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13	Attorneys for Plaintiff SONIA ESPARZA, on behalf of herself and others similarly situated				
14	SUPERIOR COUR	T OF THE STATE OF CALIFORNIA			
15	COUNTY OF VENTURA				
16					
17 18	SONIA ESPARZA, individually, and on behalf of other members of the general public similarly	Case No. 56-2019-00534733-CU-OE-VTA (Consolidated with 56-2019-00537685-CU-OE-VTA)			
19	situated,	CLASS ACTION			
20	Plaintiffs, vs.	JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT			
21	FLORAL SUPPLY SYNDICATE,	Complaint Filed: October 11, 2019			
22		Assigned To: Hon. Matthew P. Guasco			
	LLC, a California limited liability company; and DOES 1 through	Department: 20			
23	company; and DOES 1 through 100, inclusive,				
23 24	company; and DOES 1 through	Department: 20			
	company; and DOES 1 through 100, inclusive, Defendants.	Department: 20			
24	company; and DOES 1 through 100, inclusive, Defendants. This Joint Stipulation of Class	Department: 20 Trial Date: Not Set.			
24 25	company; and DOES 1 through 100, inclusive, Defendants. This Joint Stipulation of Class is made and entered into by and be	Department: 20 Trial Date: Not Set. Action and PAGA Settlement ("Settlement Agreement"			

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The following definitions are applicable to this Settlement Agreement.

Definitions contained elsewhere in this Settlement Agreement will also be effective:

- "Action" means the class and representative action entitled Sonia Esparza vs. Floral Supply Syndicate, LLC, Ventura County Superior Court Case No. 56-2019-00534733-CU-OE-VTA and Sonia Esparza vs. Floral Supply Syndicate, LLC, Ventura County Superior Court Case No. 56-2019-00537685-CU-OE-VTA (which was consolidated on February 7, 2020 with the October 11, 2019 complaint filed by Plaintiff against Defendant Floral Supply Syndicate, LLC, for penalties under the Private Attorneys General Act for: (1) Failure to Pay Overtime in violation of Labor Code §§ 510 and 1198; (2) Failure to Provide Meal Periods in violation of Labor Code §§ 226.7 and 512(a); (3) Failure to Provide Rest Periods in violation of Labor Code § 226.7; (4) Failure to Pay Minimum Wages in violation of Labor Code §§ 1194, 1197 and 1197.1; (5) Failure to Timely Pay Wages Upon Termination in accordance with Labor Code §§ 201 and 202; (6) Failure to Timely Pay Wages During Employment in accordance with Labor Code §204; (7) Failure to Provide Complete and Accurate Wage Statement in accordance with Labor Code §226(a); (8) Failure to Keep Complete and Accurate Payroll Records in accordance with Labor Code §1174(d); (9) Failure to Reimburse Necessary Business-Related Expenses and Costs in accordance with Labor Code §§ 2800 and 2802; (10) Violation of California Business and Professions Code §§ 17200, et seq.; and (11) Violation of Labor Code § 2699, et seq.
- 2. "Attorneys' Fees and Expenses" means the Court-approved attorneys' fees for Class Counsel's litigation and resolution of the Action, in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount, and the Court-approved costs incurred by Class Counsel in connection with this Action, in an amount not exceed One Hundred Sixty-Six Thousand Two Hundred Fifty Dollars (\$166,250).
- 3. "Class Counsel" means Edwin Aiwazian, Arby Aiwazian, and Joanna Ghosh of Lawyers *for* Justice, PC.

