant or any of the Released Parties in any separate or subsequent action or
19 proceeding stemming from the Released Claims.

20 **VII. RELEASES AND COVENANANTS BY THE REPRESENTATIVE**
21 **PLAINTIFFS**

22 Upon entry of the Final Approval Order and Defendant's payment of the Gross
23 Settlement Amount and Employer's Withholding Share, and except as to such rights or claims
24 as may be created by this Settlement Agreement, the Representative Plaintiffs fully release
25 and forever discharge Defendant and the Released Parties, and its/their respective present and
26 former officers, directors, employees, shareholders, members, agents, trustees,
27 representatives, attorneys, insurers, parent companies, subsidiaries, divisions, affiliates,
28 predecessors, successors, assigns, and any individual or entity that could be jointly liable with

1 Defendant, from any and all claims, causes of action, damages, wages, benefits, expenses,
2 penalties, debts, liabilities, demands, obligations, attorney's fees, costs, and any other form of
3 relief or remedy in law, equity, or whatever kind or nature, whether known or unknown,
4 suspected or unsuspected, exclusive only of any workers compensation claims or any other
5 claims which cannot be released as a matter of law, including but not limited to (1) all
6 Released Claims, (2) the Action and any claims arising out of or related to the Action, (3) any
7 claims under federal, state or local law for or relating to wages, benefits, compensation,
8 vacation or other paid time off, and claims for liquidated damages, penalties, or costs and fees
9 associated therewith, (4) wrongful termination, discrimination, harassment, and/or retaliation,
10 (5) any act, omission, or occurrence or claim arising out of or related to the Action or
11 Plaintiffs' employment or termination thereof with Defendant taking place on or before the
12 Effective Date of the Settlement, and (6) and any other form of relief or remedy of any kind,
13 nature, or description whatsoever, whether premised on statute, contract, tort, or other theory
14 of liability under state, federal, or local law.

15 The Representative Plaintiffs hereby agree that, notwithstanding section 1542 of the
16 California Civil Code ("Section 1542"), all claims that the Representative Plaintiffs may have,
17 known or unknown, suspected or unsuspected, are hereby released as of the Effective Date.
18 Section 1542 provides:

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

24 The Representative Plaintiffs expressly waive the provisions of Section 1542 with full
25 knowledge and with the specific intent to release all known or unknown, suspected or
26 unsuspected, claims arising on or before the Effective Date of the Settlement, and therefore
27 specifically waive the provisions of any statute, rule, decision, or other source of law of the
28 United States or of any state of the United States or any subdivision of a state which prevents
release of unknown claims.

1 **VIII. PUBLICITY**

2 Class Counsel will do nothing to publicize this Settlement or use it for marketing
3 purposes, including but not limited to posting on Class Counsel's website, posting on any
4 social media sites/outlets and issuing any press releases.

5 **IX. MISCELLANEOUS PROVISIONS**

6 **A. Amendments**

7 This Settlement Agreement may only be modified or changed by a writing signed by
8 the Parties heretoor by their counsel.

9 **B. Integrated Agreement**

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

16 **C. No Inducements**

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

21 **D. No Prior Assignment**

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

26 **E. No Retaliation or Advice**

27 Defendant agrees not to retaliate against any Class Member, and Defendant will not
28 induce or offer any advice to any current or former employee to opt out of, or object to, the

1 Settlement.

2 **F. Attorney's Fees**

3 To the extent that any Party institutes any legal action, arbitration, or other proceeding
4 to enforce the terms of the Settlement, the prevailing Party will be entitled to recover their
5 reasonable attorneys' fees and costs from the other Party or Parties.

6 **G. Applicable Law**

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

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

11 The Parties agree that upon the Settlement of this case, the Court may enter judgment
12 pursuant to the terms of this Settlement and the Court will retain jurisdiction over the Parties
13 to enforce the Settlement until performance in full of the terms of the Settlement.

14 **I. Notices**

15 All notices, requests, demands and other communications required or permitted to be
16 given pursuant to this Agreement shall be in writing, and shall be delivered personally or by
17 first class mail to Class Counsel or Defendants' Counsel at their respective addresses as set
18 forth at the beginning of this Agreement or at any new address as to which counsel have
19 advised the Court and the other Parties.

20 **J. Binding on Successors**

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

24 **K. Counterparts**

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

28

1 **L. Warranties and Representations**

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

6 **M. Representation by Counsel**

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

10 **N. Signatories**

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

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

18 Dated: 9/18/2019, 2019

DocuSigned by:

Victor Chatereda

19 Dated: 9/19/2019, 2019

DocuSigned by:

Ricardo Lopez

20 Dated: 9/25/19, 2019

Arrowhead Products Corporation

21 By: 
22 John E. Cvetic

23 His: Treasurer

Exhibit A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND HEARING DATE FOR COURT APPROVAL

If you have been a non-exempt employee of Arrowhead Products Corporation, you may be entitled to receive money from a class action settlement.

*The Superior Court of the State of California for Orange County authorized this notice.
This is not a solicitation from a lawyer.*

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

You are receiving this Notice because the Court has preliminarily approved a proposed settlement in a class action filed on behalf of all non-exempt employees of Defendant Arrowhead Products Corporation ("Defendant" or "Arrowhead") who worked for Defendant in California between December 29, 2013 and September 22, 2019. The proposed settlement will resolve all Released Claims (defined below) against Defendant. A hearing addressing the fairness, adequacy, and reasonableness of the settlement will be held on _____ at _____.m. to determine whether the settlement should receive the Court's final approval.

