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16 Attorneys for Defendants
17 BUDGET RENT A CAR SYSTEM, INC.
AVIS BUDGET GROUP, INC.
18

19 UNITED STATES DISTRICT COURT
20 CENTRAL DISTRICT OF CALIFORNIA

21 VERONICA SMITH, individually
and on behalf of all others similarly
22 situated and all aggrieved employees,

23 Plaintiff,

24 v.

25 BUDGET RENT A CAR SYSTEM,
INC., AVIS BUDGET GROUP,
26 INC., and DOES 1 to 10,

27 Defendants.
28

Case No. 2:19-cv-04720-SVW-PLA

**AMENDED JOINT STIPULATION
OF CLASS ACTION AND PAGA
SETTLEMENT AND RELEASE**

1 Subject to the approval of the Court, this Joint Stipulation of Class Action
2 and PAGA Settlement and Release (“Settlement”) is made and entered into by and
3 between Plaintiff Veronica Smith (“Named Plaintiff”), individually and as
4 representatives of the Participating Class Members, as defined below, on the one hand,
5 and Defendants Budget Rent A Car System, Inc. and Avis Budget Group, Inc.
6 (“Defendants”), on the other hand. The Class (as defined below) and Defendants are
7 jointly referred to herein as the “Settling Parties” and individually referred to herein as
8 “Settling Party.”

9 DEFINITIONS

10 In addition to the other terms defined elsewhere in this Settlement, the
11 terms below have the following meanings in this Settlement:

12 I. DEFINITIONS

13 A. “Action” means the civil action entitled *Veronica Smith v. Budget Rent A*
14 *Car System, Inc. and Avis Budget Group, Inc.*, United States District Court, Central
15 District Of California, Case No. 2:19-cv-0472-SVW (PLAx), which was commenced
16 on May 30, 2019.

17 B. “Class Counsel” means Robert Starr, Adam Rose and Emanuel Starr of
18 Frontier Law Group and Sam Donabedian or Donabedian Law, APC.

19 C. “Class Counsel Fees and Expenses” means the total amount of attorneys’
20 fees, litigation costs, and expenses awarded to Class Counsel by the Court to
21 compensate Class Counsel for their representation of the Class in the Action, including
22 pre-filing investigation, filing of the Action, all related litigation activities including
23 discovery, mediation, the motion for class certification, this Settlement, and all post-
24 Settlement compliance procedures.

25 D. “Class” or “Class Member(s)” means: All current and former non-exempt
26 employees of Defendants who worked in the state of California for Defendants from
27 May 30, 2015 through the date of preliminary approval.

28

1 **E.** “Class Period” means the period of time from May 30, 2015 through the
2 date of preliminary approval.

3 **F.** “Class Representatives Incentive Award” means the amount awarded by
4 the Court to the Class Representatives pursuant to Paragraph III.D.

5 **G.** “Class Representative” or “Plaintiff” mean Veronica Smith.

6 **H.** “Court” means the United States District Court, Central District of
7 California.

8 **I.** Defendants’ Counsel means Jody A. Landry of Littler Mendelson, PC.

9 **J.** “Effective Date” means the date by which all of the following have
10 occurred: the Court has finally approved the Settlement and entered Judgment thereon;
11 and the Judgment has become Final, as defined herein below.

12 **K.** “Escalator” means that an increase is required to the Maximum
13 Settlement Amount. Defendants represent that there are 417 class members as of
14 November 1, 2019. If there is more than a 10% increase in the number of Settlement
15 Class Members the Net Settlement Amount will be proportionally increased based on
16 the number of settlement class members that exceeds 457. This means that if the
17 increase is to 457, no additional monies are due. If the number exceeds 457, then there
18 will be a proportional increase for the number of settlement class members starting with
19 number 458.

20 **L.** “Final” means that the Settlement has been finally approved by the Court
21 without material modification and either: (i) if there are no objections on the date the
22 order for final approval is issued; or (ii) if objections are made, and an appeal is filed,
23 the day after the Judgment is affirmed or the appeal, review or writ is dismissed or
24 denied, and the Judgment is no longer subject to further judicial review.

25 **M.** “Final Approval Hearing” means the hearing to be conducted by the Court
26 to determine whether to finally approve and implement the terms of this Settlement.

27 **N.** “Judgment” means the judgment entered by the Court after it grants final
28 approval of this Settlement.

1 **O.** “Maximum Settlement Amount” is the total maximum potential monetary
2 value of the settlement payable by Defendants as provided herein, which is Four
3 Hundred Thousand Dollars (\$400,000.00). The Maximum Settlement Amount is
4 inclusive of all payments to Class Members under the terms of this Settlement, Class
5 Counsel Fees and Expenses (up to and not to exceed \$132,000 for attorneys’ fees and
6 up to and not exceeding \$20,000 for reimbursement of litigation costs and expenses)
7 awarded by the Court, the Class Representative’s Incentive Awards approved by the
8 Court (not to exceed \$5,000), Settlement Administration Costs, the LWDA Payment
9 defined below, and employer-side taxes. Only employer-side payroll taxes are
10 excluded.