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- 4. "Class List" means a complete list of all Class Members that Defendant shall in good faith compile from its records and shall be authorized by the Court to transmit in a secured manner to the Settlement Administrator. Defendant shall transmit the Class List as a Microsoft Office Excel file and will include the following information: each Class Member's full name; last-known address; Social Security number; and dates of employment as a nonexempt employee in California during the Class Period.
- 5. "Class Member(s)" or "Class" means all current and former non-exempt hourly employees who worked for Defendant in California during the Class Period. If any such person is incompetent, deceased, or unavailable due to military service, the person's legal representative or successor in interest evidenced by reasonable verification, will step in as the "class member".
- 6. "Class Notice" means the Notice of Class Action Settlement, substantially in the form attached as **Exhibit A**, which will be subject to Court approval, and which the Settlement Administrator shall mail to each Class Member explaining the terms of this Settlement.
- 7. "Class Period" means the period from October 11, 2015 to the date of Preliminary Approval.
- 8. "Complaint" means the Class Action Complaint for Damages filed in the Class Action on October 11, 2019 and the Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code section 2698, Et Seq. filed by Plaintiff in the PAGA Action on December 23, 2019.
 - 9. "Court" means the Superior Court of California, County of Ventura.
- 10. "Defense Counsel" means Jonathan Fraser Light and Monnett G. De La Torre of LightGabler.
- 11. "Effective Date" means: the first date on which all of the following events have occurred: (i) the Settlement Agreement has been executed by all Parties, Class Counsel, and Defense Counsel; (ii) the Court has given Preliminary Approval to the Settlement; (iii) the Class Notice has been given to the Class Members, providing them with an opportunity

to object to the terms of the Settlement Agreement or to opt out of the Settlement; (iv) the Court has held a Final Approval Hearing and entered a Final Order and Judgment certifying the Class, and approving the Settlement; (v) sixty (60) calendar days have passed since the Court has entered a Final Order and Judgment certifying the Class, and approving the Settlement; and (vi) in the event there are written objections filed prior to the Final Approval Hearing which are not later withdrawn or denied, either five (5) business days after the period for filing any appeal, writ or other appellate proceeding opposing the Court's Final Order and Judgment approving the Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed, or, if any appeal, writ or other appellate proceeding opposing the Court's Final Order and Judgment approving the Settlement has been filed, five (5) business days after any appeal, writ or other appellate proceedings opposing the Settlement has been finally and conclusively dismissed with no right to pursue further remedies or relief have passed.

- 12. "Final Approval Hearing" means the hearing to be conducted by the Court after the filing by Plaintiff of an appropriate motion and following appropriate notice to Class Members giving Class Members an opportunity to request exclusion from the Settlement and to object to the Settlement, at which time Plaintiff shall request that the Court finally approve the Settlement, enter the Final Order and Judgment, and take other appropriate action.
- 13. "Final Order and Judgment" means the order and judgment to be entered by the Court upon granting final approval of the Settlement and this Settlement Agreement as binding upon the Parties and Participating Class Members. A proposed Final Order and Judgment will be mutually agreed upon by the Parties and submitted to the Court concurrently with Plaintiff's Motion for Final Approval of the Settlement.
- 14. "Final Report" means the report to be prepared by the Settlement Administrator (after the expiration of the 180-day period in which Participating Class Members must cash or deposit their Individual Settlement Payment checks) regarding the distribution of the Gross Settlement Amount, including the total amount that was cashed or deposited by Participating

Class Members and the total amount of any uncashed Individual Settlement Payments that will be transmitted to California Rural Legal Assistance, Inc., a nonprofit legal services organization that assists low-income workers.

- 15. "Gross Settlement Amount" is the amount of Four Hundred Seventy-Five Thousand Dollars (\$475,000), which is the maximum amount to be paid by Defendant pursuant to this Settlement Agreement. The Gross Settlement Amount includes all Individual Settlement Payments to Participating Class Members, Defendant's share of Payroll Taxes due on the portion of Individual Settlement Payments allocated to wages, the Service Payment to Plaintiff, Attorneys' Fees and Expenses to Class Counsel, the Settlement Administration Costs to the Settlement Administrator, and the PAGA Payment to the LWDA and PAGA Group Members, as specified in this Settlement Agreement. The Parties agree that Defendant will have no obligation to pay any amount in connection with this Settlement Agreement apart from the Gross Settlement Amount.
- 16. "Individual PAGA Payment" means the amount payable from the PAGA Payment to each PAGA Group Member.
- 17. "Individual Settlement Payment" means the amount payable from the Net Settlement Amount to each Participating Class Member.
- 18. "Net Settlement Amount" means the Gross Settlement Amount less: Attorneys' Fees and Expenses awarded by the Court, Defendant's share of Payroll Taxes due on the portion of Individual Settlement Payments allocated to wages, the Service Payment awarded by the Court, the Settlement Administration Costs approved by the Court, and the PAGA Payment.
- 19. "Notice of Objection" means a Class Member's valid and timely submission of a written objection to the Settlement. A Notice of Objection to the Settlement must be faxed or mailed to the Settlement Administrator by the Response Deadline. The date of the fax or postmark on the mailing envelope will be the exclusive means to determine whether a Notice of Objection has been timely submitted. For a Notice of Objection to be valid, it must be signed by the Class Member and include: (1) the name and number of the Action; (2) the