If you are a member of the settlement class, you will receive a settlement payment and will be bound by the terms of the release described below, unless you properly submit a timely Request for Exclusion from the settlement (described below). This Notice explains the proposed settlement and provides an estimate of how much money you will receive as a settlement payment if you do not exclude yourself from the settlement. If you do not want to be part of the settlement class, then you must submit a Request for Exclusion (described below) no later than [45 days from mailing] otherwise you will be bound by the terms of the settlement.

1. PURPOSE OF THIS NOTICE

The Court has ordered that this Notice be sent to you because you have been identified as a member of the class based on Defendant's records. The purpose of this Notice is to provide you with information about the lawsuit and the proposed settlement and to advise you of your options.

2. PERSONS ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT

All members of the "Class" are eligible to receive a settlement payment. The Class is comprised of all individuals who were employed by Arrowhead in California as non-exempt employees at any time(s) between December 29, 2013 and September 22, 2019. Individual members of the Class are referred to as "Class Members."

3. DESCRIPTION OF THE LAWSUIT

One former and one current employee of Arrowhead are Plaintiffs in a class action lawsuit filed against Arrowhead in the Orange County Superior Court. The case is called *Centino v. Arrowhead Products Corporation*, Case No.: 30-2018-00988493 (the "Action"). The Action alleges that Plaintiffs and other non-exempt employees of Defendant were not paid for all of their work, were not paid all overtime amounts due to them at the correct overtime rate, were not provided with compliant meal and rest breaks, were not provided compliant wage statements, were not paid all amounts due at separation, and were not paid for all accrued vacation pay at termination. Based on these facts and others, Plaintiffs' Second Amended Complaint (the "Complaint") alleges causes of action for: (1) failure to pay wages for all work performed; (2) failure to pay overtime; (3) failure to provide compliant meal and rest breaks; (4) failure to provide accurate wage statements; (5) failure to provide final wages; (6) failure to pay accrued vacation at termination; (7) unfair business practices; and (8) recovery of civil penalties under the Labor Code Private Attorneys' General Act ("PAGA").

Throughout the litigation, Arrowhead has denied and continues to deny all of Plaintiffs' allegations and denies any wrongdoing. Arrowhead maintains that it correctly paid employees for all regular and overtime worked and otherwise complied with all applicable California employment laws. Although Arrowhead continues to deny that it violated any laws, it has agreed to a settlement in order to resolve this action without incurring further disruption or expenses from continued litigation.

FOR MORE INFORMATION CALL 1-800-_____.

The Court never made any ruling regarding the merits of the claims asserted by Plaintiffs on behalf of themselves and others in the Action, nor did it rule on Arrowhead's asserted defenses. Based on the settlement agreement entered into by and between Arrowhead and Plaintiffs, the Court has preliminarily approved the proposed settlement. The Court will decide whether to give final approval to the settlement at a hearing scheduled for _____, 20__ at _____m. (the "Final Approval Hearing").

4. WHO ARE THE ATTORNEYS REPRESENTING THE PARTIES?

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

Aaron C. Gundzik Rebecca Gundzik GARTENBERG GELFAND HAYTON LLP 15260 Ventura Blvd., Suite 1920 Sherman Oaks, CA 91403 Telephone: (213) 542-2100 Facsimile: (213) 542-2101	Jonathan M. Lebe Lebe Law, a Professional Law Corporation 777 S. Alameda Street, Second Floor Los Angeles, CA 90021 Telephone: (310) 921-7056 Facsimile: (310) 820-1258 Rodney Mesriani Mesriani Law Group, a Professional Law Corporation 5723 Melrose Avenue, Second Floor Los Angeles, CA 90038 Telephone: (310) 921-7050 Facsimile: (310) 820-1258
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Attorneys representing Arrowhead are:

Kate Gold Philippe A. Lebel Proskauer Rose LLP 2029 Century Park East, Suite 2400 Los Angeles, CA 90067-3210 Telephone: (310) 284-5623 Facsimile: (310) 557-2193
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5. THE TERMS OF THE PROPOSED SETTLEMENT

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

Arrowhead has agreed to pay the gross amount of \$1,800,000.00 to settle any and all obligations for the claims alleged in the lawsuit. This amount is called the "Gross Settlement Amount." As discussed below, the Gross Settlement Amount will be used to cover all payments to the Class, settlement administration costs, attorneys' fees and costs, service and release awards to the Plaintiffs, and funds owed to the State of California in settlement of penalties. All of these payments will be deducted from the Gross Settlement Amount. The remaining amount (called the "Net Settlement Amount") will be distributed to Class Members who do not timely submit Requests for Exclusion, as discussed below.

(a) Attorneys' Fees and Costs: Class Counsel has worked on this matter without compensation and have advanced funds to pay for expenses necessary to prosecute the Action. Accordingly, under the settlement, Class Counsel may request an amount not to exceed \$600,000 (i.e., 1/3 of the Gross Settlement Amount) to compensate them for their work on the case, plus their reasonable costs and expenses incurred in the litigation not to exceed \$15,000. Subject to court approval, the attorneys' fees and costs will be deducted from the Gross Settlement Amount. Any portion of the above amounts requested by Class Counsel that are not approved by the court will become part of the Net Settlement Amount and will be paid to Class Members who do not timely submit a Request for Exclusion.

