

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement”) is reached by and between Plaintiff Angelica Velasquez, individually and on behalf of all members of the Settlement Class (defined below), and Defendant KDL Precision Molding Corp. (hereinafter “Defendant” or KDL). Plaintiff and Defendant are referred to herein collectively as the “Parties.” Plaintiff and the Settlement Class are represented by Scott M. Lidman, Elizabeth Nguyen, and Milan Moore of Lidman Law, APC and Paul K. Haines of Haines Law Group, APC (collectively, “Class Counsel”). Defendant is represented by Yvonne Arvanitis Fossati and Andrea R. Sitar of Jackson Lewis P.C.

On August 30, 2019, Plaintiff filed a Complaint against Defendant in Los Angeles County Superior Court, in the matter entitled *Angelica Velasquez v. KDL Precision Molding Corp.*, Case No. 19STCV30884 (the “Action”). On October 10, 2019, Plaintiff filed a First Amended Complaint in the Action (the operative pleading), alleging that Defendant is liable for the following claims: (i) failure to pay all minimum wages; (ii) failure to pay all overtime wages; (iii) failure to provide meal periods; (iv) failure to authorize and permit all rest periods; (v) failure to provide accurate, itemized wage statements under Labor Code section 226, and (vi) violation of California Business & Professions Code §17200, et. seq. Plaintiff further alleges that Defendant is liable for civil penalties pursuant to the Labor Code Private Attorneys General Act, Cal. Labor Code § 2698 et seq. (“PAGA”) as a result of the aforementioned alleged violations of the California Labor Code.

KDL denies all material allegations set forth in the Action and has asserted numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation, KDL desires to fully and finally settle all actual or potential claims by the Settlement Class (defined below).

Class Counsel in the Action, diligently investigated the proposed Settlement Class’ claims against KDL, KDL’ defenses, and the applicable law. The investigation included, *inter alia*, the informal exchange of information and data.

On May 21, 2020, the Parties participated in mediation before Steven J. Rottman, Esq. (the “Mediator”), a respected mediator of wage and hour class actions. After a full day of negotiations, the Parties reached an agreement and stipulated to the material terms of this Stipulation of Settlement.

The settlement discussions during and after mediation were conducted at arm’s-length and this Stipulation of Settlement is the result of an informed and detailed analysis of KDL’ potential liability of total exposure in relation to the costs and risks associated with continued litigation.

Based on the data produced pursuant to informal discovery, as well as Class Counsel’s own independent investigation and evaluation, and the Mediator’s efforts, Class Counsel believe that the settlement with KDL for the consideration and on the terms set forth in this Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the Settlement Class in light of all known facts and circumstances.

This Stipulation of Settlement is made and entered into by and between Plaintiff individually, and on behalf of all other members of the general public similarly situated, and

Defendant KDL, and is subject to the terms and conditions hereof, and to the Court's approval. The Parties expressly acknowledge that this Stipulation of Settlement is entered into solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by KDL. If for any reason this Stipulation of Settlement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

Accordingly, Plaintiff and Defendant agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, and not for purposes of class certification should the matter not be settled or for any other reason, the Parties stipulate and agree that the requisites for establishing class certification with respect to the following Settlement Class have been met:

All current and former non-exempt, hourly, employees of Defendant KDL Precision Molding Corp. who worked in California from August 30, 2015 through date of preliminary approval

The time period of August 30, 2015 through the date of preliminary approval shall be referred to herein as the "Class Period."

The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

2. **Amendment to Complaint.** In connection with the mediation, Defendant provided Plaintiff with time punch and pay data and other information relating to the members of the Settlement Class. That information was analyzed by Plaintiff, and the Parties negotiated this Settlement with the intention of resolving not only the claims asserted in the Complaint, but also a claim for failure to timely pay final wages upon separation of employment and claims under the Private Attorneys' General Act of 2004 ("PAGA") that could have been premised on the facts, claims, causes of action or legal theories described in the operative Complaint and Labor Code section 203. In light of the Settlement and as a condition thereof, the Parties stipulate for purposes of effectuating the terms of the Settlement only, as part of this Settlement and subject to Court approval, the filing by Plaintiff of a Second Amended Complaint which adds a claim for failure to timely pay final wages upon separation of employment under Labor Code section 203 and claims under the Private Attorneys' General Act of 2004 ("PAGA") that could have been premised on the facts, claims, causes of action or legal theories described in the operative Complaint and Labor Code section 203 and such claim will be resolved as part of and in conjunction with this Settlement. The Proposed Second Amended Complaint is attached to this Settlement as Exhibit A

3. **Release by Settlement Class Members and Plaintiff.** Plaintiff and every member of the Settlement Class (except those who opt out) will fully release and discharge Defendant, and all of

its past and present officers, directors, shareholders, managers, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and its respective successors and predecessors in interest, parent corporate entities, related companies, subsidiaries, affiliates, parents, insurers, divisions, concepts, related or affiliated companies, insurers, and attorneys (collectively the “Released Parties”), as follows:

- A. Settlement Class members will release all claims, demands, rights, liabilities and causes of action that were pled in any of the Complaints in the Action, or which could have been pled in any of the Complaints in the Action based on the factual allegations therein, that arose during the Class Period, with respect to the following claims: (a) failure to pay all minimum wages owed; (b) failure to pay all overtime wages owed; (c) failure to provide meal periods, or premium pay for non-compliant meal periods; (d) failure to authorize and permit rest periods, or premium pay for non-compliant rest periods; (e) failure to provide accurate, itemized wage statements; (f) failure to timely pay wages upon separation of employment; (g) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above; and (h) a claim under California Labor Code Private Attorneys General Act of 2004 that could have been premised on the facts, claims, causes of action or legal theories described above (collectively, “Released Claims”). The release period for the Released Claims shall be the same time period as the Class Period. The *res judicata* effect of the judgment will be the same as that of the Release.
- B. In light of the Class Representative Service Award, Plaintiff agrees to release, in addition to the Released Claims described above, all claims, whether known or unknown, under federal law or state law against the Released Parties. Notwithstanding the foregoing, Plaintiff understands that this release includes unknown claims, which includes waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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

Notwithstanding the foregoing, this waiver and release in this agreement does not apply to: (i) those rights as a matter of law that cannot be waived, including, but not limited to, workers’ compensation claims; (ii) rights or claims arising out of this Agreement after the date this Agreement is executed by Plaintiff and (iii) rights or claims arising of this Agreement. The Agreement in no way affects Plaintiff’s entitlement and/or benefits to be received by Plaintiff in workers’ compensation pursuant to the jurisdiction of workers’ compensation.

- C. The releases described herein shall be null and void if the Settlement is not fully funded.

4. **Gross Settlement Amount.** As consideration, Defendant agrees to pay a “Gross Settlement Amount” of Three Hundred Seventy-Five Thousand Dollars and Zero Cents (\$375,000.00) in full and complete settlement of the Action, as follows:
- A. The Parties have agreed to engage Phoenix Settlement Administrators (or a mutually agreeable alternative Settlement Administrator) as the “Settlement Administrator” to administer this Settlement.
 - B. The Gross Settlement Amount shall be deposited with the Settlement Administrator within thirty (30) calendar days of Final Approval (which, for this purpose, shall be defined as the date on which the Court enters an Order granting Final Approval of the Settlement Agreement) (“Final Approval Order”) if no objections to the Settlement are filed or if an objection is filed but is withdrawn prior to the Final Approval Order; or in the event there are written objections filed prior to the Final Approval hearing which are not thereafter withdrawn prior to the Final Approval Hearing, the later of the following events: (a) the day after the last day by which a notice of appeal of the Final Approval Order may be timely filed with the court of appeals; (b) if an appeal is filed and finally adjudicated by ruling, dismissal, denial or otherwise or the day after the last day for filing a request for further review of the appellate court’s decision passes and no further review is requested; (c) if an appeal is filed and there is final adjudication by ruling, dismissal, denial or otherwise by the appellate court and further review of the appellate court’s decision is requested, the day after the request for review is denied with prejudice and/or no further review of the order can be requested; or (d) review is accepted, the day the California Supreme Court affirms the settlement.
 - C. This is a non-reversionary settlement. The Gross Settlement Amount includes:
 - 1. All payments (including interest) to the Settlement Class;
 - 2. All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than Seven Thousand Dollars and Zero Cents (\$7,000.00);
 - 3. Up to Five Thousand Dollars and Zero Cents (\$5,000.00) for Plaintiff’s Class Representative Service Award, in recognition of her contributions to the Action and her service to the Settlement Class. In the event that the Court reduces or does not approve the requested Class Representative Service Award, Plaintiff shall not have the right to revoke this Settlement Agreement, and it will remain binding;
 - 4. Up to one-third of the Gross Settlement Amount in Class Counsel’s attorneys’ fees, plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than Thirty Thousand Dollars and Zero Cents (\$30,000.00). In the event that the Court reduces or does not approve the requested Class Counsel attorneys’ fees or costs, Class Counsel shall not

have the right to revoke this Settlement Agreement, and it will remain binding; and

5. Fifteen Thousand Dollars and Zero Cents (\$15,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Eleven Thousand, Two Hundred Fifty Dollars and Zero Cents (\$11,250.00) will be payable to the Labor & Workforce Development Agency (“LWDA”), and the remaining twenty-five percent (25%), or Three Thousand, Seven Hundred Fifty Dollars and Zero Cents (\$3,750.00), will be payable to certain Settlement Class members as the “PAGA Amount,” as described below.