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Security number, (3) a written statement of all grounds for the objection accompanied by any legal support for such objection, (4) copies of any papers, briefs, or other documents upon which the objection is based; and (5) whether the Class Member intends to appear at the Final Approval Hearing. At no time shall any of the Parties, Class Counsel, or Defense Counsel seek to solicit or otherwise encourage or discourage Class Members from submitting a Notice of Objection or filing an appeal from the Final Order and Judgment.

- 20. "PAGA Group Member(s)" means Plaintiff and all Participating Class Members who worked for Defendant in California during the PAGA Period.
- 21. "PAGA Payment" means the payment made hereunder to the California Labor and Workforce Development Agency ("LWDA") and the PAGA Group Members for settlement of claims for civil penalties under PAGA.
- 22. "PAGA Period" means the period from October 18, 2018 through the date of Preliminary Approval.
- 23. "PAGA Settlement" means the settlement of Plaintiff's claims under the California Private Attorneys' General Act of 2004, California Labor Code sections 2698, et seg. ("PAGA"), totaling Fifty Thousand Dollars (\$50,000). Pursuant to PAGA, seventy-five percent (75%), or Thirty-Seven Thousand Five Hundred Dollars (\$37,500), of this sum will be paid to the LWDA and the remaining twenty-five percent (25%) will be paid to PAGA Group Members.
- 24. "PAGA Workweek(s)" means the number of weeks worked by each PAGA Group Member for Defendant in California as a non-exempt hourly employee during the PAGA Period, based on Defendant's records.
- 25. "Participating Class Members" means Plaintiff and all other Class Members who do not submit a valid and timely Request for Exclusion.
- 26. "Payroll Taxes" means the taxes due, on behalf of Class Members, on the portion of Individual Settlement Payments allocated to wages.

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27. "Preliminary Approval" means the order to be issued by the Court approving and authorizing the mailing of the Class Notice by the Settlement Administrator, setting the date of the Final Approval Hearing and granting preliminary approval of the Settlement set forth in this Settlement Agreement, among other things. A proposed Preliminary Approval Order will be mutually agreed upon by the Parties and submitted to the Court concurrently with Plaintiff's Motion for Preliminary Approval of the Settlement.

- 28. "Released Claims" includes all claims arising during the Class Period against Released Parties that have been asserted or could have been asserted based on the facts alleged in Plaintiff's PAGA Notice dated April 11, 2019 and the Complaint, including all of the following claims for relief: (a) failure to pay all regular wages, minimum wages and overtime wages due; (b) failure to provide proper meal and rest periods, and to properly provide premium pay in lieu thereof; (c) failure to provide complete, accurate or properly formatted wage statements; (d) waiting time penalties; (e) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the Complaint; (f) all claims under the California Labor Code Private Attorneys General Act of 2004 that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the Complaint; (g) any other claims or penalties under the California Labor Code or other wage and hour laws pleaded in the Action; and (h) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief. The period of the Release will extend to the limits of the Class Period. The res judicata effect of the Judgment will be the same as that of the Release.
- 29. "Released Parties" means Defendant, and all its related officers, directors, shareholders, assigns, attorneys, insurers, agents, independent contractors, employees, predecessors, successor, parents, subsidiaries, affiliates, related entities or other representatives of any kind, and related parties which could be liable for any of the Released Claims.