FOR MORE INFORMATION CALL 1-800-_____.

(b) Service and Release Awards: The two Plaintiffs are requesting service and release awards of \$7,500 each for a total of \$15,000, in addition to the amount Plaintiffs will receive as members of the Class, to compensate them for undergoing the burden and expense of prosecuting the action, and for the broader release of claims they are providing to Defendant. Subject to court approval, the service and release awards will be deducted from the Gross Settlement Amount. Any portion of the above amounts that are not approved by the court will become part of the Net Settlement Amount and will be paid to Class Members who do not timely submit a Request for Exclusion.

(c) Settlement Administration Costs: The Settlement Administrator, Phoenix Class Administration Solutions, has advised the parties that the settlement administration costs will not exceed \$15,000. Subject to court approval, the settlement administration costs will be deducted from the Gross Settlement Amount.

(d) Payment to State of California: A total of \$50,000 of the Gross Settlement Amount will be allocated to settle allegations that Defendant owes civil penalties to the State for alleged violations of the California Labor Code pursuant to Plaintiffs' PAGA cause of action (the "PAGA Amount"). If approved by the Court, \$37,500 (75%) will be paid from the Gross Settlement Amount to the California Labor & Workforce Development Agency ("LWDA"). The remaining 25% of the PAGA Amount, which is \$12,500, will be distributed to Class Members as part of the Net Settlement amount discussed below.

(e) Payments to Settlement Class Members: The Net Settlement Amount will be distributed to Class Members who do not timely submit a valid Request for Exclusion (*i.e.*, who do not exclude themselves from the settlement); these individuals are referred to as "Settlement Class Members" or collectively as the "Settlement Class." The amount of each Settlement Class Member's share of the Net Settlement Amount will be calculated by dividing the total number of qualifying workweeks worked by the Class Member between December 29, 2013 and September 22, 2019 by the total number of qualifying workweeks worked by all Settlement Class Members between December 29, 2013 and September 22, 2019 and multiplying that fraction by the Net Settlement Amount. A qualifying workweek is the number of calendar days worked for Defendant in an hourly, non-exempt position between December 29, 2013 and September 22, 2019, excluding days on leave of absence (if any), divided by seven (7) and rounded up to the nearest whole workweek.

6. WHAT YOU WILL RECEIVE UNDER THE SETTLEMENT

According to Defendant's records, you worked a total of ___ qualifying workweeks between December 29, 2013 and September 22, 2019. Under the settlement, it is presently estimated that you will receive approximately \$_____. This amount may increase or decrease based on various factors, including the number of Class Members who submit Requests for Exclusion, the amounts approved by the Court for attorneys' fees and costs, settlement administration costs, service and release awards to Plaintiffs, payment to the LWDA, and disputes by other Class Members regarding their qualifying workweeks. To receive your settlement payment, you do not need to do anything. You will receive a settlement payment unless you exclude yourself from the settlement.

7. PAYMENT SCHEDULE AND TAX ALLOCATION

The Settlement Administrator will send out settlement checks to Settlement Class Members after the settlement is finally approved by the court. You will have 180 days after the Settlement Administrator mails your settlement check to cash it; otherwise it will be voided and the amount of your settlement payment will be sent to the California State Controller's Office Unclaimed Property Fund in your name and you will need to contact that agency to obtain your funds.

For tax purposes, twenty percent (20%) of your settlement payment shall be attributed to wages and reported on a W-2 form; the remaining eighty percent (80%) will be attributed to interest, penalties and liquidated damages. The amount of interest, penalties and liquidated damages will be reported on an IRS Form 1099. Nothing in this Notice should be construed as providing you with tax advice. You should consult with your tax advisor concerning the tax consequences of the payment you receive.

It is expressly understood and agreed that the receipt of settlement payments shall not entitle any Settlement Class Member to additional compensation or benefits under any agreement or under any bonus, contest or other compensation or benefit plan or agreement in place during the period covered by the settlement, nor shall it entitle any Settlement Class Member to any increased pension and/or retirement, or other deferred compensation benefits.

FOR MORE INFORMATION CALL 1-800-_____.

8. RELEASE OF CLAIMS

Unless you submit a valid Request for Exclusion (described below) by [RESPONSE DEADLINE], you will release Arrowhead and all of its parent, subsidiary, affiliated or related companies and entities and any successor(s), as well as its/their officers, directors, investors, owners, shareholders, employees, partners, agents, and attorneys, and any entities or partnerships with which they are affiliated from all claims pled in the Complaint or that could have been pled in the original Complaint, the First Amended Complaint and/or the Second Amended Complaint, deriving from, arising out of, and/or based on the facts alleged in the original Complaint, the First Amended Complaint and/or the Second Amended Complaint during the Class Period, whether known or unknown, including claims for wages, penalties, interest, attorneys' fees and/or costs, for: (1) violation of Labor Code section 204 and the IWC Wage Order(s) for untimely payment of wages during employment; (2) violation of Labor Code section 510 for failure to pay overtime; (3) violation of Labor Code sections 226.7 and 512(a) for failure to provide meal and rest breaks; (4) violation of Labor Code section 226(a) for failure to provide accurate itemized wage statements and/or maintain required records; (5) violation of Labor Code sections 201-203 for failure to timely pay wages upon termination or resignation; (6) violation of Labor Code section 227.3 for failure to pay accrued vacation wages upon termination; (7) violation of Business and Professions Code section 17200 et seq.; and (8) PAGA penalties for alleged violations of Labor Code sections 201-204, 226, 226.7, 227.3, 246, 247.5, 248.5, 256, 510, 512, 558, and 2810.5. This release is for conduct occurring from December 29, 2013 through September 22, 2019. The claims and liability covered by this release are referred to as the "Released Claims."