11 **P.** “Net Settlement Amount” means the Maximum Settlement Amount less:
12 Class Counsel Fees and Expenses approved by the Court; any Class Representatives
13 Incentive Award approved by the Court; Settlement Administration Costs approved by
14 the Court; and the LWDA Payment.

15 **Q.** “Participating Class Member(s)” means Class Members who do not
16 submit a timely and valid Request for Exclusion.

17 **R.** “Pay Periods” means the total number of pay periods worked by Class
18 Member for Defendants in California as a non-exempt employee for one of the
19 Defendants during the Class Period. The Pay Periods worked by Class Members during
20 the Class Period will be derived by calculating the number of days worked during the
21 Class Period as a non-exempt employee of Defendants in California from from May 30,
22 2015 through the date of preliminary approval by using the hire and termination dates
23 and payroll data in Defendants’ records, dividing by 14 to yield Pay Periods. This
24 calculation will be prepared for each Class Member.

25 **S.** “Pay Period Value” is established by dividing the Net Settlement Amount
26 by all Pay Periods for the Settlement Class Members.

27 **T.** “Preliminary Approval” means the Court’s order granting preliminary
28 approval of the Settlement.

1 U. "Released Parties" means Defendants and their affiliates, parent, and each
2 of their company-sponsored employee benefit plans, and their respective successors and
3 predecessors in interest, all of their respective officers, directors, employees,
4 administrators, fiduciaries, trustees and agents, and each of their past, present and future
5 officers, directors shareholders, employees, agents, principals, heirs, representatives,
6 attorneys, accountants, auditors, consultants, attorneys, insurers and reinsurers.

7 V. "Settlement Administrator" means the third-party administrator appointed
8 by the Court to administer the settlement of this Action under the terms of this
9 Settlement. Simpluris shall serve as the Settlement Administrator, subject to the Court's
10 approval.

11 W. "Settlement Administration Costs" means all fees and costs owed to the
12 Settlement Administrator in connection with administering the settlement in this Action
13 under the terms of this Settlement.

14 X. "Settlement Share" means each Class Member's pro rata share of the Net
15 Settlement Amount which is determined by multiplying each Settlement Class
16 Member's individual Pay Periods by the Pay Period Value. If any Settlement Class
17 Member's Individual Settlement Share is less than \$100, it will be increased to \$100
18 and the other Settlement Class Members Shares will be decreased on a pro rata basis as
19 determined in accordance with the terms of this Settlement.

20 **II. RECITALS**

21 A. On May 30, 2019 Plaintiff Veronica Smith filed her initial complaint
22 commencing the Action in the Court. Prior to that date Plaintiff's Counsel sent a letter
23 to the LWDA in order to pursue a claim action under the Private Attorney General Act,
24 California Labor Code section 2698, et. seq, ("PAGA"). Before filing the motion for
25 preliminary approval Class Counsel will file a Third Amended Complaint, pursuant to
26 a stipulation, adding a meal period claim and seeking PAGA penalties for that claim.
27 Defendants are not required to and will not file a responsive pleading to the Third
28 Amended Complaint unless the Court does not approve the settlement. The yet to be

1 filed Third Amended Complaint (“Operative Complaint”), contends, by way of the
2 Action, that Defendants violated California’s wage and hour laws with respect to
3 Plaintiff and Class Members as follows: (1) failure to pay overtime compensation for
4 all hours worked under California Law (Labor Code sections 510, 558 and 1194) and
5 in violation of the Fair Labor Standards Act; (2) waiting time penalties (violations of
6 Labor Code sections 201-203); (3) wage statement violations (Labor Code section 226);
7 (4) unfair business practices; (5) meal period premiums (6) penalties under the Private
8 Attorney General Act (California Labor Code section 2698 et al (for alleged violations
9 of California Labor Code sections 201-203, 226, 226.3, 226.7, 510, 512, 558, 1194,
10 2699 et seq., or any applicable Wage Order); and (7) any claim for attorneys’ fees, costs
11 or interest.

12 **B.** On January 13, 2020 the Settling Parties attended mediation with Deborah
13 Crandall Saxe, a distinguished labor and employment mediator. After lengthy
14 negotiations during which the Settling Parties, through their counsel, recognized the
15 burdens and risk of continuing with the litigation, the Settling Parties reached an
16 agreement to settle and resolve the Action and Released Claims.

17 **C.** The Settlement represents a compromise and settlement of highly disputed
18 claims. Nothing in the Settlement is intended, or may be construed, as an admission by
19 Defendants that any of the claims alleged in the Action have merit, or that Defendants
20 bears any liability to the Class Members on those claims, nor as an admission by the
21 Class Members that Defendants’ defenses in the Action have merit.