- D. Defendant’s share of payroll taxes shall be paid by Defendant separately from, and in addition to, the Gross Settlement Amount.
 - E. **Escalator Clause.** Defendant represents that there are an estimated 11,200 workweeks worked by the 89 Settlement Class members during the Class Period. If the number of workweeks during the Class Period is more than 15% greater than this figure (i.e., if there are 12,880 or more workweeks), the Parties agree that the close of the Class Period and Release Period shall be the date on which the sum of all workweeks worked by Settlement Class members is 12,880 workweeks instead of the Class Period and Release Period closing on the date the Court enters preliminary approval. This calculation is based upon the records in Defendant’s possession, custody or control and includes all weeks worked regardless of how many hours or days a Settlement Class member worked in a given week.
5. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment (“Settlement Award”) from the Settlement. Settlement Awards will be determined and paid as follows:
 - A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel’s attorneys’ fees, Class Counsel’s costs and expenses, Plaintiff’s Class Representative Service Award, the Settlement Administrator’s fees and expenses for administration, and the amount designated as PAGA civil penalties payable to the LWDA. The remaining amount shall be known as the “Net Settlement Amount.”
 - B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member’s Settlement Award based on the following formula:
 1. Ninety Percent (90%) of the Net Settlement Amount shall be allocated to Settlement Class Members who worked during the Class Period, as follows: each participating Settlement Class member shall receive a proportionate settlement share based upon the number of workweeks worked during the Class Period, the numerator of which is the Settlement Class Member’s total workweeks worked during the Class Period, and the denominator of which

is the total workweeks worked by all Settlement Class Members who worked during the Class Period.

2. Five Percent (5%) of the Net Settlement Amount shall be designated as the “Wage Statement Amount.” Each participating Settlement Class member who was employed by Defendant at any time from August 30, 2018 until the date of preliminary approval, shall receive a portion of the Wage Statement Amount proportionate to the number of Workweeks worked during the period August 30, 2018 until the date of preliminary approval, the numerator of which is the Settlement Class member’s gross number of Workweeks worked during this period, and the denominator of which is the total number of Workweeks worked by all participating Settlement Class members during this period.
 3. Five Percent (5%) of the Net Settlement Amount shall be designated shall be designated as the “Waiting Time Penalty Amount.” Each participating Settlement Class member who was separated from employment with KDL at any time between August 30, 2016 through preliminary approval shall receive a portion of the Waiting Time Penalty Amount. The Waiting Time Penalty amount shall be divided equally between all Settlement Class members who were separated from their employment between August 30, 2016 through preliminary approval.
- C. PAGA Amount: Three Thousand, Seven Hundred Fifty Dollars and Zero Cents (\$3,750.00), of the Gross Settlement Amount has been designated as the “PAGA Amount” as described above. Each participating Settlement Class member who was employed by Defendant at any time from August 30, 2018 until the date of preliminary approval, shall receive a portion of the PAGA Amount proportionate to the number of Workweeks that he or she worked during the period of August 30, 2018 until the date of preliminary approval, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the participating Settlement Class member’s number of Workweeks worked during the time period from August 30, 2018 until the date of preliminary approval, and the denominator of which is the total number of Workweeks worked by all Settlement Class members who do not opt out of the Settlement during the time period of August 30, 2018 until the date of preliminary approval.
- D. Within ten (10) calendar days following Defendant’s deposit of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate Settlement Award amounts and provide the same to counsel for review and approval. Within seven (7) calendar days of approval by counsel for the Parties, the Settlement Administrator will prepare and mail Settlement Awards, less applicable taxes and withholdings, to participating Settlement Class members. The Settlement Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Defendant’s counsel.

- E. For purposes of calculating applicable taxes and withholdings, each Settlement Award shall be allocated as follows: sixty-seven percent (67%) as penalties and interest and thirty-three percent (33%) as wages. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed “wages” and IRS Forms 1099 for the amounts allocated as penalties and interest. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans. The Parties agree that Defendant is not providing any tax advice in connection with the Settlement or any payments to be made pursuant to this Settlement Agreement.
- F. Each member of the Settlement Class who receives a Settlement Award must cash that check within 120 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks were not cashed within 120 days after mailing will be delivered to the California State Controller’s Office – Unclaimed Property Fund in the name of the Settlement Class member.
- G. Neither Plaintiff nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.
- H. This Settlement Agreement shall become effective on the latter of (a) The Court’s final approval of the settlement if no objections by or on behalf of Class Members have been filed and not withdrawn; (b) the time for appeal has expired if an objection has been filed and no appeal has been filed or withdrawn; or (c) the final resolution of any appeal that has been filed (“Effective Date”).

6. **Attorneys’ Fees and Costs.** Defendant will not object to Class Counsel’s request for a total award of attorneys’ fees of one-third of the Gross Settlement Amount, which is currently estimated to be One Hundred and Twenty-Five Thousand Dollars and Zero Cents (\$125,000.00). Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00) from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court’s approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award allowed by the Court.

7. **Class Representative Service Award.** Defendant will not object to a request for Class Representative Service Award of up to Five Thousand Dollars and Zero Cents (\$5,000.00), for Plaintiff’s time and risk in prosecuting this case, and service to the Settlement Class. This award will be in addition to the Settlement Award as a Settlement Class member and shall be reported on

an IRS Form 1099 issued by the Settlement Administrator. In the event that the Court reduces or does not approve the requested Service Award, Plaintiff shall not have the right to revoke this Settlement, and it will remain binding.

8. **Amount of PAGA Payment not Material.** Any change in the requested PAGA civil penalties amount is not a material term of this Settlement Agreement. If the Court approves a lesser or greater amount than that requested, the other terms of this Settlement Agreement shall still remain in effect.

9. **Settlement Administrator.** Defendant will not object to the appointment of Phoenix Settlement Administrators, Inc. as Settlement Administrator. Defendant will not object to Plaintiff seeking permission to pay up to Seven Thousand Dollars and Zero Cents (\$7,000.00) for its services from the Gross Settlement Amount. The Settlement Administrator shall be responsible for establishing a Qualified Settlement Fund pursuant to Section 468B(g) of the Internal Revenue Service Code for the purpose of administering the Settlement and holding the various payments from Defendant comprising the Gross Settlement Amount, sending notices and for calculating Settlement Awards and preparing all checks and mailings, calculating Defendant's share of taxes payable on the wages, which shall be paid by Defendant separate and apart from the Gross Settlement Amount, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount by Class Counsel only after Settlement Awards have been mailed to all participating Settlement Class members.

10. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Scott M. Lidman, Elizabeth Nguyen, and Milan Moore of Lidman Law, APC and Paul K. Haines of Haines Law Group, APC as Class Counsel;
- C. Appointing Angelica Velasquez as Class Representative for the Settlement Class;
- D. Approving Phoenix Settlement Administrators, as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice and Notice of Settlement Award, drafts of which are attached hereto as Exhibits B, respectively), and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

11. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within thirty (30) calendar days after entry of an order preliminarily approving this Settlement Agreement, Defendant will provide the Settlement Administrator with the names, last known addresses, social security numbers, the dates of employment and the number of Workweeks worked by each Settlement Class member while employed during the Class Period (the “Class Data”). The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator.
- B. Within fifteen (15) business days from receipt of this information, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Award for each Settlement Class member; and (iv) mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice (the “Response Deadline”).
 - i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except a Request for Exclusion not containing a Class Member’s telephone number and/or last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon.
- D. Objections. Members of the Settlement Class who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendant’s counsel, as well as file all such objections with the Court). Defendant’s counsel and Class Counsel shall file any

responses to objections no later than the deadline to file the Motion for Final Approval. To be valid, any objection must: (1) contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than the Response Deadline.

- E. Notice of Settlement Award / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Settlement Award as well as all of the information that was used from Defendant's records in order to calculate the Settlement Award, including the Settlement Class member's number of Workweeks worked during the Class Period, and the total number of Workweeks worked by the Settlement Class members during the Class Period. Settlement Class members will have the opportunity, should they disagree with Defendant's records regarding the information stated in the Notice of Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Awards under the terms of this Settlement Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Award shall be binding upon the Settlement Class member and the Parties.
- F. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within three (3) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. It will be conclusively presumed that, if an envelope so mailed has not been returned within thirty (30) days of the mailing, the Settlement Class member received the Notice Packet. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to submit a Request for Exclusion, Objection, or dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. If a Settlement Class member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet shall not be mailed. Nothing else shall

be required of, or done by, the Parties, Class Counsel, or Defendant's Counsel to provide notice of the proposed settlement.

12. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiff's and Class Counsel's application for attorneys' fees and costs, Class Representative Service Award, and settlement administration costs; and
- C. Entering judgment pursuant to California Rule of Court 3.769.

13. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. In the event that: (a) the Court does not finally approve the settlement as provided herein; or (b) the settlement does not become final for any other reason, then this Stipulation of Settlement and any documents generated to bring it into effect, will be null and void. Any order or judgment entered by the Court in furtherance of this Stipulation of Settlement will likewise be treated as void from the beginning. The Parties agree that this Settlement Agreement remains protected by California Evidence Code Section 1152.

14. **Defendants Option to Terminate Settlement.** Defendant will have the option of voiding the agreement if more than 10% of the Settlement Class opts out of the settlement.

15. **Either Party's Option to Terminate the Settlement.** Subject to the obligation(s) of mutual full cooperation, either Party may terminate this Settlement if the Court: (1) enters an order denying Preliminary Approval with prejudice; (2) enters an order denying Final Approval; (3) declines to enter the final judgment in substantially the same form submitted by the Parties; or (4) the Final Approval Order and Judgment do become final because of appellate court action after all appeals have been exhausted. The terminating Party shall give to the other Party (through its counsel) written notice of its decision to terminate no later than ten (10) business days after receiving notice that one of the enumerated events has occurred. In the event the Settlement is terminated, KDL shall have no obligation to make any payments to any party, class member or attorney, except that the terminating Party shall pay the Claims Administrator for services rendered up to the date the Claims Administrator is notified that the settlement has been terminated.

16. **Acknowledgement that the Settlement is Fair, Reasonable, and Adequate.**

The Parties believe this Stipulation of Settlement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and

potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Agreement.

17. **Plaintiff's Waiver of Right to Be Excluded and Object.** Plaintiff agrees to sign this Stipulation of Settlement and, by signing this Stipulation of Settlement, is hereby bound by the terms herein. For good and valuable consideration, Plaintiff further agrees that she will not request to be excluded from this Stipulation of Settlement. Any such request for exclusion by Plaintiff will be void and of no force or effect.

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

19. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

20. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant: Yvonne Arvanitis Fossati and Andrea R. Sitar, Jackson Lewis, P.C.,
725 South Figueroa Street, Suite 2500, Los Angeles, CA 90017;
Yvonne.Fossati@jacksonlewis.com,
Andrea.Sitar@jacksonlewis.com

if to Plaintiff: Scott M. Lidman, Elizabeth Nguyen, and Milan Moore, Lidman
Law, APC, 2155 Campus Drive, Suite 150, El Segundo, California
90245; slidman@lidmanlaw.com, enguyen@lidmanlaw.com,
mmmore@lidmanlaw.com

Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive,
Suite 180, El Segundo, California 90245;
phaines@haineslawgroup.com

21. **Cooperation.** The Parties agree to work cooperatively, diligently and in good faith to ensure that all documents necessary to effectuate this Settlement are properly and timely filed.

22. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

23. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

24. **Confidentiality Provision.** Plaintiff, KDL and Class Counsel will keep the settlement confidential through preliminary approval and will not make any public disclosures of the settlement, except as required to obtain preliminary approval from the Court. Class Counsel will take all steps necessary to ensure Plaintiff is aware of, and will encourage him to adhere to, the restrictions against any public disclosure of the settlement until after the settlement is preliminarily approved by the Court. Thereafter, the Parties will agree not to have any communications with the media, make any comments to the media or otherwise publicize the terms of the settlement. Class Counsel will take all steps necessary to ensure Plaintiff is aware of, and will encourage him to adhere to, the restriction against any media comment on the settlement and its terms. Class Counsel further agree not to use the settlement of this Action or any of its terms for any marketing purpose.

DATED: 6.23.20

DEFENDANT KDL PRECISION MOLDING
CORR.

By: 
BEN BENSHAL (V.P.)

DATED: June 19, 2020

PLAINTIFF ANGELICA VELASQUEZ


By: 
Angelica Velasquez (Jun 19, 2020 11:00 PDT)

Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: June 24, 2020

JACKSON LEWIS P.C.

By: 
Yvonne Arvanitis Fossati
Andrea R. Sitar
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DATED: June 19, 2020

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DATED: June 19, 2020

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EXHIBIT A

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ANGELICA VELASQUEZ

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

ANGELICA VELASQUEZ, as an individual
and on behalf of all others similarly situated,

Plaintiff,

vs.

KDL PRECISION MOLDING CORP., a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No.: 19STCV30884

**SECOND AMENDED CLASS AND
REPRESENTATIVE ACTION
COMPLAINT:**

- (1) FAILURE TO PAY ALL MINIMUM
WAGES OWED (LABOR CODE §§
1194, 1194.2, 1197);**
- (2) FAILURE TO PAY ALL
OVERTIME WAGES OWED
(LABOR CODE §§ 204, 510, 558,
1194, 1198);**
- (3) FAILURE TO PROVIDE MEAL
PERIODS (LABOR CODE §§ 226.7,
512, 558);**
- (4) FAILURE TO AUTHORIZE AND
PERMIT REST PERIODS (LABOR
CODE §§ 226.7, 516, 558);**
- (5) FAILURE TO PROVIDE
ACCURATE, ITEMIZED WAGE**

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- ## DEMAND FOR JURY TRIAL UNLIMITED CIVIL CASE

1 Plaintiff Angelica Velasquez (“Plaintiff”), on behalf of herself and all others similarly
2 situated, hereby brings this Second Amended Class and Representative Action Complaint
3 (“SAC”) against KDL Precision Molding Corp., a California corporation and DOES 1 to 100,
4 inclusive (collectively “Defendants”), and on information and belief alleges as follows:

5 **JURISDICTION**

6 1. Plaintiff, on behalf of herself and all others similarly situated, hereby brings this
7 SAC for recovery of unpaid wages and penalties under California Business and Professions Code
8 § 17200 *et. seq.*, Labor Code §§ 201-203, 204, 226 *et seq.*, 226.7, 510, 512, 516, 558, 1194,
9 1194.2, 1197, 1198, 2698 *et seq.*, and Industrial Welfare Commission Wage Order 1 (“Wage
10 Order 1”), in addition to seeking declaratory relief and restitution. This SAC is brought pursuant
11 to California Code of Civil Procedure § 382. This Court has jurisdiction over Defendants’
12 violations of the California Labor Code because the amount in controversy exceeds this Court’s
13 jurisdictional minimum.

14 **VENUE**

15 2. Venue is proper in this judicial district pursuant to Cal. Code of Civ. Proc. §§
16 395(a) and 395.5, as at least some of the acts and omissions complained of herein occurred in the
17 County of Los Angeles. Defendants own, maintain offices, transact business, have agent(s)
18 within the County of Los Angeles, and/or otherwise are found within the County of Los Angeles,
19 and Defendants are within the jurisdiction of this Court for purposes of service of process.

20 **PARTIES**

21 3. Plaintiff is an individual over the age of eighteen (18). At all relevant times herein,
22 Plaintiff was and currently is, a California resident. During the four years immediately preceding
23 the filing of the lawsuit in this action and within the statute of limitations periods applicable to
24 each cause of action pled herein, Plaintiff was employed by Defendants as a non-exempt
25 employee. Plaintiff was, and is, a victim of Defendants’ policies and/or practices complained of
26 herein, lost money and/or property, and has been deprived of the rights guaranteed by Labor Code
27 §§ 201-203, 204, 226 *et seq.*, 226.7, 510, 512, 516, 558, 1194, 1194.2, 1197, 1198, 2698 *et seq.*,
28 and California Business and Professions Code § 17200 *et seq.* (“Unfair Competition Law”); and

1 Wage Order 1, which sets employment standards for the occupations in the manufacturing
2 industry, which includes the industry in which Plaintiff worked for Defendants.

3 4. Plaintiff is informed and believes, and based thereon alleges, that during the four
4 years preceding the filing of the lawsuit and continuing to the present, Defendants did (and
5 continue to do) business by, being a self-described quality producer of custom molded Silicone
6 rubber products.

7 5. Defendants employed Plaintiff and other, similarly-situated non-exempt
8 employees within, among other counties, Los Angeles County and the state of California and,
9 therefore, were (and are) doing business in Los Angeles County and the State of California.

10 6. Plaintiff does not know the true names or capacities, whether individual, partner,
11 or corporate, of the defendants sued herein as DOES 1 to 100, inclusive, and for that reason, said
12 defendants are sued under such fictitious names, and Plaintiff will seek leave from this Court to
13 amend this SAC when such true names and capacities are discovered. Plaintiff is informed, and
14 believes, and based thereon alleges, that each of said fictitious defendants, whether individual,
15 partners, or corporate, were responsible in some manner for the acts and omissions alleged herein,
16 and proximately caused Plaintiff and the Classes (as defined in Paragraph 19) to be subject to the
17 unlawful employment practices, wrongs, injuries and damages complained of herein.

18 7. Plaintiff is informed, and believes, and thereon alleges, that at all times mentioned
19 herein, Defendants were and are the employers of Plaintiff and all members of the Classes.