9. YOUR FOUR OPTIONS

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

(a) Option One: You Can Do Nothing.

If you do nothing, you will be a member of the Settlement Class and will receive a settlement payment. As a Settlement Class Member, you also will be bound by the release of claims set forth in Section 8 above.

(b) Option Two: You Can Contest the Calculation of Your Settlement Payment as Stated in this Notice.

You can contest the number of qualifying workweeks that you worked identified in Section 6 above. To do so, you must provide the Settlement Administrator with a written explanation of why you believe you were not credited with the correct number of qualifying workweeks. The statement must also include your full name, current address and telephone number, and must identify this case (Case No.: 30-2018-00988493). You must provide written documentation supporting the number of qualifying workweeks you believe that you worked; otherwise, the number listed above will be presumed correct. You must postmark your written statement no later than [45 days from mailing]. The Settlement Administrator will consider the documentation you submit and will communicate with you and the parties as necessary regarding the dispute to determine whether an adjustment is warranted before making a final determination regarding your settlement payment. Ultimately, it will be up to the Settlement Administrator to determine the number of qualifying workweeks to credit you for; once it has made that determination, the Settlement Administrator will mail you its final determination. Thereafter, you will be a member of the Settlement Class and will receive a settlement payment. As a Settlement Class Member, you also will be bound by the release of claims set forth in Section 8 above.

(c) Option Three: You Can Exclude Yourself from the Settlement Class.

If you do not want to participate in this settlement and become a Settlement Class Member, you can request exclusion (i.e., opt out) by sending the Settlement Administrator a written Request for Exclusion at the address specified in Section 11 below. The deadline to postmark a Request for Exclusion is [45 days from mailing]. A Request for Exclusion is a written statement unambiguously requesting to be excluded from the Settlement Class. The Request for Exclusion must include the case number (Case No.: 30-2018-00988493), your name, current address and telephone number, and the last four digits of your social security number (for verification purposes). You must also sign the Request for Exclusion. You should keep a copy of your Request for Exclusion. Moreover, to demonstrate receipt by the Settlement Administrator, you may elect to send your Request for Exclusion via certified mail. Requests for Exclusion that do not include all required information, or that are not postmarked on or before the deadline, will not be valid.

FOR MORE INFORMATION CALL 1-800-_____.

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

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

(d) Option Four: You Can Object to the Settlement.

If you do not submit a timely and valid Request for Exclusion, you may object to the settlement by sending your written objections to the Settlement Administrator at the address specified in Section 11 below. The deadline to postmark objections is [45 days from mailing]. Only Settlement Class Members (*i.e.*, Class Members who have not opted-out) may object to the settlement.

Your objection must state the basis of your objection and include any papers and briefs in support of your position. Your objection must be signed and must contain your current address and telephone number (or that of your attorney) and refer to this case (Case No.: 30-2018-00988493).

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

10. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT

The Final Approval Hearing on the fairness and adequacy of the proposed settlement, the plan of distribution, the service and release payments to Plaintiffs, and Class Counsel's request for attorneys' fees and costs, and other issues is presently scheduled for _____, 20__ at ____m., in Department CX102 of the Orange County Superior Court, Civil Complex Center located at 751 West Santa Ana Blvd., Santa Ana, CA 92701. The Final Approval Hearing may be continued to another date without further notice. If you plan to attend the Final Approval Hearing, it is recommended that you contact the Settlement Administrator to confirm the date and time or consult the court's website (<https://ocapps.occourts.org/civilwebShoppingNS/Search.do#searchAnchor>).

11. NON-RETALIATION

Defendant will not retaliate or take any adverse action against a Class Member for participating in the settlement, for objecting to the settlement or for submitting a Request for Exclusion from the settlement.

12. ADDITIONAL INFORMATION.

This Notice only summarizes the Action and the parties' settlement. For more information, you may inspect the Court file at the Orange County Superior Court, Civil Complex Center located at 751 West Santa Ana Blvd., Santa Ana, CA 92701. You may also review the settlement agreement and other documents on-line at www.____ or you may contact the Settlement Administrator as follows:

[Phoenix]
Telephone: _____
Facsimile: _____
Email: _____
Website: _____

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

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE

FOR MORE INFORMATION CALL 1-800-_____.