22 Based on these Recitals, the Settling Parties hereby agree as follows.

23 **III. SETTLEMENT TERMS AND CONDITIONS**

24 **A. Maximum Settlement Amount.** In order to settle the Action and
25 Released Claims, Defendants agrees to pay the Maximum Settlement Amount of Four
26 Hundred Thousand Dollars (\$400,000.00). This Maximum Settlement Amount is
27 inclusive of all payments described in Paragraph I.O above. Under no circumstances
28 shall Defendants be required to pay more than the Maximum Settlement Amount, other

1 than the amount of employer-side payroll taxes owed on the wage portion of the
2 Settlement Shares ("Employer Taxes"), unless an Escalator is warranted as defined
3 above. Defendants shall pay the Employer Taxes separately and in addition to the
4 Maximum Settlement Amount.

5 **B. Class Counsel Fees And Expenses.** Defendants and its counsel will not
6 oppose the application to the Court by an award of up to \$100,000, which is 25% of the
7 Maximum Settlement Amount for attorneys' fees and up to \$20,000 of the Maximum
8 Settlement Amount for reimbursement of Class Counsel's litigation costs and expenses.
9 Class Members and Class Counsel shall not seek payment of attorneys' fees or
10 reimbursement of costs or expenses except as set forth herein. Defendants (or the
11 Settlement Administrator) will issue an IRS Form 1099 to Class Counsel with respect
12 to the attorneys' fees and costs awarded to them. Defendants agrees not to oppose a
13 motion for attorneys' fees or a bill of costs for the aforementioned amounts, provided
14 that this should not be construed as approval or endorsement by Defendants of the
15 amount sought. Whatever amount of Class Counsel Fees and Expenses that the Court
16 approves shall be paid from the Maximum Settlement Amount. Should the Court
17 approve and award less than the amount provided for herein, the difference shall be
18 included in the Net Settlement Amount.

19 **C. LWDA Payment.** Settling Parties agree that the amount of \$40,000 of the
20 Maximum Settlement Amount is deemed payment for penalties under PAGA ("PAGA
21 Penalties"), of which 75% will be paid to the Labor and Workforce Development
22 Agency ("LWDA Payment") and the remaining 25% will be included in the Net
23 Settlement Amount for distribution to Participating Class Members.

24 **D. Class Representatives Incentive Award.**

25 1. Plaintiff will request, and Defendants will not oppose, incentive
26 payment not to exceed \$5,000 for the Class Representative. The Class Representative's
27 Incentive Award is intended as reasonable compensation for the time and effort
28 expended by Plaintiff as Class Representative and in connection with the initiation and

1 maintenance of this Action. The Class Representative's Incentive Award will be paid
2 from the Maximum Settlement Amount, and will be paid in addition to whatever
3 payment Plaintiff is otherwise entitled to as Participating Class Member. The Class
4 Representative's Incentive Award will be reported to the taxing authorities by means of
5 an IRS Form 1099. The amount of the Class Representative's Incentive Award is left
6 to and within the Court's sole discretion. Defendants agree not to oppose an application
7 for the Class Representative's Incentive Award in the above amount, provided that this
8 should not be construed as approval or endorsement by Defendants of the amount
9 sought. Whatever Class Representative's Incentive Award the Court orders shall be
10 paid from the Maximum Settlement Amount. Should the Court approve and award less
11 than the amount provided for herein, or not at all, the difference shall be included in the
12 Net Settlement Amount. The Settling Parties agree that the approval, and amount, of
13 any incentive award in this Action shall be in the Court's sole discretion and not subject
14 to any appeal by Plaintiff who is the sole recipient of any approved Class
15 Representative's Incentive Award. This Settlement is not contingent on Plaintiff's
16 receipt of any incentive award out of the Maximum Settlement Amount.

17 2. Plaintiff acknowledges and agrees that Defendants and its attorneys have
18 made no representations or warranties regarding the tax consequences of payment of
19 the Class Representative's Incentive Award, and Plaintiff has not relied on any such
20 representations or warranties. Plaintiff further agrees to pay and bear sole responsibility
21 for all taxes, liens, levies, encumbrances, interest, and penalties that may be due or
22 payable to any taxing authority as a result of payment of any Class Representative's
23 Incentive Award. Furthermore, Plaintiff agrees to defend and indemnify Defendants
24 and Released Parties in connection with any taxes, fines, interest or penalties incurred
25 as a result of any failure by Plaintiff to pay taxes due, if any, on the Class
26 Representative's Incentive Award paid pursuant to this Agreement.

27 **E. Settlement Administration Costs.** Settling Parties have obtained quotes
28 from third-party administrators based on the estimated class size and distributions under

1 the terms of this Settlement, and based thereon, Settling Parties have selected Simpluris
2 to act as the Settlement Administrator and it is estimated that the fees, expenses, and
3 costs for administration of the terms of this Settlement will not exceed \$10,000
4 (“Settlement Administration Costs”). All of the Settlement Administration Costs shall
5 be paid from the Maximum Settlement Amount upon completion of all duties required
6 to be performed by the Claims Administrator under the terms of this Settlement, or as
7 otherwise required by the Court, subject to the “not to exceed” quote from the agreed
8 upon Settlement Administrator. Should the Court approve and award less than the
9 amount provided for herein, or not at all, the difference shall be included in the Net
10 Settlement Amount.