20 8. At all times herein mentioned, each of said Defendants participated in the doing
21 of the acts hereinafter alleged to have been done by the named Defendants; and furthermore, the
22 Defendants, and each of them, were the agents, servants, and employees of each and every one of
23 the other Defendants, as well as the agents of all Defendants, and at all times herein mentioned
24 were acting within the course and scope of said agency and employment. Defendants, and each
25 of them, approved of, condoned, and/or otherwise ratified each and every one of the acts or
26 omissions complained of herein.

27 9. At all times mentioned herein, Defendants, and each of them, were members of
28 and engaged in a joint venture, partnership, and common enterprise, and acting within the course

1 and scope of and in pursuance of said joint venture, partnership, and common enterprise. Further,
2 Plaintiff alleges that all Defendants were joint employers for all purposes of Plaintiff and all
3 members of the Classes.

4 **GENERAL FACTUAL ALLEGATIONS**

5 10. Plaintiff, a now former employee, was employed by Defendants as a non-exempt
6 employee from approximately 2009 to approximately June 3, 2019, at which time she began a
7 medical leave of absence. Effective May 3, 2020, Plaintiff separated her employment with
8 Defendants. During her employment with Defendants, Plaintiff worked at Defendants' facility
9 in Pacoima, California as an Assembler.

10 11. During her employment with Defendants, Plaintiff was generally scheduled to
11 work Monday through Thursday, 6:00 a.m. to 4:30 p.m. Defendants kept track of Plaintiff's time
12 worked by requiring Plaintiff to clock in and out using her fingerprint and typing in a code.

13 12. Throughout Plaintiff's employment with Defendants, Defendants would keep
14 track of Plaintiff's time worked and would unlawfully shave Plaintiff's work time and/or round
15 Plaintiff's work time such that Plaintiff would not be fully paid all wages she was rightfully owed.
16 Plaintiff was required to work before the start of her scheduled shift. Specifically, Plaintiff was
17 required to be at her workstation 5 minutes before the start of her scheduled shift and thus was
18 instructed to clock in 10 minutes before her shift. However, Defendants would not compensate
19 Plaintiff for such work time, instead paying her only for her scheduled shift time. So, although
20 Plaintiff was working under Defendants' direction and control, she was not properly compensated
21 for this additional work time. This time shaving/rounding practice utilized by Defendants was
22 not-even handed over time and would round and/or shave in Defendants' favor such that Plaintiff
23 was routinely underpaid for her time worked, including minimum wages. Further, Plaintiff and
24 other non-exempt employees often worked over eight hours in a day and/or 40 hours in a week,
25 and Defendants' policy and practice of failing to compensate them for all hours worked also
26 deprived them of all overtime wages owed.

27 13. Additionally, throughout Plaintiff's employment, she often worked in excess of 8
28 hours, and also often in excess of 10 hours, per shift. Despite working these overtime hours,

Defendants failed to pay Plaintiff one and one-half times her regular rate of pay, thereby depriving her of all overtime wages owed.

14. Throughout Plaintiff's employment with Defendants, Plaintiff was not provided all legally required meal periods due to Defendants' meal period policies and practices. Specifically, for at least a portion of the class period, Defendants did not require Plaintiff and other non-exempt employees to clock out for meal periods. Thus, Defendants would assume Plaintiff and other non-exempt employees were provided with a lawful meal period irrespective of whether such meal periods were not provided, whether they were provided after the end of the fifth hour of work, or whether they were less than 30 minutes in length. Further, Defendants had a policy and practice of staggering the meal periods for non-exempt employees, resulting Defendants providing non-exempt employees with a meal period after the start of their fifth hour of work. As a result, Plaintiff's and other non-exempt employees' meal periods were often late or otherwise unlawful. Additionally, although Plaintiff often worked in excess of 10.0 hours in a shift, Defendants failed to provide Plaintiff with the opportunity to take a second and timely meal period of at least 30 minutes in length as required by applicable law.

15. Although Plaintiff was not provided with all legally-compliant meal periods to which she was entitled, Defendants failed to compensate Plaintiff with the required meal period premium for each workday in which she experienced a meal period violation as mandated by Labor Code § 226.7. Upon information and belief during at least a portion of the class period, Defendants maintained no payroll code or other mechanism for the payment of meal period premium payments under Labor Code § 226.7 in the event that a legally compliant meal period was not provided to their non-exempt employees.

16. In addition, throughout Plaintiff's employment with Defendants, Plaintiff was not authorized and permitted to take all legally required and compliant rest periods due to Defendants' unlawful rest period policies and practices. Specifically, Defendants did not authorize and permit Plaintiff to take a 3rd rest period when she worked a shift in excess of 10.0 hours. This practice resulted in the failure by Defendants to authorize and permit legally compliant rest periods to Plaintiff and other non-exempt employees.

1 17. On those occasions when Plaintiff was not authorized and permitted to take all
2 legally-compliant rest periods to which she was entitled, Defendants failed to compensate
3 Plaintiff with the required rest period premium for each workday in which she experienced a rest
4 period violation as mandated by Labor Code § 226.7. Further, upon information and belief,
5 during at least a portion of the class period, Defendants maintained no payroll code or other
6 mechanism for paying rest period premiums when Defendants failed to provide a legally
7 compliant rest period.

8 18. As a result of Defendants' failure to pay all minimum and overtime wages, as well
9 as meal and rest period premium wages, Defendants maintained inaccurate payroll records and
10 issued inaccurate wage statements to Plaintiff. As a further result of Defendants' failure to pay
11 all meal and rest period premium wages, Defendants failed to timely pay all wages owed to
12 Plaintiff upon her separation of employment from Defendants.

13 **CLASS ACTION ALLEGATIONS**

14 19. **Class Definitions:** Plaintiff brings this action on behalf of herself and the
15 following Classes pursuant to § 382 of the Code of Civil Procedure:

- 16 a. The Minimum Wage Class consists of all of Defendants' current and former non-
17 exempt employees in California who were subjected to Defendants' timekeeping
18 policies and practices, during the four years immediately preceding the filing of
19 the lawsuit through the present.
- 20 b. The Overtime Class consists of all of Defendants' current and former non-exempt
21 employees in California who worked more than eight hours per day and/or forty
22 hours per week and were subjected to Defendants' timekeeping policies and
23 practices, during the four years immediately preceding the filing of the lawsuit
24 through the present.
- 25 c. The Meal Period Class consists of all of Defendants' current and former non-
26 exempt employees who: (i) worked at least one shift in excess of 5.0 hours; and/or
27 (ii) worked at least one shift in excess of 10.0 hours, during the four years
28 immediately preceding the filing of the lawsuit through the present.

1 d. The Rest Period Class consists of all of Defendants' current and former non-
2 exempt employees who worked at least one shift of 10.0 hours or more during the
3 four years immediately preceding the filing of the lawsuit through the present.

4 e. The Wage Statement Class consists of all members of the: (i) Minimum Wage
5 Class; (ii) Overtime Class; (iii) Meal Period Class; and/or (iv) Rest Period Class,
6 during the one year immediately preceding the filing of the lawsuit through the
7 present.

8 f. The Waiting Time Penalty Class consists of all members of the (i) Minimum Wage
9 Class; (ii) Overtime Class; (iii) Meal Period Class; and/or (iv) Rest Period Class
10 who separated their employment with Defendants during the three years
11 immediately preceding the filing of the lawsuit through the present.

12 g. The UCL Class consists of members of the: (i) Minimum Wage Class; (ii)
13 Overtime Class; (iii) Meal Period Class; (iv) Rest Period Class; (v) Wage
14 Statement Class; and (vi) Waiting Time Class.

15 20. Plaintiff reserves the right under Rule 3.765(b) of the California Rules of Court,
16 to amend or modify the description of the various classes with greater specificity or further
17 division into subclasses or limitation to particular issues.

18 21. **Numerosity/Ascertainability:** The members of the Classes are so numerous that
19 joinder of all members would be unfeasible and not practicable. The membership of the Classes
20 is unknown to Plaintiff at this time; however, it is estimated that the members of the Classes
21 number greater than one hundred (100) individuals. The identity of such membership is readily
22 ascertainable via inspection of Defendants' employment records.

23 22. **Common Questions of Law and Fact Predominate/Well Defined Community**
24 **of Interest:** There are common questions of law and fact as to Plaintiff and all other similarly
25 situated employees, which predominate over questions affecting only individual members. Those
26 common questions include, without limitation:

27 i. Whether Defendants' timekeeping policies and/or practices resulted in the failure
28 to properly compensate members of the Overtime and Minimum Wage Classes for

- 1 all hours actually worked;
- 2 ii. Whether Defendants violated the applicable Labor Code provisions including, but
- 3 not limited to §§ 510 and 1194 by requiring overtime work and not paying for said
- 4 work according to the overtime laws of the State of California;
- 5 iii. Whether Defendants provided all legally compliant meal periods to members of
- 6 the Meal Period Class pursuant to Labor Code §§ 226.7 and 512;
- 7 iv. Whether Defendants authorized and permitted all legally compliant rest periods to
- 8 members of the Rest Period Class pursuant to Labor Code §§ 226.7 and 516;
- 9 v. Whether Defendants furnished legally compliant wage statements to members of
- 10 the Wage Statement Class pursuant to Labor Code § 226;
- 11 vi. Whether Defendants policies and/or practices for the timing and amount of
- 12 payment of final wages to members of the Waiting Time Class at the time of their
- 13 separation of employment were lawful; and
- 14 vii. Whether Defendants engaged in unlawful, unfair, illegal, and/or deceptive
- 15 business practices by and through the wage and hour policies and practices
- 16 described above, and whether as a result Defendants owe the classes restitution.