- 30. "Request for Exclusion" means a written statement submitted by a Class Member indicating a request to be excluded from the Settlement. The Request for Exclusion must be in writing and must: (i) state the case name and number of the Action; (ii) set forth the name, address, telephone number and last four digits of the Social Security Number of the Class Member requesting exclusion; (iii) be signed by the Class Member; (iv) clearly state that the Class Member does not wish to be included in the Settlement; and (v) be returned by fax or mail to the Settlement Administrator, postmarked or faxed on or before the Response Deadline. The date of the fax or postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. A Class Member who does not request exclusion from the Settlement will be deemed a Participating Class Member and will be bound by all terms of the Settlement if the Settlement is granted final approval by the Court.
- 31. "Response Deadline" means the deadline by which Class Members must postmark or fax to the Settlement Administrator Requests for Exclusion, Notices of Objection, or Workweek Disputes. The Response Deadline will be thirty (30) calendar days from the initial mailing of the Class Notice by the Settlement Administrator, unless the 30th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defense Counsel or as otherwise ordered by the Court. Under no circumstances, however, will the Settlement Administrator have the authority to extend the deadline for Class Members to submit a Request for Exclusion or Notice of Objection to the Settlement.
- 32. "Service Payment" means the Court-approved award to be paid to Plaintiff in the amount of Seven Thousand Five Hundred Dollars (\$7,500), in addition to Plaintiff's Individual Settlement Payment, in recognition of Plaintiff's efforts and risks in prosecuting the Action.
- 33. "Settlement" means the final and complete disposition of the Action pursuant to this Stipulation of Settlement.

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34. "Settlement Administrator" means Phoenix Class Action Administration Solutions or any other third-party class action settlement administrator approved by the Parties and the Court for the purposes of administering this Settlement. The Parties each represent that they do not and will not have a financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

- 35. "Settlement Administration Costs" means the reasonable costs and fees of administering this Settlement to be paid from the Gross Settlement Amount, including, but not limited to, (i) printing, mailing and re-mailing (if necessary) of Class Notices to Class Members, in English and Spanish (including the translation of the Class Notice from English to Spanish); (ii) preparing and submitting to Participating Class Members and government entities all appropriate tax filings and forms; (iii) computing the amount of and distributing Individual Settlement Payments, the Service Payment, the Attorneys' Fees and Expenses, and the payment of any alleged penalties pursuant to the terms of the PAGA Settlement; (iv) processing and validating Requests for Exclusion; (v) establishing a Qualified Settlement Fund, as defined by the Internal Revenue Code; (vi) calculating and remitting to the appropriate government agencies all employer and employee payroll tax obligations arising from the Settlement and preparing and submitting filings required by law in connection with the payments required by the Settlement; (vii) providing necessary reports and declarations, as requested by the Parties; and (viii) transmitting uncashed Individual Settlement Payments to California Rural Legal Assistance, Inc. After conference and consultation with the Settlement Administrator, Settlement Administration costs are estimated not to exceed Seven Thousand Dollars (\$7,000).
- 36. "Workweeks" means the number of weeks worked by each Class Member for Defendant in California as a non-exempt hourly employee during the Class Period, based on Defendant's records.
- 37. "Workweek Dispute" means a written statement that a Class Member disputes the number of Workweeks listed on his/her Class Notice. Any such Workweek Dispute must

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the fax or postmark on the mailing envelope will be the exclusive means to determine whether a Workweek Dispute has been timely submitted. A valid Workweek Dispute must be in writing and contain: (i) the case name and number of the Action; (ii) the Class Member's full name, address, telephone number, and the last four digits of his/her Social Security number; (iii) the number of Workweeks the Class Member contends is correct; and (iv) any evidence supporting his/her contention. The Workweeks identified for each Class Member in the Class List will be presumed to be correct unless a particular Class Member proves otherwise to the Settlement Administrator by credible evidence. All Workweek Disputes will be resolved and decided by the Settlement Administrator and the Settlement Administrator's decision on all Workweek Disputes will be final and non-appealable.

38. "Workweek Value" means the value of each compensable Workweek, as determined by the formula set forth in herein.