11 **F. Settlement Shares to Class Members.**

12 1. Under the Settlement, each Participating Class Member will be
13 entitled to payment of a pro rata portion of the Net Settlement Amount (i.e., his or her
14 Settlement Share). The amount that each Class Member will be eligible to receive under
15 the Settlement will be determined by converting the Net Settlement Amount into a Pay
16 Period Value. Class Member’s estimated Settlement Share will be calculated by
17 multiplying his or her individual Pay Periods by the Pay Period Value. However, if a
18 Class Member’s Settlement Share is less than \$100, then s/he will be paid at least \$100
19 and a corresponding reduction will be made to the Settlement Shares of the remaining
20 Class Members.

21 2. Each Settlement Share will be apportioned as follows: 20% as wages
22 (the “Wage Component”) and 80% for interest, penalties, and other non-wage damages
23 (the “Non-Wage Component”). Each Settlement Share will be subject to reduction for
24 all employee’s share of taxes and withholdings and shall be reported by IRS W-2 forms,
25 and the net payment will be referred to as “Individual Settlement Payment(s).” No
26 reductions will be made to Settlement Shares for any taxes or withholding in connection
27 with the Non-Wage Component, and the Non-Wage Component shall be reported by
28 IRS 1099 forms. All Class Members covered by this Settlement agree that they are not

1 relying on any representations regarding the tax allocation or treatment of any amounts
2 paid to them under the terms of this Settlement and agree to hold Defendants and the
3 Released Parties harmless for any and all tax consequences relating to the allocation of
4 the payments made under this Settlement.

5 **G. Distributions.**

6 1. Within five (5) business days of the Effective Date, the Settlement
7 Administrator will provide Class Counsel and Defendants' Counsel with the account
8 information so that Defendants can wire the Maximum Settlement Amount and the
9 Employer Taxes, and Defendants shall wire said amounts to the Settlement
10 Administrator within thirty (30) calendar days of the Effective Date so long as the
11 Settlement Administrator timely provided the payment information.

12 2. The Settlement Administrator will distribute Individual Settlement
13 Payments to Participating Class Members, the LWDA Payment to the Labor and
14 Workforce Development Agency ("LWDA"), the Court-approved Class
15 Representatives' Incentive Awards to Plaintiff, and Court-approved Class Counsel Fees
16 and Expenses to Class Counsel, within fifteen (15) business days of receipt of payment
17 from Defendants pursuant to this Paragraph.

18 3. Individual Settlement Payment checks issued to Participating Class
19 Members will remain valid for a period of 180 calendar days after they issue, and shall
20 be cancelled thereafter. Uncashed checks will go to the California State Controller in
21 the name of the Settlement Class Member.

22 **H. Payments To Class Do Not Trigger Additional or Derivative**
23 **Payments.** It is expressly understood and agreed that the receipt of payments under the
24 Settlement will not entitle any Plaintiff or any Class Member to additional or derivative
25 compensation or benefits under any of Defendants' bonus, contest, or other
26 compensation or benefit plan or agreement in place during the period covered by the
27 Settlement, nor will it entitle any Plaintiff or any Class Member to any increased
28 retirement, 401k benefits or matching benefits, or deferred compensation benefits. It is

1 the intent of this Settlement that the payments provided for in this Agreement are the
2 sole payments to be made by Defendants to Plaintiff and Class Members, and that
3 Plaintiff and Class Members are not entitled to any additional or derivative
4 compensation or benefits as a result of having received said payments (notwithstanding
5 any contrary language or agreement in any benefit or compensation plan document that
6 might have been in effect during the period covered by this Settlement).

7 **I. Motion For Preliminary Approval.**

8 1. Class Counsel will file an unopposed motion with the Court (the
9 “Preliminary Approval Motion”) seeking an order approving the Settlement; setting a
10 date for the Final Approval Hearing; approving the distribution of the Notice of Class
11 Action Settlement (the “Class Notice”) in substantively the form attached hereto as
12 **“Exhibit A”**; and approving the procedures and deadlines for disputing Pay Periods,
13 seeking exclusion from the Settlement, and objecting to the Settlement. Defendants’
14 counsel will not respond or will file a notice of non-opposition to the motion.

15 2. At the hearing on the Preliminary Approval Motion, the Settling Parties
16 will jointly appear, and support the granting of the motion, and submit a proposed order
17 granting preliminary approval of the Settlement, approving the Class Notice, and setting
18 a Final Approval Hearing (the “Proposed Order”). The Proposed Order to be submitted
19 to the Court in substantially the form that is attached hereto as **“Exhibit B.”**

20 3. Should the Court, after a reasonable opportunity to cure and remedy any
21 stated deficiencies, ultimately decline to grant preliminary approval of the Settlement
22 as proposed by the Settling Parties, then the Settlement is void for lack of a condition
23 precedent of the Settlement and the Settling Parties will revert to their respective
24 positions.