17 **23. Predominance of Common Questions:** Common questions of law and fact

18 predominate over questions that affect only individual members of the Classes. The common

19 questions of law set forth above are numerous and substantial and stem from Defendants' policies

20 and/or practices applicable to each individual class member, such as Defendants' uniform

21 timekeeping, minimum wage payment, overtime wage payment, and meal and rest period policies

22 and practices. As such, the common questions predominate over individual questions concerning

23 each individual class member's showing as to their eligibility for recovery or as to the amount of

24 their damages.

25 **24. Typicality:** The claims of Plaintiff are typical of the claims of the Classes because

26 Plaintiff was employed by Defendants as a non-exempt employee in California during the

27 statute(s) of limitations period applicable to each cause of action pled in the lawsuit. As alleged

28 herein, Plaintiff, like the members of the Classes, was not provided all legally required minimum

1 and overtime wages, was not provided with all required meal periods, was not authorized and
2 permitted to take all required rest periods, did not receive meal and rest period premium wages
3 when she was not provided compliant meal and rest periods, was not provided with accurate,
4 itemized wage statements, and was not timely paid all wages upon separation of her employment.

5 25. **Adequacy of Representation:** Plaintiff is fully prepared to take all necessary steps
6 to represent fairly and adequately the interests of the members of the Classes. Moreover,
7 Plaintiff's attorneys are ready, willing and able to fully and adequately represent the members of
8 the Classes and Plaintiff. Plaintiff's attorneys have prosecuted and defended numerous wage-
9 and-hour class actions in state and federal courts in the past and are committed to vigorously
10 prosecuting this action on behalf of the members of the Classes.

11 26. **Superiority:** The California Labor Code is broadly remedial in nature and serves
12 an important public interest in establishing minimum working conditions and standards in
13 California. These laws and labor standards protect the average working employee from
14 exploitation by employers who have the responsibility to follow the laws and who may seek to
15 take advantage of superior economic and bargaining power in setting onerous terms and
16 conditions of employment. The nature of this action and the format of laws available to Plaintiff
17 and members of the Classes make the class action format a particularly efficient and appropriate
18 procedure to redress the violations alleged herein. If each employee were required to file an
19 individual lawsuit, Defendants would necessarily gain an unconscionable advantage since they
20 would be able to exploit and overwhelm the limited resources of each individual plaintiff with
21 their vastly superior financial and legal resources. Moreover, requiring each member of the
22 Classes to pursue an individual remedy would also discourage the assertion of lawful claims by
23 employees who would be disinclined to file an action against their former and/or current employer
24 for real and justifiable fear of retaliation and permanent damages to their careers at subsequent
25 employment. Further, the prosecution of separate actions by the individual class members, even
26 if possible, would create a substantial risk of inconsistent or varying verdicts or adjudications
27 with respect to the individual class members against Defendants herein; and which would
28 establish potentially incompatible standards of conduct for Defendants; and/or legal

determinations with respect to individual class members which would, as a practical matter, be dispositive of the interest of the other class members not parties to adjudications or which would substantially impair or impede the ability of the class members to protect their interests. Further, the claims of the individual members of the Classes are not sufficiently large to warrant vigorous individual prosecution considering all of the concomitant costs and expenses attending thereto. As such, the Classes identified in Paragraph 19 are maintainable as a Class under § 382 of the Code of Civil Procedure.

FIRST CAUSE OF ACTION

FAILURE TO PAY ALL MINIMUM WAGES OWED

(AGAINST ALL DEFENDANTS)

27. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

28. This cause of action is brought pursuant to Labor Code §§ 204, 558, 1194, 1197 and 1198 which provide that all non-exempt employees are entitled to all minimum wages for all hours worked, and provide a private right of action for the failure to pay all minimum wage compensation for all work performed.

29. At all times relevant herein, Defendants were required to properly compensate Plaintiff and the members of the Minimum Wage Class for all hours worked pursuant to California Labor Code §§ 1194, 1197 and 1198, and Wage Order 1. Wage Order 1, Section 4 requires an employer to pay to every employee on the established payday for the period involved not less than the applicable minimum wage for all hours worked in the payroll period. Defendants caused Plaintiff and the members of the Minimum Wage Class to work hours in a workweek but did not properly compensate Plaintiff and the members of the Minimum Wage Class at least minimum wages for such hours.

30. At all times relevant herein, Defendants lacked good faith and had no reasonable grounds for believing that their practices in failing to pay all minimum wages owed at the applicable rate was not a violation of any provision of the Labor Code relating to minimum wage, or an order of the Industrial Welfare Commission. Defendants therefore, in addition to owing minimum wages to Plaintiff and the members of the Minimum Wage Class, also owe liquidated

1 damages in an amount equal to the wages unlawfully unpaid, and interest thereon, pursuant to
2 Labor Code § 1194.2.

3 31. The foregoing practices and policies are unlawful and create entitlement to
4 recovery by Plaintiff and the members of the Minimum Wage Class in a civil action for the unpaid
5 amount of minimum wages owing, including interest thereon, as well as statutory penalties,
6 liquidated damages, civil penalties, and attorneys' fees and costs of suit, pursuant to Labor Code
7 §§ 204, 218.5, 218.6, 558, 1194, 1194.2, 1197, 1197.1 and 1198, Wage Order 1, California Code
8 of Civil Procedure § 1021.5 California Code of Civil Procedure § 1021.5, and Civil Code §§
9 3287(b) and 3289.

10 **SECOND CAUSE OF ACTION**

11 **FAILURE TO PAY ALL OVERTIME WAGES OWED**
12 **(AGAINST ALL DEFENDANTS)**

13 32. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

14 33. This cause of action is brought pursuant to Labor Code §§ 204, 510, 558, 1194
15 and 1198 which provide that all non-exempt employees are entitled to all overtime wages for all
16 overtime worked (hours in excess of 8 in one day and/or 40 in one week), and provide a private
17 right of action for the failure to pay all overtime compensation for overtime work performed.

18 34. At all times relevant herein, Defendants were required to properly compensate
19 Plaintiff and the members of the Overtime Class for all overtime hours worked pursuant to
20 California Labor Code §§ 510 and 1194, and Wage Order 1. Labor Code § 510 and Wage Order
21 1, Section 3 require an employer to pay an employee "one and one-half (1½) times the regular
22 rate of pay" for work in excess of 8 hours per workday and/or in excess of 40 hours per workweek.
23 Labor Code § 510 and Wage Order 1, Section 3 also require an employer to pay an employee
24 double the employee's regular rate for work in excess of 12 hours each workday and/or in excess
25 of 8 hours on the seventh consecutive day of work in the workweek. Defendants caused Plaintiff
26 and the members of the Overtime Class to work in excess of 8 hours in a workday and/or 40 hours
27 in a workweek but did not properly compensate Plaintiff and the members of the Overtime Class
28 at one and one-half their regular rate of pay for such hours.

35. The foregoing practices and policies are unlawful and create entitlement to recovery by Plaintiff and the members of the Overtime Class in a civil action for the unpaid amount of overtime premium owing, including interest thereon, as well as statutory penalties, civil penalties, and attorneys' fees and costs of suit, pursuant to Labor Code §§ 204, 218.5, 218.6, 510, 558, 1194 and 1198, Wage Order 1, California Code of Civil Procedure § 1021.5 California Code of Civil Procedure § 1021.5, and Civil Code §§ 3287(b) and 3289.

THIRD CAUSE OF ACTION

FAILURE TO PROVIDE MEAL PERIODS

(AGAINST ALL DEFENDANTS)

36. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

37. Plaintiff is informed and believes, and based thereon alleges, that Defendants failed in their affirmative obligation to provide all of their non-exempt employees in California, including Plaintiff and members of the Meal Period Class, with all legally compliant meal periods in accordance with the mandates of the California Labor Code and Wage Order 1, § 11. Despite Defendants' violations, Defendants did not pay an additional hour of pay to Plaintiff and members of the Meal Period Class at their respective regular rates of pay, in accordance with California Labor Code §§ 204, 210, 226.7, and 512.

38. As a result, Defendants are responsible for paying premium compensation for meal period violations pursuant to Labor Code §§ 226.7, 512, and 558, and Wage Order 1, including interest thereon, statutory penalties, civil penalties, and costs of suit.

FOURTH CAUSE OF ACTION

FAILURE TO AUTHORIZE AND PERMIT REST PERIODS

(AGAINST ALL DEFENDANTS)

39. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

40. Wage Order 1, § 12 and California Labor Code §§ 226.7, 516 and 558 establish the right of employees to be authorized and permitted to take a paid rest period of at least ten (10) minutes net rest time for each four (4) hour period worked, or *major fraction thereof*.