Exhibit 3

1 AARON C. GUNDZIK (State Bar No. 132137)
REBECCA G. GUNDZIK (State Bar No. 138446)
2 GUNDZIK GUNDZIK HEEGER LLP
14011 Ventura Blvd., Suite 206E
3 Sherman Oaks, CA 91423
Telephone: (818) 290-7461
4 Facsimile: (818) 918-2316

5 JONATHAN M. LEBE (State Bar No. 284605)
LEBE LAW, A PROFESSIONAL LAW CORPORATION
6 777 S. Alameda Street, Second Floor
Los Angeles, CA 90021
7 Telephone: (310) 921-7056
Facsimile: (310) 820-1258
8

9 RODNEY MESRIANI (State Bar No. 184875)
MESRIANI LAW GROUP, A PROFESSIONAL LAW CORPORATION
5723 Melrose Avenue, Second Floor
10 Los Angeles, CA 90038
Telephone: (310) 921-7050
11 Facsimile: (310) 820-1258

12 Attorneys for Plaintiffs Victor Castaneda and
Ricardo Lopez, individually and on behalf of all
13 others similarly situated and as a representative of aggrieved employees

14 KATE S. GOLD (State Bar No. 156117)
PHILIPPE A. LEBEL (State Bar No. 274032)
15 PROSKAUER ROSE LLP
2029 Century Park East, 24th Floor
16 Los Angeles, CA 90067-3206
Telephone: (310) 557-2900
17 Facsimile: (310) 557-2193

18 Attorneys for Defendant Arrowhead Products Corporation

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

20 **FOR THE COUNTY OF ORANGE**

21 BRANDON CENTINO, VICTOR
CASTANEDA and RICARDO LOPEZ,
22 individually and on behalf of all others similarly
situated,

23 Plaintiffs,

24 vs.

25 ARROWHEAD PRODUCTS
26 CORPORATION, a Delaware corporation; and
DOES 1 through 25,
27

28 Defendants.

Case No.: 30-2018-00988493

*Assigned to Hon. Peter Wilson,
Department CX102*

**FIRST AMENDMENT TO
STIPULATION OF CLASS ACTION
SETTLEMENT**

Complaint Filed: December 29, 2017

1 This First Amendment to Stipulation of Class Action Settlement is entered into
2 between Plaintiffs Victor Castaneda and Ricardo Lopez ("Plaintiffs"), individually and on
3 behalf of others similarly situated and Defendant Arrowhead Products Corporation
4 ("Defendant") for the purposes of effectuating limited modifications to the Stipulation of
5 Class Action Settlement that the Parties entered into on or about September 25, 2019
6 ("Settlement Agreement").

7 1. This Amendment to the Stipulation is permitted by Section IX(A) of the
8 Stipulation, which provides:

9 **A. Amendments**

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

12 2. Section IV.L.5 is amended to read:

13 **5. Allocation of Settlement Payments**

14 Payment to each Settlement Class Member shall be allocated as follows:
15 one-third shall be attributed to wages, to be reported on a W-2 form; and one-
16 third as penalties and one-third as interest. The amount of penalties and interest
17 will be reported on an IRS Form 1099.

18 3. The Notice of Settlement is amended. The amended Notice of Settlement is
19 attached hereto as Exhibit 1.

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1 4. All other provisions of the Settlement Agreement not inconsistent with
2 forgoing shall remain unchanged.

3
4 DATED: January 7, 2020

GUNDZIK GUNDZIK HEEGER LLP

5
6 By: 
 Aaron C. Gundzik

7 Attorneys for Plaintiffs Victor Castaneda and
8 Ricardo Lopez, individually and on behalf of
9 all others similarly situated and as a
representative of aggrieved employees

10 DATED: January 7, 2020

PROSKAUER ROSE LLP

11
12 By: 
 Kate S. Gold

13 Attorneys for Defendant Arrowhead Products
14 Corporation

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Exhibit 1

If you have been a non-exempt employee of Arrowhead Products Corporation, you may be entitled to receive money from a class action settlement.

*The Superior Court of the State of California for Orange County authorized this notice.
This is not a solicitation from a lawyer.*

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

You are receiving this Notice because the Court has preliminarily approved a proposed settlement in a class action filed on behalf of all non-exempt employees of Defendant Arrowhead Products Corporation (“Defendant” or “Arrowhead”) who worked for Defendant in California between December 29, 2013 and September 22, 2019. The proposed settlement will resolve all Released Claims (defined below) against Defendant. A hearing addressing the fairness, adequacy, and reasonableness of the settlement will be held on _____ at _____.m. to determine whether the settlement should receive the Court’s final approval.

If you are a member of the settlement class, you will receive a settlement payment and will be bound by the terms of the release described below, unless you properly submit a timely Request for Exclusion from the settlement (described below). This Notice explains the proposed settlement and provides an estimate of how much money you will receive as a settlement payment if you do not exclude yourself from the settlement. If you do not want to be part of the settlement class, then you must submit a Request for Exclusion (described below) no later than [45 days from mailing] otherwise you will be bound by the terms of the settlement.

1. PURPOSE OF THIS NOTICE

The Court has ordered that this Notice be sent to you because you have been identified as a member of the class based on Defendant’s records. The purpose of this Notice is to provide you with information about the lawsuit and the proposed settlement and to advise you of your options.

2. PERSONS ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT

All members of the “Class” are eligible to receive a settlement payment. The Class is comprised of all individuals who were employed by Arrowhead in California as non-exempt employees at any time(s) between December 29, 2013 and September 22, 2019. Individual members of the Class are referred to as “Class Members.”