25 4. Counsel for Defendants shall promptly prepare and serve a Notice of
26 Settlement of Class Action in this matter, pursuant to the Class Action Fairness Act [28
27 U.S.C. § 1715] (“CAFA Notice”).
28

1 **J. Mailing Of Class Notice To Class Members.**

2 After the Court enters its order granting preliminary approval of the
3 Settlement, all Class Members will be provided with the Class Notice by the Settlement
4 Administrator as follows:

5 1. Within fifteen (15) business days after the Court grants preliminary
6 approval of the Settlement, Defendants will provide to the Settlement Administrator the
7 last-known contact information that it has for the Class Members, including their full
8 name, mailing addresses and telephone numbers, Social Security numbers, start and end
9 dates of employment as a non-exempt employee of Defendants in California, and such
10 other information that may be necessary to calculate Pay Periods and/or process
11 disputes of Pay Periods (“Class Data List”). A redacted version of the Class Data List,
12 without any personal contact information or Social Security numbers, will be provided
13 to Class Counsel, and this list will be used for no purpose other than to monitor the
14 administration of the Settlement. All data and information provided to the Settlement
15 Administrator and Class Counsel by way of the Class Data List will be treated as
16 confidential and will not be disclosed to anyone, except as may be required to applicable
17 tax authorities, pursuant to Defendants’ express written consent, by order of the Court,
18 or to carry out the reasonable steps described in this Settlement to locate missing Class
19 Members.

20 2. Within ten (10) calendar days after receiving the Class Data List from
21 Defendants, the Settlement Administrator will mail the Class Notice to all identified
22 Class Members via first-class U.S. Mail, using the last known address information
23 provided by Defendants, unless such address is modified by any updated address
24 information that the Settlement Administrator obtains in the course of administration of
25 the Settlement. Prior to completing this mailing, the Settlement Administrator will
26 perform a National Change of Address (“NCOA”) search to confirm the validity of and
27 update Class Members’ mailing addresses.

1 3. If any Class Notice is returned as undeliverable with a forwarding address
2 within thirty (30) calendar days of the mailing of the Class Notice, the Settlement
3 Administrator shall have five (5) calendar days to re-mail the Class Notice to the
4 forwarding address. If any Class Notice is returned as undeliverable without a
5 forwarding address within thirty (30) calendar days of the mailing of the Class Notice,
6 the Settlement Administrator will have five (5) calendar days from receipt of the
7 returned Class Notice to search for a more current address for the Class Member and to
8 re-mail the Class Notice to the Class Member. This inquiry shall include a skip-trace
9 search. The Settlement Administrator will be responsible for taking all reasonable
10 steps, consistent with its agreed upon job parameters, Court orders and fee, according
11 to the deadlines set forth in this Settlement, to administer the Settlement, including,
12 *inter alia*, to tracking all undelivered mail, performing an address search for all mail
13 returned without a forwarding address, and promptly re-mailing the Class Notice to
14 Class Members as set forth herein. If the Class Notice is re-mailed, the Claims
15 Administrator will note for its own records the date and address of each such re-mailing
16 and so notify Class Counsel and Defendants' Counsel. The obligation to trace and
17 resend returned Class Notices shall cease after two mailings or thirty (30) calendar days
18 after the initial mailing, whichever occurs first. The Response Deadline will be
19 extended to the later of the original Response Deadline or fifteen (15) calendar days
20 after the re-mailing of a Class Notice in accordance with the Agreement.

21 4. The Settlement Administrator shall provide weekly status reports to
22 counsel for the Settling Parties, including: (a) the number of Class Notices that it has
23 mailed; (b) the number of objections, if any are received; (c) the number of disputes of
24 Compensable Weeks Worked, if any are received; and (c) the number of Requests for
25 Exclusion, if any are received.

26 5. No later than ten (10) business days after the Response Deadline, the
27 Settlement Administrator will provide Class Counsel and Defendants' counsel, a
28 declaration for filing with the Court in support of Plaintiff's motion for final approval

1 of the Settlement, setting forth its due diligence and compliance with its obligations
2 under this Settlement.

3 **K. Opt Outs and Objections To Settlement.**

4 Class Members are not required to sign a claim form to participate in the
5 Settlement. Class Members may opt out of the Settlement or submit objections to the
6 Settlement pursuant to the following procedures:

7 1. The Class Notice will provide that Class Members who do not want to
8 participate in the Settlement may exclude themselves by submitting a written request
9 seeking exclusion from the Settlement ("Request for Exclusion") to the Settlement
10 Administrator not later than forty-five (45) calendar days after the date that the
11 Settlement Administrator first mails the Class Notice ("Response Deadline"). A
12 Request for Exclusion must: (a) contain the full name, address, and last four digits of
13 the Social Security number of the person requesting exclusion; (b) be signed by the
14 person requesting to exclusion; (c) reference the Action by its name and case number;
15 and (d) contain a statement clearly indicating that the person submitting the request
16 seeks to be excluded from the Settlement. If the Request for Exclusion does not contain
17 the information listed in (a)-(d) or is not returned to the Settlement Administrator
18 postmarked by the Response Deadline, it will not be deemed timely and valid. The date
19 of the postmark on the return mailing envelope shall be the exclusive means used to
20 determine whether the Request for Exclusion has been timely submitted. Any Class
21 Members who submit a timely and valid Request for Exclusion will not be entitled to
22 any recovery under the Settlement and will not be bound by the terms of the Settlement
23 or have any right to object, appeal, or comment thereon. Class Members who fail to
24 submit a timely and valid Request for Exclusion shall be Class Members bound by all
25 terms of the Settlement and the contemplated Judgment if the Settlement is granted final
26 approval by the Court. No later than ten (10) business days after the Response Deadline,
27 the Settlement Administrator shall provide Defendants' Counsel with a complete list of
28 all Class Members who have submitted timely and valid Requests for Exclusion,

1 including their full name and Social Security number. Class Counsel shall be provided
2 with a summary report that includes only the number of Requests for Exclusion received
3 by the Settlement Administrator.