41. As alleged herein, Defendants failed to authorize and permit Plaintiff and members

1 of the Rest Period Class to take all required rest periods.

2 42. The foregoing violations create an entitlement to recovery by Plaintiff and
3 members of the Rest Period Class in a civil action for the unpaid amount of rest period premiums
4 owing, including interest thereon, statutory penalties, civil penalties, and costs of suit according
5 to California Labor Code §§ 226.7, 516, 558, and Civil Code §§ 3287(b) and 3289.

6 **FIFTH CAUSE OF ACTION**

7 **FAILURE TO PROVIDE ACCURATE, ITEMIZED WAGE STATEMENTS**
8 **(AGAINST ALL DEFENDANTS)**

9 43. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

10 44. Plaintiff is informed and believes, and based thereon alleges, that Defendants
11 knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Plaintiff
12 and members of the Wage Statement Class with complete and accurate wage statements with
13 respect to their actual regular and overtime hours worked, total gross wages earned, and total net
14 wages earned in violation of Labor Code § 226 *et seq.*

15 45. Defendants' failures in furnishing Plaintiff and members of the Wage Statement
16 Class with complete and accurate itemized wage statements resulted in actual injury, as said
17 failures led to, among other things, the non-payment of all earned overtime and minimum wages,
18 and meal and rest period premium wages, and deprived them of the information necessary to
19 identify the discrepancies in Defendants' reported data.

20 46. Defendants' failures create an entitlement to recovery by Plaintiff and members of
21 the Wage Statement Class in a civil action for all damages and/or penalties pursuant to Labor
22 Code § 226 *et seq.*, including statutory penalties, civil penalties, reasonable attorneys' fees, and
23 costs of suit according to California Labor Code § 226 *et seq.*

24 **SIXTH CAUSE OF ACTION**

25 **FAILURE TO TIMELY PAY ALL WAGES UPON SEPARATION**
26 **(AGAINST ALL DEFENDANTS)**

27 47. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

28 48. This cause of action is brought pursuant to Labor Code §§ 201-203, which require

1 an employer to pay all wages immediately at the time of separation of employment in the event
2 the employer discharges the employee or the employee provides at least 72 hours of notice of
3 their intent to quit. In the event the employee provides less than 72 hours of notice of their intent
4 to quit, said employee's wages become due and payable not later than 72 hours upon said
5 employee's last date of employment.

6 49. Plaintiff is informed and believes, and based thereon alleges, that Defendants
7 failed to timely pay Plaintiff and members of the Waiting Time Penalty Class all final wages due
8 to them at their separation from employment, including, unpaid minimum wages, overtime wages,
9 and meal and rest period premium wages.

10 50. Further, Plaintiff is informed and believes, and based thereon alleges, that as a
11 matter of uniform policy and practice, Defendants continue to fail to pay Plaintiff and members
12 of the Waiting Time Penalty Class all earned wages at the end of employment in a timely manner
13 pursuant to the requirements of Labor Code §§ 201-203.

14 51. Defendants' failure to pay all final wages was willful within the meaning of Labor
15 Code § 203. Defendants' willful failure to timely pay Plaintiff and the members of the Waiting
16 Time Penalty Class their earned wages upon separation from employment results in a continued
17 payment of wages up to thirty days from the time the wages were due.

18 52. Therefore, Plaintiff and members of the Waiting Time Penalty Class are entitled
19 to compensation pursuant to Labor Code section 203, plus reasonable attorneys' fees and costs of
20 suit.

21 **SEVENTH CAUSE OF ACTION**

22 **UNFAIR COMPETITION**

23 **(AGAINST ALL DEFENDANTS)**

24 53. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

25 54. Defendants have engaged and continue to engage in unfair and/or unlawful
26 business practices in California in violation of California Business and Professions Code § 17200
27 *et seq.*, by failing to properly pay all minimum and overtime wages, provide all required meal
28 periods and authorize and permit all required rest periods, or pay premium payments in lieu

1 thereof.

2 55. Defendants' utilization of these unfair and/or unlawful business practices deprived
3 Plaintiff and continues to deprive members of the Classes of compensation to which they are
4 legally entitled, constitutes unfair and/or unlawful competition, and provides an unfair advantage
5 over Defendants' competitors who have been and/or are currently employing workers and
6 attempting to do so in honest compliance with applicable wage and hour laws.

7 56. Because Plaintiff is a victim of Defendants' unfair and/or unlawful conduct alleged
8 herein, Plaintiff for herself and on behalf of the members of the Classes, seeks full restitution of
9 monies, as necessary and according to proof, to restore any and all monies withheld, acquired
10 and/or converted by Defendants pursuant to Business and Professions Code §§ 17203 and 17208.

11 57. The acts complained of herein occurred within the last four years immediately
12 preceding the filing of the lawsuit in this action.

13 58. Plaintiff was compelled to retain the services of counsel to file this court action to
14 protect her interests and those of the Classes, to obtain restitution and injunctive relief on behalf
15 of Defendants' current non-exempt employees, and to enforce important rights affecting the
16 public interest. Plaintiff has thereby incurred the financial burden of attorneys' fees and costs,
17 which she is entitled to recover under Code of Civil Procedure § 1021.5.

18 **EIGHTH CAUSE OF ACTION**

19 **LABOR CODE PRIVATE ATTORNEYS GENERAL ACT OF 2004**

20 **(AGAINST ALL DEFENDANTS)**

21 59. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

22 60. Defendants have committed several Labor Code violations against Plaintiff and
23 other aggrieved employees. Plaintiff, an "aggrieved employee" within the meaning of Labor Code
24 § 2698 *et seq.*, acting on behalf of herself and other aggrieved employees, brings this
25 representative action against Defendants to recover the civil penalties due to Plaintiff, the other
26 aggrieved employees, and the State of California according to proof pursuant to Labor Code §
27 558 and § 2699 (a) and (f) including, but not limited to: (1) \$100.00 for each initial violation for
28 each failure to pay each employee and \$200.00 for each subsequent violation or willful or

1 intentional violation pursuant to Labor Code § 210 for each failure to pay each employee, plus
2 25% of the amount unlawfully withheld; (2) \$250.00 for each initial violation and \$1,000.00 for
3 each subsequent violation pursuant to Labor Code § 226.3 per employee per pay period; (3)
4 \$50.00 for each initial violation and \$100.00 for each subsequent violation pursuant to Labor
5 Code § 558 per employee per pay period; and/or (4) \$100.00 for each initial violation and \$200.00
6 for each subsequent violation per employee per pay period for those violations of the Labor Code
7 for which no civil penalty is specifically provided, based on the following Labor Code violations:

- 8 a) Defendants violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to
9 pay Plaintiff and other aggrieved employees all overtime compensation earned;
- 10 b) Defendants violated Labor Code §§ 1194, 1194.2, and 1197 by failing to pay
11 Plaintiff and other aggrieved employees the statutory minimum wage for all
12 hours worked;
- 13 c) Defendants violated Labor Code §§ 226.7, 512, and 558 by failing to provide all
14 legally required meal periods and failing to pay meal period premiums to
15 Plaintiff and other aggrieved employees;
- 16 d) Defendants violated Labor Code §§ 226.7, 516, and 558 by failing to provide all
17 legally required and paid rest periods and failing to pay rest period premiums to
18 Plaintiff and other aggrieved employees;
- 19 e) Defendants violated Labor Code § 226 by failing to furnish Plaintiff and other
20 aggrieved employees with accurate and compliant itemized wage statements;
- 21 f) Defendants violated Labor Code § 204 by failing to pay Plaintiff and other
22 aggrieved employees all earned wages at least twice during each calendar month;
23 and
- 24 g) Defendants violated Labor Code § 1174 by failing to maintain accurate records
25 on behalf of Plaintiff and other aggrieved employees.

26 61. On August 30, 2019, Plaintiff notified Defendants via certified mail, and the
27 California Labor and Workforce Development Agency (“LWDA”) via e-mail, of Defendants’
28 violations of the California Labor Code and Plaintiff’s intent to bring a claim for civil penalties

1 under California Labor Code § 2698 *et seq.* with respect to violations of the California Labor
2 Code identified in Paragraph 60 (a)-(g). Now that sixty-five days have passed from Plaintiff
3 notifying Defendants of these violations, Plaintiff has exhausted her administrative requirements
4 for bringing a claim under the Labor Code Private Attorneys General Act with respect to these
5 violations.

6 62. Plaintiff was compelled to retain the services of counsel to file this court action to
7 protect her interests and the interests of other aggrieved employees, and to assess and collect the
8 civil penalties owed by Defendants. Plaintiff has thereby incurred attorneys' fees and costs,
9 which she is entitled to receive under California Labor Code § 2699.