3. DESCRIPTION OF THE LAWSUIT

One former and one current employee of Arrowhead are Plaintiffs in a class action lawsuit filed against Arrowhead in the Orange County Superior Court. The case is called *Centino v. Arrowhead Products Corporation*, Case No.: 30-2018-00988493 (the “Action”). The Action alleges that Plaintiffs and other non-exempt employees of Defendant were not paid for all of their work, were not paid all overtime amounts due to them at the correct overtime rate, were not provided with compliant meal and rest breaks, were not provided compliant wage statements, were not paid all amounts due at separation, and were not paid for all accrued vacation pay at termination. Based on these facts and others, Plaintiffs’ Second Amended Complaint (the “Complaint”) alleges causes of action for: (1) failure to pay wages for all work performed; (2) failure to pay overtime; (3) failure to provide compliant meal and rest breaks; (4) failure to provide accurate wage statements; (5) failure to provide final wages; (6) failure to pay accrued vacation at termination; (7) unfair business practices; and (8) recovery of civil penalties under the Labor Code Private Attorneys’ General Act (“PAGA”).

Throughout the litigation, Arrowhead has denied and continues to deny all of Plaintiffs’ allegations and denies any wrongdoing. Arrowhead maintains that it correctly paid employees for all regular and overtime worked and otherwise complied with all applicable California employment laws. Although Arrowhead continues to deny that it violated any laws, it has agreed to a settlement in order to resolve this action without incurring further disruption or expenses from continued litigation.

FOR MORE INFORMATION CALL 1-800-_____.

The Court never made any ruling regarding the merits of the claims asserted by Plaintiffs on behalf of themselves and others in the Action, nor did it rule on Arrowhead's asserted defenses. Based on the settlement agreement entered into by and between Arrowhead and Plaintiffs, the Court has preliminarily approved the proposed settlement. The Court will decide whether to give final approval to the settlement at a hearing scheduled for _____, 20__ at _____.m. (the "Final Approval Hearing").

4. WHO ARE THE ATTORNEYS REPRESENTING THE PARTIES?

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

Aaron C. Gundzik Rebecca Gundzik Gundzik Gundzik Heeger LLP 14011 Ventura Blvd., Suite 206E Sherman Oaks, CA 91423 Telephone: (818) 290-7461 Facsimile: (818) 918-2316	Jonathan M. Lebe Lebe Law, a Professional Law Corporation 777 S. Alameda Street, Second Floor Los Angeles, CA 90021 Telephone: (310) 921-7056 Facsimile: (310) 820-1258
	Rodney Mesriani Mesriani Law Group, a Professional Law Corporation 5723 Melrose Avenue, Second Floor Los Angeles, CA 90038 Telephone: (310) 921-7050 Facsimile: (310) 820-1258

Attorneys representing Arrowhead are:

Kate Gold Philippe A. Lebel Proskauer Rose LLP 2029 Century Park East, Suite 2400 Los Angeles, CA 90067-3210 Telephone: (310) 284-5623 Facsimile: (310) 557-2193
--

5. THE TERMS OF THE PROPOSED SETTLEMENT

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

Arrowhead has agreed to pay the gross amount of \$1,800,000.00 to settle any and all obligations for the claims alleged in the lawsuit. This amount is called the "Gross Settlement Amount." As discussed below, the Gross Settlement Amount will be used to cover all payments to the Class, settlement administration costs, attorneys' fees and costs, service and release awards to the Plaintiffs, and funds owed to the State of California in settlement of penalties. All of these payments will be deducted from the Gross Settlement Amount. The remaining amount (called the "Net Settlement Amount") will be distributed to Class Members who do not timely submit Requests for Exclusion, as discussed below.

(a) Attorneys' Fees and Costs: Class Counsel has worked on this matter without compensation and have advanced funds to pay for expenses necessary to prosecute the Action. Accordingly, under the settlement, Class Counsel may request an amount not to exceed \$600,000 (*i.e.*, 1/3 of the Gross Settlement Amount) to compensate them for their work on the case, plus their reasonable costs and expenses incurred in the litigation not to exceed \$15,000. Subject to court approval, the attorneys' fees and costs will be deducted from the Gross Settlement Amount. Any portion of the above amounts requested by Class Counsel that are not approved by the court will become part of the Net Settlement Amount and will be paid to Class Members who do not timely submit a Request for Exclusion.

FOR MORE INFORMATION CALL 1-800-_____

(b) Service and Release Awards: The two Plaintiffs are requesting service and release awards of up to \$7,500 each for a total of up to \$15,000, in addition to the amount Plaintiffs will receive as members of the Class, to compensate them for undergoing the burden and expense of prosecuting the action, and for the broader release of claims they are providing to Defendant. Subject to court approval, the service and release awards will be deducted from the Gross Settlement Amount. Any portion of the above amounts that are not approved by the court will become part of the Net Settlement Amount and will be paid to Class Members who do not timely submit a Request for Exclusion.

(c) Settlement Administration Costs: The Settlement Administrator, Phoenix Class Administration Solutions, has advised the parties that the settlement administration costs will not exceed \$15,000. Subject to court approval, the settlement administration costs will be deducted from the Gross Settlement Amount.

(d) Payment to State of California: A total of \$50,000 of the Gross Settlement Amount will be allocated to settle allegations that Defendant owes civil penalties to the State for alleged violations of the California Labor Code pursuant to Plaintiffs' PAGA cause of action (the "PAGA Amount"). If approved by the Court, \$37,500 (75%) will be paid from the Gross Settlement Amount to the California Labor & Workforce Development Agency ("LWDA"). The remaining 25% of the PAGA Amount, which is \$12,500, will be distributed to Class Members as part of the Net Settlement amount discussed below.