4 2. The Class Notice will provide that Participating Class Members (i.e., Class
5 Members who are not seeking to opt out of the Settlement) who wish to object to the
6 Settlement must file with the Court and Submit to the Settlement Administrator a
7 written statement objecting to the Settlement not later than the Response Deadline. The
8 written statement of objection must: (a) contain the full name, address, and last four
9 digits of the Social Security number of the Class Member; (b) be signed by the Class
10 Member; (c) reference the Action by its name and case number; (d) contain a statement
11 clearly indicating that the Class Member objects to the Settlement along with his or her
12 grounds for the objection; and (e) indicate whether the Class Member is represented by
13 legal counsel, identify any such legal counsel, and also indicate whether Class Member
14 or his/her counsel intends to appear at the Final Approval Hearing. If a Class Member
15 opts out of the Settlement s/he cannot object to the Settlement.

16 3. A Class Member who does not file and submit an objection in the manner
17 and by the Response Deadline specified above will be deemed to have waived all
18 objections and will be foreclosed from making any objections to the Settlement, whether
19 by appeal or otherwise.

20 4. If a Class Member who has timely filed an objection to the Settlement files
21 a Notice of Appeal of the contemplated Judgment within the time period prescribed by
22 law, Defendants shall not be required to fund any portion of the Maximum Settlement
23 Amount, and the Settlement Administrator shall not distribute or pay any monies until
24 the appeal(s) are finally resolved in favor of the Settlement or dismissed with prejudice.

25 **L. Resolution of Class Member Disputes Over Pay Periods.**

26 1. If a Class Member disputes the number of Pay Periods credited to him or
27 her, which will be stated in the Class Notice, the Class Member must submit a written
28 dispute to the Settlement Administrator, postmarked no later than the Response

1 Deadline. The dispute must: (a) contain the full name, address, and last four digits of
2 the Social Security number of the Class Member; (b) be signed by the Class Member;
3 (c) reference the Action by its name and case number; (d) contain a statement clearly
4 indicating that the Class Member disputes the number of Pay Periods that are credited
5 to him or her and the number of Pay Periods that the Class Member claims should be
6 credited to him or her; and (e) attach supporting documentation, if any, that they may
7 have. If such a dispute arises with respect to a Class Member, the Settlement
8 Administrator will inform Class Counsel and Defendants' Counsel, Defendants will
9 manually review its payroll and personnel records to verify the correct number of Pay
10 Periods for the disputing Class Member, Defendants' records shall have a rebuttable
11 presumption of correctness, and Defendants' Counsel and Class Counsel shall jointly
12 determine how the dispute should be resolved. If they are unable to jointly resolve the
13 dispute, the Settlement Administrator shall present the dispute for resolution by the
14 Court, by way of declaration to be filed in advance of the Final Approval Hearing. The
15 decision on the dispute will be non-appealable.

16 **M. No Solicitation of Objections or Requests for Exclusion.** Neither the
17 Settling Parties nor their respective counsel or management will solicit or otherwise
18 encourage any Class Member, directly or indirectly, to seek exclusion from the
19 Settlement, object to the Settlement, and/or appeal from the Judgment.

20 **N. Additional Briefing and Final Approval.**

21 1. As soon as practicable following the Response Deadline, Plaintiff will
22 move the Court for final approval of the Settlement and for an award of the Class
23 Representatives' Incentive Award and Class Counsel Fees and Expenses, pursuant to
24 and in accordance with the terms of this Settlement, with a memorandum in support of
25 the motion(s), which Defendants agrees it will not oppose so long as the motion(s) are
26 in all respects consistent with the terms of this Settlement. Not later than five (5) court
27 days before the Final Approval Hearing, the Settling Parties may file, jointly or
28 separately, a reply in support of the motion(s) or such other papers as may be necessary

1 or helpful to the Court regarding the subject matter of the motion(s).

2 2. Upon final approval of the Settlement by the Court at or after the Final
3 Approval Hearing, the Settling Parties will present a Judgment for the Court's approval
4 and entry, which will provide that the Court will have continuing jurisdiction over the
5 Action and the Settlement solely for purposes of: (i) enforcing this Settlement,
6 (ii) addressing any claims administration matters that may arise; and (iii) addressing
7 such post-Judgment matters as may be appropriate under court rules or applicable law.