10 **PRAYER**

11 WHEREFORE, Plaintiff prays for judgment for herself and for all others on whose behalf
12 this suit is brought against Defendants, as follows:

- 13 1. For an order certifying the proposed Classes;
- 14 2. For an order appointing Plaintiff as representative of the Classes;
- 15 3. For an order appointing Counsel for Plaintiff as Counsel for the Classes;
- 16 4. Upon the First Cause of Action, for payment of minimum wages, liquidated
17 damages, and penalties according to proof pursuant to Labor Code §§ 1194, 1194.2 and 1197;
- 18 5. Upon the Second Cause of Action, for compensatory, consequential, general and
19 special damages according to proof pursuant to Labor Code §§ 204, 510, 558, 1194, and 1198;
- 20 6. Upon the Third Cause of Action, for compensatory, consequential, general and
21 special damages according to proof pursuant to Labor Code §§ 226.7, 512, and 558;
- 22 7. Upon the Fourth Cause of Action, for compensatory, consequential, general and
23 special damages according to proof pursuant to Labor Code §§ 226.7, 516, and 558;
- 24 8. Upon the Fifth Cause of Action, for statutory wage statement penalties pursuant
25 to Labor Code § 226 *et seq.*;
- 26 9. Upon the Sixth Cause of Action, for statutory waiting time penalties pursuant to
27 Labor Code § 203;
- 28 10. Upon the Seventh Cause of Action, for restitution to Plaintiff and members of the

1 Class of all money and/or property unlawfully acquired by Defendants by means of any acts or
2 practices declared by this Court to be in violation of Business and Professions Code § 17200 *et*
3 *seq.*;

4 11. Upon the Eighth Cause of Action, for civil penalties due to Plaintiff, other
5 aggrieved employees, and the State of California according to proof pursuant to Labor Code §§
6 558 and 2699(a) and (f) including, but not limited to: (1) \$100.00 for each initial violation for
7 each failure to pay each employee and \$200.00 for each subsequent violation or willful or
8 intentional violation pursuant to Labor Code § 210 for each failure to pay each employee, plus
9 25% of the amount unlawfully withheld; (2) \$250.00 for each initial violation and \$1,000.00 for
10 each subsequent violation pursuant to Labor Code § 226.3 per employee per pay period; (3)
11 \$50.00 for each initial violation and \$100.00 for each subsequent violation pursuant to Labor
12 Code § 558 per employee per pay period; and/or (4) \$100.00 for each initial violation and \$200.00
13 for each subsequent violation per employee per pay period for those violations of the Labor Code
14 for which no civil penalty is specifically provided, based on the Labor Code violations cited in
15 Paragraph 60 (a)-(g) above;

16 12. Prejudgment interest on all due and unpaid wages pursuant to California Labor
17 Code § 218.6 and Civil Code §§ 3287 and 3289;

18 13. On all causes of action, for attorneys' fees and costs as provided by Labor Code §
19 218.5 and Code of Civil Procedure § 1021.5 and all other applicable statutes; and

20 14. For such other and further relief the Court may deem just and proper.

21
22 Dated: August __, 2020

Respectfully submitted,
LIDMAN LAW, APC

23
24 By: _____

Scott M. Lidman
Elizabeth Nguyen
Milan Moore
Attorneys for Plaintiff
ANGELICA VELASQUEZ

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Dated: August __, 2020

By: _____
 Scott M. Lidman
 Elizabeth Nguyen
 Milan Moore
 Attorneys for Plaintiff
 ANGELICA VELASQUEZ

EXHIBIT B

EXHIBIT B

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

ANGELICA VELASQUEZ,
Plaintiff,

vs.

KDL PRECISION MOLDING CORP., a
California corporation; and Does 1 through
100,

Defendants.

Case No. 19STCV30884

**NOTICE OF PENDENCY OF CLASS
ACTION AND PROPOSED
SETTLEMENT**

To: All current and former non-exempt, hourly, employees of Defendant KDL Precision Molding Corp. ("Defendant" or "KDL") who worked in California from August 30, 2015 through **[INSERT DATE OF PRELIMINARY APPROVAL OR CLOSE OF CLASS PERIOD]**. Collectively, these employees will be referred to as "Settlement Class members."

**PLEASE READ THIS NOTICE CAREFULLY
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**

Why should you read this notice?

The Court has granted preliminary approval of a proposed class action settlement (the "Settlement") in *Angelica Velasquez v. KDL Precision Molding Corp.*, Case No. 19STCV30884 (the "Lawsuit"). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

You may be entitled to money from this Settlement. KDL's records show that you were employed by KDL as a non-exempt, hourly employee in California between August 30, 2015 and **[INSERT DATE OF PRELIMINARY APPROVAL OR CLOSE OF CLASS PERIOD]** (the "Class Period"). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Angelica Velasquez ("Plaintiff") brought this Lawsuit against KDL, seeking to assert claims on behalf of a class of current and former non-exempt employees who worked for KDL in California from August 30, 2015 and **[INSERT DATE OF PRELIMINARY**

APPROVAL OR CLOSE OF CLASS PERIOD]. Plaintiff is known as the “Class Representative,” and her attorneys, who also represent the interests of all Settlement Class members, are known as “Class Counsel.”

The Lawsuit alleges that KDL failed to pay Settlement Class members all minimum wages, failed to pay Settlement Class Members all wages (minimum wages and overtime wages), failed to provide to Settlement Class members all required meal periods, and failed to authorize and permit Settlement Class members to take all required rest periods, and failed to timely pay all final wages due upon separation from employment. As a result of the foregoing alleged violations, Plaintiff also alleges that KDL failed to provide accurate, itemized wage statements and also engaged in unfair business practices.

KDL denies the allegations in the Lawsuit and contends that it complied with all applicable laws governing hours worked and meals and rest breaks. KDL denies that it owes Settlement Class members any wages, restitution, penalties, or other damages. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of KDL, which expressly denies all liability.

The Court has not ruled on the merits of Plaintiff’s claims. Ms. Velasquez and KDL entered into settlement discussions to attempt to resolve the claims in their case. After KDL provided relevant information to Class Counsel, the Settlement was reached on May 21, 2020 at mediation.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to KDL, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with litigation.

KDL has denied, and continues to deny the factual and legal allegations in the Lawsuit and believes that the claims have no merit. By agreeing to settle, KDL is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. KDL has agreed to settle the case solely for economic efficiency.

If you are still employed by KDL, your decision about whether to participate in the Settlement will not affect your employment. California law and KDL’s policies strictly prohibit unlawful retaliation. KDL will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class member because of the Settlement Class member’s decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for the Plaintiff/Settlement Class Members: LIDMAN LAW, APC	Attorneys for KDL Precision Molding Corp.: JACKSON LEWIS P.C. Yvonne Arvanitis Fossati Yvonne.Fossati@jacksonlewis.com
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<p>Scott M. Lidman slidman@lidmanlaw.com Elizabeth Nguyen enguyen@lidmanlaw.com Milan Moore mmoore@lidmanlaw.com 2155 Campus Drive, Suite 150 El Segundo, California 90245 Tel: (424) 322-4772 Fax: (424) 322-4775 www.lidmanlaw.com</p> <p>HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 www.haineslawgroup.com</p>	<p>Andrea R. Sitar Andrea.Sitar@jacksonlewis.com 725 South Figueroa Street, Suite 2500 Los Angeles, California 90017 Tel: (213) 689-0404 Fax: (213) 689-0430 www.jacksonlewis.com</p>
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What are the terms of the Settlement?

On **[INSERT DATE OF PRELIMINARY APPROVAL]**, the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt, hourly employees who worked for KDL in California at any time from August 30, 2015 through **[INSERT DATE OF PRELIMINARY APPROVAL OR CLOSE OF CLASS PERIOD]**. Settlement Class members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against KDL as described below.

KDL has agreed to pay \$375,000.00 (the “Gross Settlement Amount”) to fully resolve all claims in the Lawsuit, including payments to Settlement Class members, attorneys’ fees and expenses, payment to the Labor Workforce Development Agency (“LWDA”), settlement administration costs, and the Class Representative’s Service Award. KDL’s share of payroll taxes associated with any wage payments to Settlement Class members shall be paid by KDL separately from, and in addition to, the Gross Settlement Amount.

The following deductions from the Gross Settlement Amount will be requested by the parties:

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the “Settlement Administrator,” who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has

approved setting aside up to \$7,000 from the Gross Settlement Amount to pay the Settlement administration costs.

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Lawsuit on behalf of the Settlement Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Gross Settlement Amount. Settlement Class members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for fees of up to one-third of the Gross Settlement Amount, which is estimated to be \$125,000.00, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$30,000.00 for verified costs Class Counsel incurred in connection with the Lawsuit.

Service Award to Class Representative. Class Counsel will ask the Court to award the Class Representative a service award in the amount of \$5,000.00, to compensate him for her service and extra work provided on behalf of the Settlement Class members.

LWDA Payment. Class Counsel will ask the Court to approve a payment in the total amount of \$15,000.00 as and for alleged civil penalties, payable pursuant to the California Labor Code Private Attorney General Act ("PAGA"). Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or \$11,250.00 will be payable to the LWDA, and the remaining twenty-five percent (25%), or \$3,750.00, will be payable to certain Settlement Class members as the "PAGA Amount," as described below.