RECITALS

39. Procedural History

On October 11, 2019, Plaintiff commenced a putative class action by filing the a. Class Action Complaint for Damages ("Class Complaint") on behalf of herself and all others similarly situated in the Superior Court of the State of California, County of Ventura, Sonia Esparza, et al. v. Floral Supply Syndicate, LLC, et al., Case No. 56-2019-00534733-CU-OE-VTA (the "Class Action"). The Class Complaint set forth the following ten causes of action: (1) violation of California Labor Code sections 510 and 1198 (Unpaid Overtime); (2) violation of California Labor Code sections 226.7 and 512(a) (Unpaid Meal Period Premiums); (3) violation of California Labor Code sections 226.7 (Unpaid Rest Period Premiums); (4) violation of California Labor Code sections 1194, 1197 and 1197.1 (Unpaid Minimum Wages); (5) violation of California Labor Code sections 201 and 202 (Final wages Note Timely Paid); (6) violation of California Labor Code sections 204 (Wages Not Timely Paid During Employment); (7) violation of California Labor Code sections 226(a) (Non-Compliant Wage Statements); (8) violation of California Labor Code sections 1174(d)

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(Failure to Keep Requisite Payroll Records); (9) violation of California Labor Code sections 2800 and 2802 (Unreimbursed Business Expenses); and (10) violation of California Business & Professions Code sections 17200, et seq.

- b. On, October 18, 2019, Plaintiff submitted a letter to the LWDA, pursuant to the PAGA, to notify the LWDA of alleged violations Defendant engaged in with respect to Plaintiff and other allegedly aggrieved employees.
- On December 23, 2019, Plaintiff filed a Complaint for Enforcement under the C. Private Attorneys General Act, California Labor Code section 2698 Et Seq. ("PAGA Complaint") in the Superior Court of the State of California, County of Ventura, Sonia Esparza, et al. v. Floral Supply Syndicate, LLC, et al., Case No. 56-2019-00537685-CU-OE-VTA (the "PAGA Action"), alleging a cause of action under PAGA for failure to pay overtime and minimum wages, failure to provide meal and rest periods and associated premium payments, failure to timely pay wages during employment and upon termination, failure to provide accurate wage statements, failure to maintain complete and accurate payroll records, and failure to reimburse necessary business expenses...
- d. On February 7, 2020, the Court consolidated the Class Action and the PAGA Action, and the Class Action) was designated as the lead case.
- On June 3, 2020, the Parties participated in a full-day mediation before Paul e. Grossman, Esq., a well-respected wage and hour class action mediator. The Parties reached an agreement in principle at mediation to resolve all claims asserted or that could have been asserted by Plaintiff in the Action, which they memorialized in a signed Memorandum of Understanding, made subject to a more comprehensive written settlement lagreement.
- 40. Benefits of Settlement to Plaintiff and the Class Members. Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to litigate Plaintiff's disputes in the Action through trial and through any possible appeals. Plaintiff has also taken into account the uncertainty and risks of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel are also aware

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of the burdens of proof necessary to establish liability for the claims asserted in the Action, both generally and in response to Defendant's defenses thereto, and in establishing damages, penalties, restitution and other relief sought in the Action. Plaintiff and Class Counsel also have taken into account Defendant's agreement to enter into a settlement that confers immediate monetary recovery upon the Class Members. Based on the foregoing, Plaintiff and Class Counsel have determined that the Settlement set forth in this Settlement Agreement is fair, adequate, and reasonable and is in the best interests of all Class Members. In the event this Settlement does not obtain final approval, Plaintiff retains all rights she has to litigate this matter and to take any actions that are otherwise available to her as if this Settlement had not been reached.

41. Defendant's Reasons for Settlement. Defendant has concluded that further defense of the Action would be protracted and expensive. Substantial amounts of Defendant's time, energy, and resources have been, and unless this Settlement is completed, will continue to be, devoted to the defense of the claims asserted by Plaintiff. Defendant has also taken into account the risks of further litigation in reaching its decision to enter into this Settlement. Even though Defendant contends it is not liable for any of the claims alleged by Plaintiff in the Action and denies any liability whatsoever, Defendant nonetheless, has agreed to settle in the manner and upon the terms set forth in this Settlement Agreement and to fully and finally put to rest the claims alleged in this Action. Defendant has asserted and continues to assert that the claims alleged by Plaintiff have no merit and do not give rise to any liability, damages, restitution, penalties or other payments. This Settlement is a compromise of disputed claims. Nothing contained in this Settlement Agreement, no documents referred to herein, and no action taken to carry out this Settlement, will be construed or used as an admission by or against Defendant as to the merits or lack thereof of the claims asserted in the Action. Defendant contends that it has complied with all applicable state, federal and local laws. In the event this Settlement does not obtain final approval, Defendant retains all rights it has to defend itself in this matter and to take any actions that are otherwise available to it as if this Settlement had not been reached.