8 **O. Options to Terminate Settlement.**

9 1. Any reduction in the Class Counsel Fees and Expenses, and/or any
10 reduction to the requested Class Representatives' Incentive Awards, does not constitute
11 grounds to terminate or void the Settlement.

12 2. Defendants have the option to terminate the Settlement no later than
13 twenty (20) calendar days after receiving notice that more than ten (10%) of the Class
14 Members seek exclusion from the Settlement. This option to cancel the Settlement must
15 be exercised by Defendants by providing written notice to Class Counsel within ten (10)
16 business days of counsel for Defendants receiving notification from the Settlement
17 Administrator that more than ten percent of the Class Members have submitted timely
18 and valid requests for exclusions from the Settlement. If Defendants exercise the option
19 to terminate the Settlement, then Defendants shall be responsible for paying all
20 settlement administration costs

21 3. Either Settling Party may terminate this Settlement by giving written
22 notice to the other Settling Party (through its counsel) no later than twenty (20) calendar
23 days after receiving notice that one of the following has occurred: (i) the Court declines
24 to enter the Preliminary Approval Order in substantially the form submitted by the
25 Parties; (ii) the Settlement does not become final because of any appellate court action;
26 or (iii) the Court's final approval of the Settlement is reversed or materially modified
27 on appellate review.

28

1 4. In the event of termination of this Settlement as provided above, this
2 Settlement will become and shall be considered null and void, and it will have the
3 following effects: (i) the Settling Parties will have no further obligations under the
4 Settlement; (ii) Defendants shall have no obligation to make any payments to any
5 person, party, Class Member or attorney that otherwise would have been owed under
6 this Settlement, except that in case of termination under Paragraph III (O)(2),
7 Defendants will pay the Settlement Administrator's reasonable fees and expenses
8 incurred as of the date that the Settlement is terminated; (iii) in case of termination under
9 Paragraph O.3, Plaintiff will pay 50% and Defendants will be 50% of the Settlement
10 Administrator's reasonable fees and expenses incurred as of the date that the Settlement
11 is terminated; (iv) the Settlement and all negotiations, statements and proceedings
12 relating thereto shall be without prejudice to the rights of any of the Settling Parties, all
13 of whom shall be restored to their respective positions in the Action prior to the
14 Settlement; and (v) neither this Settlement nor any ancillary documents, actions,
15 statements or filings in furtherance of settlement (including all matters associated with
16 the mediation) shall be admissible or offered into evidence in the Action or any other
17 case or proceeding for any purpose whatsoever.

18 5. Notice of the termination of the Settlement by a Settling Parties must
19 be provided to counsel for the other Settling Party in writing.

20 **P. Dispute Resolution.** Any disputes not resolved by the Settlement
21 Administrator or the Settling Parties will be resolved by the Court. Before any such
22 resort to the Court, counsel for the Settling Parties will confer in good faith in an attempt
23 to resolve the dispute.

24 **Q. Waiver of Right To Appeal.** Named Plaintiff agrees to waive all appeals
25 from the Court's Final Approval of this Settlement. Any reduction in the Class Counsel
26 Fees and Expenses, and/or any reduction to the requested Class Representatives
27 Incentive Awards, does not constitute grounds to terminate or void the Settlement.

1 **R. Release of Claims.**

2 1. Release of Claims By Participating Class Members. As of the Effective
3 Date and in exchange for the consideration provided by this Settlement, Class
4 Representative and Settlement Class Members (i.e., those Class Members who do not
5 submit a timely and valid request for exclusion from the Settlement), and by operation
6 of the contemplated final judgment shall have, fully, finally, and forever settled and
7 released Defendants and the Released Parties from all claims for wages, statutory and
8 civil penalties, damages and liquidated damages, interest, fees and costs that were
9 alleged in the Operative Complaint or that could have been alleged based on the factual
10 allegations in the Operative Complaint, under California law, as well as the Fair Labor
11 Standards Act ("FLSA"), during the Release Period including, but not limited to: (1)
12 failure to pay overtime compensation for all hours worked under California Law (Labor
13 Code sections 510, 558 and 1194) and in violation of the FLSA; (2) waiting time
14 penalties (violations of Labor Code sections 201-203); (3) wage statement violations
15 (Labor Code section 226); (4) unfair business practices; (5) meal period premiums (6)
16 penalties under the Private Attorney General Act (California Labor Code section 2698
17 et al for alleged violations of California Labor Code sections 201-203, 226, 226.3,
18 226.7, 510, 512, 558, 1194, 2699 et seq., or any applicable Wage Order); and (7) any
19 claim for attorneys' fees, costs or interest. Language will be added to the back of the
20 settlement check that specifically provides that by signing the settlement check the
21 Settlement Class Member is releasing all claims under the FLSA from May 30, 2016
22 through the date of preliminary approval.