Calculation of Individual Settlement Class Members' Settlement Award. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount ("NSA"), which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion (described below). The NSA is estimated at approximately \$ [REDACTED], to be shared among an estimated 89 Settlement Class members. The NSA will be divided as follows:

- (i) Ninety Percent (90%) of the Net Settlement Fund shall be allocated to Settlement Class Members who worked during the Class Period, as follows: Each participating Settlement Class member shall receive a proportionate settlement share based upon the number of workweeks worked during the Class Period, the numerator of which is the Settlement Class Member's individual total workweeks worked during the Class Period, and the denominator of which is the total workweeks worked by all Settlement Class Members who worked during the Class Period.
- (ii) Five Percent (5%) of the Net Settlement Amount shall be designated as the "Wage Statement Amount." Each participating Settlement Class member who was employed by Defendant at any time from August 30, 2018 to [INSERT DATE OF PRELIMINARY APPROVAL], shall receive a portion of the Wage Statement Amount proportionate to the number of

Workweeks worked during the period August 30, 2018 to **[INSERT DATE OF PRELIMINARY APPROVAL]**, the numerator of which is the Settlement Class member's individual total workweeks worked during this period, and the denominator of which is the total workweeks worked by all participating Settlement Class members during this period.

- (iii) Five Percent (5%) of the Net Settlement Amount shall be designated shall be designated as the "Waiting Time Penalty Amount." Each participating Settlement Class member who was separated from employment with KDL at any time between August 30, 2016 through to **[INSERT DATE OF PRELIMINARY APPROVAL]** shall receive a portion of the Waiting Time Penalty Amount. The Waiting Time Penalty amount shall be divided equally between all Settlement Class members who were separated from their employment between August 30, 2016 and **[INSERT DATE OF PRELIMINARY APPROVAL]**.
- (iv) In addition, Three Thousand, Seven Hundred Fifty Dollars and Zero Cents (\$3,750.00) of the Gross Settlement Amount has been designated as the "PAGA Amount" as described above. Each participating Settlement Class member who was employed by Defendant at any time from August 30, 2018 to **[INSERT DATE OF PRELIMINARY APPROVAL]**, shall receive a portion of the PAGA Amount proportionate to the number of workweeks that he or she worked during the period of August 30, 2018 to **[INSERT DATE OF PRELIMINARY APPROVAL]**, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the participating Settlement Class members' individual total workweeks worked during the time period from August 30, 2018 to **[INSERT DATE OF PRELIMINARY APPROVAL]**, and the denominator of which is the total number of workweeks worked by all Settlement Class members who do not opt out of the Settlement during the time period of August 30, 2018 to **[INSERT DATE OF PRELIMINARY APPROVAL]**.

Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Settlement Awards will be mailed to all Settlement Class members who did not submit a valid and timely Request for Exclusion.

Payment by KDL of Gross Settlement Amount. The Gross Settlement Amount shall be deposited with the Settlement Administrator within thirty (30) calendar days of the "Effective Date" which is defined as the later of the following events: (a) the Court's final approval of the Settlement if no objections by or on behalf of Settlement Class members have been filed and not withdrawn; (b) the time for appeal has expired if an objection has been filed and no appeal has been filed or withdrawn; or (c) the final resolution of any appeal that has been filed.

Within ten (10) calendar days following KDL's deposit of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate Settlement Award amounts and provide the same to counsel for the Parties for review and approval.

Within seven (7) calendar days of approval by counsel for the Parties, the Settlement Administrator will prepare and mail Individual Settlement Awards, less applicable taxes and withholdings, to participating Settlement Class members.

Allocation and Taxes. For tax purposes, each Settlement Award shall be allocated as follows: 67% as penalties and interest; and 33% as wages. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed “wages” and IRS Forms 1099 for the amounts allocated as penalties and interest. Settlement Class members are responsible for the proper income tax treatment of the Individual Settlement Awards. The Settlement Administrator, KDL and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, the Settlement Class, and each Settlement Class member who has not submitted a timely and valid Request for Exclusion, will release KDL, and all of its past and present officers, directors, shareholders, managers, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and its respective successors and predecessors in interest, parent corporate entities, related companies, subsidiaries, affiliates, parents, insurers, and attorneys, (collectively the “Released Parties”), from all claims, demands, rights, liabilities and causes of action that were pled in any of the Complaints in the Action, or which could have been pled in any of the Complaints in the Action based on the factual allegations therein, that arose during the Class Period, with respect to the following claims: (a) failure to pay all overtime wages; (b) failure to pay all minimum wages; (c) failure to provide meal periods; (d) failure to authorize and permit all rest periods (e) failure to provide accurate itemized wage statements; (f) failure to timely pay wages upon separation of employment; (g) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above; and (h) claims under the California Labor Code Private Attorneys General Act of 2004 that were, have, or could have been premised on the facts, claims, causes of action or legal theories described above (collectively, the “Released Claims”).

The Parties acknowledge that under the release, the right of the LWDA to investigate the released PAGA claims is not released, but Released Claims do include any claims for penalties by a Class Member as a result of any such LWDA investigation, and Class Members are waiving their right to act as a private attorney general as to the Released Claims.

The Release shall be null and void if the Settlement is not fully funded. The time period of the Release shall be the same time period as the Class Period.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of individual workweeks you worked during the Class Period (as explained above), and as stated in the accompanying Notice of Settlement Award. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Settlement Award. Your award is based on the proportionate number of workweeks you worked during the Class Period, and also whether you have worked between August 30, 2015 and **[INSERT DATE OF PRELIMINARY APPROVAL OR CLOSE OF CLASS PERIOD]**. The information contained in KDL's records regarding all of these factors, along with your estimated Settlement Award, is listed on the accompanying Notice of Settlement Award. If you disagree with the information in your Notice of Settlement Award, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Settlement Award. Any disputes, along with supporting documentation, must be postmarked no later than **<<RESPONSE DEADLINE>>**. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. The Settlement Administrator's decision regarding any dispute will be final.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a written "Request for Exclusion from the Class Action Settlement" letter or card postmarked no later than **<<RESPONSE DEADLINE>>**, with your name, address, telephone number, last four digits of your social security number, and your signature. The Request for Exclusion should state:

"I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE VELASQUEZ V. KDL LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT."

Send the Request for Exclusion directly to the Settlement Administrator at **<<INSERT ADMINISTRATOR CONTACT INFO>>**. Any person who files a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class member, shall be barred from participating in any portion of the Settlement, and shall receive no benefits from the Settlement. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you must mail a written objection to the Settlement Administrator. Your written objection must include your name, address, as well as contact information for any attorney representing you regarding your objection, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection together with any evidence in support of your objection. Objections must be in writing and must be postmarked on or before <<RESPONSE DEADLINE>>.

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department SSC-11 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012. You have the right to appear either in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before <<RESPONSE DEADLINE>>. All objections or other correspondence must state the name and number of the case, which is *Angelica Velasquez v. KDL Precision Molding Corp.*, Los Angeles County Superior Court Case No. 19STCV30884.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department SSC-11 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Service Award to the Class Representative. The Final Approval Hearing may be postponed without further notice to Settlement Class members. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.**

The Court's final judgment will be posted on the Settlement Administrator's website (<http://www. .com>).

How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Los Angeles County Superior Court, located at 111 North Hill Street, Los Angeles, California 90012, during regular court hours. You may also contact Class Counsel using the contact information listed above for more information.

**PLEASE DO NOT CALL OR WRITE THE COURT, KDL, OR ITS ATTORNEYS FOR
INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS**

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is **<<RESPONSE DEADLINE>>**. These deadlines will be strictly enforced.

BY ORDER OF THE COURT ENTERED ON <<PRELIM APPROVAL DATE>>.

NOTICE OF INDIVIDUAL SETTLEMENT AWARD

ANGELICA VELASQUEZ V. KDL PRECISION MOLDING CORP.
LOS ANGELES COUNTY SUPERIOR COURT CASE NO. 19STCV30884

Please complete, sign, date and return this form to _____ <<ADMINISTRATOR CONTACT INFO>> ONLY IF (1) your personal contact information has changed, and/or (2) you wish to dispute any of the items listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

(III) Information Used to Calculate Your Individual Settlement Award:

According to KDL Precision Molding Corp. ("KDL"):

- (a) You were employed by KDL and worked a total of [] workweeks during the time period August 30, 2015 through [date of preliminary approval or close of class period]; and
- (b) You were employed by KDL and worked a total of [] workweeks during the time period August 30, 2015 through [date of preliminary approval or close of class period].
- (c) Your employment with KDL [was/was not] separated between August 30, 2016 through [date of preliminary approval or close of class period].

Based on the above, your Individual Settlement Award is estimated to be \$ [].

(IV) If you disagree with the information contained in Section (III) above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this form:

If you dispute the above information from KDL's records, KDL's records will control unless you are able to provide documentation that establishes that KDL's records are mistaken. If there is a dispute about whether KDL's information or yours is accurate, and the dispute cannot be resolved informally, the dispute will be resolved by the Parties and the Settlement Administrator as described in the "Notice of Pendency of Class Action and Proposed Settlement" that accompanies this Form. Any unresolved disputes will be submitted to the Court for a final determination.

ANY DISPUTES, ALONG WITH ANY SUPPORTING DOCUMENTATION, MUST BE POSTMARKED NO LATER THAN <<RESPONSE DEADLINE>>.