CLASS CERTIFICATION

- 42. Solely for purposes of settling the Action, and not for purposes of class certification should the Settlement not be approved or for any other reason, the Parties stipulate and agree that the requisites for establishing class certification with respect to the Class have been met and are met. More specifically, for purposes of settlement only, the Parties stipulate and agree that:
- a. The Class is ascertainable and so numerous as to make it impracticable to join all Class Members;
 - b. There are common questions of law and fact including, but not limited to:
 - i. Whether Defendant paid members of the Class the statutory minimum wage for all hours worked;
 - ii. Whether Defendant compensated members of the Class for all overtime hours worked:
 - iii. Whether Defendant provided meal periods to members of the Class and/or paid penalties to members of the Class for missed meal periods;
 - iv. Whether Defendant provided rest periods to members of the Class and/or paid penalties to members of the Class for missed rest periods;
 - v. Whether Defendant furnished members of the Class with accurate itemized wage statements and kept proper records for the Class;
 - vi. Whether Defendant timely paid members of the Class wages upon termination.
 - vii. Whether Defendant timely paid members of the Class wages during employment.
 - c. The Class Representative's claims are typical of the claims of the Class;
- d. The Class Representative and Class Counsel will fairly and adequately protect the interests of the Class;
 - e. The prosecution of separate actions by individual members of the Class

would create the risk of inconsistent or varying adjudications, which would establish incompatible standards of conduct; and

- f. Questions of law and fact common to the members of the Class predominate over any questions affecting any individual Class Member, and a class action is superior to other available means for the fair and efficient adjudication of the controversy.
- 43. Should this Settlement not be approved or be terminated, all stipulations set forth in the immediately preceding Paragraph 42 will be null and void and will not be admissible for any purpose whatsoever

TERMS OF AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants, promises and agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

- 44. <u>Binding Settlement.</u> This Settlement will bind the Parties and all Participating Class Members subject to the terms and conditions hereof and the Court's approval.
- 45. Preliminary Approval of Settlement. Class Counsel will reserve a date for a hearing on Plaintiff's Motion for Preliminary Approval to take place at a time and date mutually agreed to by the Parties so that the Parties may request provisional certification of the Class for settlement purposes only and the setting of a Final Approval Hearing date. The Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for Preliminary Approval. Class Counsel will provide Defense Counsel with the opportunity to review and comment upon drafts of the preliminary approval papers, including the Proposed Preliminary Approval Order at least five (5) business days in advance of filing the documents with the Court. The Proposed Order granting Plaintiff's Motion for Preliminary Approval will be mutually agreed to by the Parties prior to Plaintiff submitting the Proposed Order to the Court. The Preliminary Approval Order will provide for, among other things, the Class Notice to be sent to Class Members as specified herein.
- 46. Release by All Participating Class Members. Upon the date on which the payment of the Gross Settlement Amount is made by Defendant, Plaintiff and each Class

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Member who has not submitted a valid and timely Request for Exclusion, will be deemed to have fully, finally and forever released, settled, compromised, relinquished and discharged, with respect to all of the Released Parties, all of their Released Claims.