23 2. Complete And General Release By Class Representatives. Class
24 Representative may hereafter discover facts in addition to or different from those she
25 now knows or believes to be true with respect to the subject matter of the Released
26 Claims, but upon the Effective Date, shall be deemed to have, and by operation of the
27 contemplated final judgment shall have, fully, finally, and forever settled and released
28 any and all of the Released Claims, whether known or unknown, suspected or

1 unsuspected, contingent or non-contingent, which now exist, or heretofore have existed,
2 upon any theory of law or equity now existing, including, but not limited to, conduct
3 that is negligent, intentional, with or without malice, or a breach of any duty, law or
4 rule, without regard to the subsequent discovery or existence of such different or
5 additional facts. In exchange for the consideration provided to him under the
6 Settlement, Class Representative shall, waive any and all rights he may have under Civil
7 Code section 1542, which reads as follows: "A general release does not extend to
8 claims that the creditor or releasing party does not know or suspect to exist in his or her
9 favor at the time of executing the release and that, if known by him or her, would have
10 materially affected his or her settlement with the debtor or released party".

11 **S. Publicity.**

12 1. Class Representative and Class Counsel agree not to issue a press release
13 or otherwise notify the media about the terms of the Settlement or advertise or market
14 any of the terms of the Settlement through written, recorded, or electronic
15 communications. In addition, Class Counsel will not put details about the settlement
16 on their website. Class Representative and Class Counsel further agree that if they are
17 contacted regarding this case by individuals who are not Class Members or who are not
18 the legal representatives of Class Members, they will state only that the lawsuit exists
19 and has been resolved. However, this will not prevent Class Counsel from undertaking
20 required submissions and disclosures that are required to obtain approval of the
21 Settlement, including and not limited to, submission of the Settlement to the LWDA in
22 conformity with the PAGA statute.

23 2. Nothing herein shall be interpreted as preventing any good-faith
24 communications by any Counsel and/or any Settling Parties with the Court, the Class
25 Members, or the Settlement Administrator.

26 **T. Fair, Adequate, And Reasonable Settlement.** This Settlement was
27 reached after extensive negotiations. The Settling Parties believe and agree that this
28 Settlement is a fair, adequate, and reasonable resolution of the Action and have arrived

1 at this Settlement in arms-length negotiations, taking into account all relevant factors,
2 present and potential, and will so represent it to the Court.

3 **U. No Admission Of Liability.** Defendants and the Released Parties deny
4 any and all alleged wrongdoing or the violation of any rights of the Class
5 Representatives and/or Class Members. By entering into this Settlement, Defendants
6 does not admit, and in fact specifically disclaims, the violation of any law or regulation.
7 This Settlement is entered into solely for the purpose of compromising highly disputed
8 claims. Nothing in this Settlement is intended or will be construed as an admission of
9 any liability or wrongdoing by Defendants, or as an admission by the Class Members
10 that any of their claims were non-meritorious or that any defense asserted by Defendants
11 was meritorious. This Settlement and the fact that the Settling Parties were willing to
12 settle the Action and have entered into this Settlement will have no bearing on, and will
13 not be admissible in connection with, any litigation, other than as is necessary to enforce
14 the terms of this Settlement.

15 **V. Miscellaneous Terms.**

16 1. Integrated Agreement. After it is signed and delivered by all Settling
17 Parties and their counsel, this Settlement and its exhibits will constitute the entire
18 agreement between the Settling Parties relating to the terms of Settlement, and will
19 supersede any prior or contemporaneous oral representations, warranties, covenants, or
20 inducements made to any Settling Party concerning this Settlement or its exhibits,
21 including the Settlement Terms.

22 2. Execution in Counterparts. This Settlement may be executed in one or
23 more counterparts and by facsimile or PDF version. All executed counterparts, and
24 each of them, will be deemed to be one and the same instrument, provided that counsel
25 for the Settling Parties will exchange between themselves original signed counterparts.
26 Any executed counterpart will be admissible in evidence to prove the existence and
27 contents of this Settlement.
28

1 any claim, or part of a claim, covered by this Settlement to a third-party.

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

6 To Class Counsel:

7 ROBERT STARR
8 ADAM ROSE
9 Emanuel Starr
10 FRONTIER LAW CENTER
11 23901 Calabasas Road, #2074
12 Calabasas, California 91302

13 SAM DONABEDIAN, Bar No. 304196
14 DONABEDIAN LAW
15 21550 Oxnard Street, 3rd Floor
16 Woodland Hills, California 91367

17 To Defendants:

18 Jody A. Landry, Esq.
19 LITTLER MENDELSON, P.C.
20 501 West Broadway, Suite 900
21 San Diego, California 92101

22 9. Cooperation in Drafting. The Settling Parties have cooperated in the
23 drafting and preparation of this Settlement. This Settlement will not be construed
24 against any Settling Party on the basis that the Settling Party was the drafter or
25 participated in the drafting.

26 **IT IS SO AGREED.**

27 Dated: 6-7-20-20

28 
VERONICA SMITH
Plaintiff

[signatures continue on next page]

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For Defendant Budget Rent A Car System, Inc.:

Paul Gallagher

Dated: 6/11/2020

Paul Gallagher
Assistant Secretary

For Defendant Avis Budget Group, Inc.:

Ed Linnen

Dated: 6/11/2020

Edward P. Linnen
Senior Vice President and Chief Human Resources Officer

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