(e) Payments to Settlement Class Members: The Net Settlement Amount will be distributed to Class Members who do not timely submit a valid Request for Exclusion (*i.e.*, who do not exclude themselves from the settlement); these individuals are referred to as "Settlement Class Members" or collectively as the "Settlement Class." The amount of each Settlement Class Member's share of the Net Settlement Amount will be calculated by dividing the total number of qualifying workweeks worked by the Class Member between December 29, 2013 and September 22, 2019 by the total number of qualifying workweeks worked by all Settlement Class Members between December 29, 2013 and September 22, 2019 and multiplying that fraction by the Net Settlement Amount. A qualifying workweek is the number of calendar days worked for Defendant in an hourly, non-exempt position between December 29, 2013 and September 22, 2019, excluding days on leave of absence (if any), divided by seven (7) and rounded up to the nearest whole workweek.

6. WHAT YOU WILL RECEIVE UNDER THE SETTLEMENT

According to Defendant's records, you worked a total of __ qualifying workweeks between December 29, 2013 and September 22, 2019. Under the settlement, it is presently estimated that you will receive approximately \$_____. This amount may increase or decrease based on various factors, including the number of Class Members who submit Requests for Exclusion, the amounts approved by the Court for attorneys' fees and costs, settlement administration costs, service and release awards to Plaintiffs, payment to the LWDA, and disputes by other Class Members regarding their qualifying workweeks. To receive your settlement payment, you do not need to do anything. You will receive a settlement payment unless you exclude yourself from the settlement.

7. PAYMENT SCHEDULE AND TAX ALLOCATION

The Settlement Administrator will send out settlement checks to Settlement Class Members after the settlement is finally approved by the court. You will have 180 days after the Settlement Administrator mails your settlement check to cash it; otherwise it will be voided and the amount of your settlement payment will be sent to the California State Controller's Office Unclaimed Property Fund in your name and you will need to contact that agency to obtain your funds.

For tax purposes, one-third of your settlement payment shall be attributed to wages and reported on a W-2 form; the remaining two-thirds will be attributed to interest and penalties. The amount of interest and penalties will be reported on an IRS Form 1099. Nothing in this Notice should be construed as providing you with tax advice. You should consult with your tax advisor concerning the tax consequences of the payment you receive.

It is expressly understood and agreed that the receipt of settlement payments shall not entitle any Settlement Class Member to additional compensation or benefits under any agreement or under any bonus, contest or other compensation or benefit plan or agreement in place during the period covered by the settlement, nor shall it entitle any Settlement Class Member to any increased pension and/or retirement, or other deferred compensation benefits.

8. RELEASE OF CLAIMS

FOR MORE INFORMATION CALL 1-800-_____.

Unless you submit a valid Request for Exclusion (described below) by [RESPONSE DEADLINE], you will release Arrowhead and all of its parent, subsidiary, affiliated or related companies and entities and any successor(s), as well as its/their officers, directors, investors, owners, shareholders, employees, partners, agents, and attorneys, and any entities or partnerships with which they are affiliated from all claims pled in the Complaint or that could have been pled in the original Complaint, the First Amended Complaint and/or the Second Amended Complaint, deriving from, arising out of, and/or based on the facts alleged in the original Complaint, the First Amended Complaint and/or the Second Amended Complaint during the Class Period, whether known or unknown, including claims for wages, penalties, interest, attorneys' fees and/or costs, for: (1) violation of Labor Code section 204 and the IWC Wage Order(s) for untimely payment of wages during employment; (2) violation of Labor Code section 510 for failure to pay overtime; (3) violation of Labor Code sections 226.7 and 512(a) for failure to provide meal and rest breaks; (4) violation of Labor Code section 226(a) for failure to provide accurate itemized wage statements and/or maintain required records; (5) violation of Labor Code sections 201-203 for failure to timely pay wages upon termination or resignation; (6) violation of Labor Code section 227.3 for failure to pay accrued vacation wages upon termination; (7) violation of Business and Professions Code section 17200 et seq.; and (8) PAGA penalties for alleged violations of Labor Code sections 201-204, 226, 226.7, 227.3, 246, 247.5, 248.5, 256, 510, 512, 558, and 2810.5. This release is for conduct occurring from December 29, 2013 through September 22, 2019. The claims and liability covered by this release are referred as the "Released Claims."

9. YOUR FOUR OPTIONS

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

(a) Option One: You Can Do Nothing.

If you do nothing, you will be a member of the Settlement Class and will receive a settlement payment. As a Settlement Class Member, you also will be bound by the release of claims set forth in Section 8 above.

(b) Option Two: You Can Contest the Calculation of Your Settlement Payment as Stated in this Notice.

You can contest the number of qualifying workweeks that you worked identified in Section 6 above. To do so, you must provide the Settlement Administrator with a written explanation of why you believe you were not credited with the correct number of qualifying workweeks. The statement must also include your full name, current address and telephone number, and must identify this case (Case No.: 30-2018-00988493). You must provide written documentation supporting the number of qualifying workweeks you believe that you worked; otherwise, the number listed above will be presumed correct. You must postmark your written statement no later than [45 days from mailing]. The Settlement Administrator will consider the documentation you submit and will communicate with you and the parties as necessary regarding the dispute to determine whether an adjustment is warranted before making a final determination regarding your settlement payment. Ultimately, it will be up to the Settlement Administrator to determine the number of qualifying workweeks to credit you for; once it has made that determination, the Settlement Administrator will mail you its final determination. Thereafter, you will be a member of the Settlement Class and will receive a settlement payment. As a Settlement Class Member, you also will be bound by the release of claims set forth in Section 8 above.