47. Additional Release and Waiver by Plaintiff. In addition to the release of claims against the Released Parties made by all Participating Class Members as set forth in Paragraph 46 above, Plaintiff, for herself, her heirs, successors and assigns, does waive, release, acquit and forever discharge the Released Parties, from any and all claims, actions, charges, complaints, grievances and causes of action, of whatever nature, whether known or unknown, which exist or may exist on Plaintiff's behalf as of the date of this Agreement, including but not limited to any and all tort claims, contract claims, wage claims, wrongful termination claims, disability claims, benefit claims, claims identified in Paragraph 28 above, public policy claims, retaliation claims, statutory claims, personal injury claims, emotional distress claims, invasion of privacy claims, defamation claims, fraud claims, quantum meruit claims, and any and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance, including any claims arising under the California Fair Employment and Housing Act (FEHA), the California Labor Code, the Wage Orders of California's Industrial Welfare Commission, other state wage and hour laws, the Americans with Disabilities Act, the Age Discrimination in Employment Act (ADEA), the Employee Retirement Income Security Act, the National Labor Relations Act, Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Family Rights Act, the Family Medical Leave Act, the Civil Rights Act of 1991; the Americans with Disabilities Act of 1990; the Fair Labor Standards Act; the Occupational Safety and Health Act; the Consolidated Omnibus Budget Reconciliation Act of 1985, the Older Workers Benefit Protection Act; the Worker Adjustment and Retraining Notification Act ("WARN"); the Rehabilitation Act of 1973; the Internal Revenue Code of 1986, as amended; the Employee Retirement Income Security Act of 1974; California's Whistleblower Protection Act, California Business & Professions Code Section 17200 et seq., the California Family Rights Act; the California Labor Code; the California Civil Code; the California Government Code;

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the California Constitution; and all claims for punitive damages, exemplary damages, attorneys' fees and costs, as well as any other statutes, laws regulations or damages of similar effect and any and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance. Plaintiff hereby expressly waives and relinquishes any and all claims, rights or benefits that they may have under California Civil Code § 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT 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.

Plaintiff may hereafter discover claims or facts in addition to, or different from, those which she now knows or believes to exist, but she expressly agrees to fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist against Released Parties at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiff's employment with Defendant. The Parties further acknowledge, understand, and agree that this representation and commitment is essential to the Agreement and that this Agreement would not have been entered into were it not for this representation and commitment. Thus, notwithstanding the provisions of section 1542, and to implement a full and complete release and discharge of the Released Parties, Plaintiff expressly acknowledges this Settlement is intended to include in its effect, without limitation, all claims that Plaintiff does not know or suspect to exist in Plaintiff's favor at the time of signing this Settlement Agreement, and that this Settlement contemplates the extinguishment of any such claims. Plaintiff warrants that she has read this Settlement Agreement, including this waiver of California Civil Code section 1542, and that she has consulted with or had the opportunity to consult with counsel of her choosing about this Settlement and specifically about the waiver of section 1542, and that she understands this Settlement and the section 1542 waiver, and so she freely and knowingly enters into this Settlement Agreement. Plaintiff expressly assumes any and all risk of any mistake in

 connection with the true facts involved in the matters, disputes, or controversies released or described in this Settlement Agreement or with regard to any facts now unknown to Plaintiff relating thereto.

- 48. Funding of the Gross Settlement Amount. The Gross Settlement Amount will be paid by Defendant in one lump sum payment within thirty (30) business days after the Effective Date. Defendant shall provide the Gross Settlement Amount to the Settlement Administrator in any feasible manner, including, but not limited to, by way of wire transfer. If this Settlement is not finally approved by the Court in full, or is terminated, rescinded, canceled or fails to become effective for any reason, or if the Effective Date does not occur, then no portion of the Gross Settlement Amount will be paid.
- 49. <u>Individual Settlement Payments.</u> Participating Class Members shall not be required to submit a claim in order to receive a share of the Net Settlement Amount and no portion of the Gross Settlement Amount will revert to Defendant. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the Participating Class Member's number of Workweeks. The Settlement Administrator will mail the Individual Settlement Payments by First Class U.S. Mail to each Participating Class Member's last known mailing address within ten (10) calendar days after Defendant provides the Settlement Administrator with the Gross Settlement Amount. Prior to mailing the Individual Settlement Payments, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes. The Individual Settlement Payments will be calculated, distributed, and allocated as follows:
 - a) Using the Class List, the Settlement Administrator will calculate: (i) the total number of Workweeks worked by each Participating Class Member and (ii) the aggregate total number of Workweeks worked by all Participating Class Members as nonexempt hourly employees in California during the Class Period ("Aggregate Workweeks"). Each Participating Class Member will be credited with a minimum of one (1) Workweek.