(c) Option Three: You Can Exclude Yourself from the Settlement Class.

If you do not want to participate in this settlement and become a Settlement Class Member, you can request exclusion (i.e., opt out) by filling out and signing the enclosed Request for Exclusion form and sending it to the Settlement Administrator. The deadline to postmark a Request for Exclusion is [45 days from mailing]. You should keep a copy of your Request for Exclusion. Moreover, to demonstrate receipt by the Settlement Administrator, you may elect to send your Request for Exclusion via certified mail. Requests for Exclusion that do not include all required information, or that are not postmarked on or before the deadline, will not be valid. IMPORTANT: RETURN THE ENCLOSED REQUEST FOR EXCLUSION FORM ONLY IF YOU DO NOT WANT TO PARTICIPATE IN THE SETTLEMENT.

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

FOR MORE INFORMATION CALL 1-800-_____.

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

(d) Option Four: You Can Object to the Settlement.

If you do not submit a timely and valid Request for Exclusion, you may object to the settlement by sending your written objections to the Settlement Administrator at the address specified in Section 11 below. The deadline to postmark objections is [45 days from mailing]. Only Settlement Class Members (*i.e.*, Class Members who have not opted-out) may object to the settlement.

Your objection must state the basis of your objection and include any papers and briefs in support of your position. Your objection must be signed and must contain your current address and telephone number (or that of your attorney) and refer to this case (Case No.: 30-2018-00988493).

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

10. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT

The Final Approval Hearing on the fairness and adequacy of the proposed settlement, the plan of distribution, the service and release payments to Plaintiffs, and Class Counsel's request for attorneys' fees and costs, and other issues is presently scheduled for _____, 20__ at _____.m., in Department CX102 of the Orange County Superior Court, Civil Complex Center located at 751 West Santa Ana Blvd., Santa Ana, CA 92701. The Final Approval Hearing may be continued to another date without further notice. If you plan to attend the Final Approval Hearing, it is recommended that you contact the Settlement Administrator to confirm the date and time or consult the court's website (<https://ocapps.occourts.org/civilwebShoppingNS/Search.do#searchAnchor>).

11. NON-RETALIATION

Defendant will not retaliate or take any adverse action against a Class Member for participating in the settlement, for objecting to the settlement or for submitting a Request for Exclusion from the settlement.

12. ADDITIONAL INFORMATION.

This Notice only summarizes the Action and the parties' settlement. For more information, you may inspect the Court file at the Orange County Superior Court, Civil Complex Center located at 751 West Santa Ana Blvd., Santa Ana, CA 92701. Or, you can access the court file on line at <http://www.occourts.org/online-services/case-access/>. From that page, click on the "Access Now" button next to "Civil Case & Document Access." On the page that loads next, click "Accept Terms." The next page will ask for Case Number. Insert "00988493" in the "Case Number" box. Click the "I am not a Robot" box and then click "Search." On the next page click on "Register of Actions," which will provide a list of all court filings to date in this case. To obtain any of the listed filings, click the box next to the name of the filing in the column labeled "Select." Next click on "Cart" and then "Checkout."

You may also review the settlement agreement and other documents on-line at www.____ or you may contact the Settlement Administrator as follows:

[Phoenix]
Telephone: _____
Facsimile: _____
Email: _____
Website: _____

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

FOR MORE INFORMATION CALL 1-800-_____.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE

FOR MORE INFORMATION CALL 1-800-_____.

CENTINO V. ARROWHEAD PRODUCTS CORPORATION – Class Administrator
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863

IMPORTANT LEGAL MATERIALS

<PSA ID>	If the pre-printed information to the left is not correct or if there is no pre-printed information, please complete the information below:
<Name>	<u>Name:</u>
<Address>	<u>Street Address:</u>
<City>, <State> <Zip>	<u>City, State, Zip Code:</u>

SETTLEMENT EXCLUSION FORM

IMPORTANT: COMPLETE THIS FORM AND RETURN IT ONLY IF YOU WISH TO EXCLUDE YOURSELF FROM THE SETTLEMENT. IF YOU EXCLUDE YOURSELF FROM THE SETTLEMENT, YOU WILL NOT RECEIVE YOUR PAYMENT FROM THE SETTLEMENT.

I request to be excluded from the Settlement Class in the matter of *Centino v. Arrowhead Products Corporation*, 2018-00988493, Orange County Superior Court. I understand that by submitting this Exclusion Form, I will no longer be eligible for a payment from the settlement.

Last Four Numbers of your Social Security Number

Sign your name here

Date

Print your name here

TO BE TIMELY, A REQUEST SUBMITTED BY FAX MUST BE SENT ON OR BEFORE _____, A REQUEST SUBMITTED BY MAIL MUST BE POSTMARKED ON OR BEFORE _____. IT MUST BE SENT TO THE FOLLOWING ADDRESS OR FAX NUMBER:

MAIL OR FAX TO:
Centino v. Arrowhead Products Corporation
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Phone: (800) 523-5773
Fax: _____