- b) The Settlement Administrator will determine each Class Member's estimated Individual Settlement Payment, using the following formula: The Net Settlement Amount will be divided by the Aggregate Workweeks, resulting in the Workweek Value. Each Participating Class Member's Individual Settlement Payment will be calculated by multiplying each individual Participating Class Member's total number of Workweeks by the Workweek Value.
- c) The entire Net Settlement Amount will be disbursed as Individual Settlement Payments to Participating Class Members.
- d) Individual Settlement Payments will be made to Participating Class Members by check and will be made payable to each Participating Class Member as set forth in this Settlement Agreement.
- e) In the event a Participating Class Member fails to cash or deposit his or her Individual Settlement Payment check, the Participating Class Member shall nevertheless remain bound by the Settlement, including, but not limited to the release of claims described herein.
- f) All Individual Settlement Payments received by Participating Class Members under the Settlement which are attributable to wages will constitute income to such Participating Class Members solely in the year in which such monies are actually received by the Participating Class Members. It is expressly understood and agreed that the receipt of Individual Settlement Payments will not entitle any Participating Class Member to additional compensation or benefits under any collective bargaining agreement or under any bonus, contest or other compensation or benefit plan or agreement in place during the period covered by the Settlement, nor will it entitle any Participating Class Member to any increased pension and/or retirement, or other deferred compensation benefits. It is the intent of the Parties that Individual Settlement Payments provided for in this Settlement Agreement are the sole payments to be made by Defendant to Participating Class Members in connection with this Settlement, with the exception of the Service Payment to Plaintiff and Individual PAGA Payments to PAGA Group

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27 28 Members, and that the Participating Class Members are not entitled to any new or additional compensation or benefits as a result of having received the Individual Settlement Payment. Furthermore, the receipt of Individual Settlement Payments by Participating Class Members will not, and does not, by itself establish any general, special, or joint employment relationship between and among the Participating Class Member(s) and Defendant.

- 50. <u>Allocation of Individual Settlement Payments.</u> All Individual Settlement Payments will be allocated as follows: (a) thirty-three point four percent (33.4%) as alleged unpaid wages subject to all applicable tax withholdings reportable on IRS W-2 form; (b) thirty-three point three percent (33.3%) as interest reportable on IRS Form 1099; and (c) thirty-three point three percent (33.3%) as penalties reportable on IRS Form 1099.
- 51. Requests for Exclusion. Any Class Member wishing to opt-out from the Settlement Agreement must sign and postmark a written Request for Exclusion to the Settlement Administrator within the Response Deadline.The date of fax or postmark will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. The Parties and their counsel will not solicit or encourage any Class Member, directly or indirectly, to opt out of the Settlement Agreement. More specifically, a Class Member may request to be excluded from the effect of this Agreement, and any payment of amounts under this Agreement by timely mailing or faxing a Request for Exclusion to the Settlement Administrator stating that the Class Member wants to be excluded from this Settlement. To be valid and timely, the request to be excluded must be postmarked or faxed by the Response Deadline date that will be specified in the Class Notice (within thirty (30) calendar days from the initial mailing of the Class Notice by the Settlement Administrator). A Class Member who properly submits a valid and timely request to be excluded from the Action will not receive any payment of any kind in connection with this Agreement or this Settlement, will not be bound by or receive any benefit of this Agreement, and will have no standing to object to the Settlement. Class Members who do not timely request exclusion will be bound by the releases herein and receive an Individual Settlement Payment. A

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Request for Exclusion must be mailed or faxed to the Settlement Administrator at its address to be provided in the Class Notice, and the Settlement Administrator will promptly transmit the Requests for Exclusion to counsel for the Parties.

- 52. Defective Submissions for Exclusion. If a Class Member's Request for Exclusion is defective as to the requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3) business days of receiving the defective submission to advise the Class Member that his or her submission is defective and that the defect must be cured to render the Request for Exclusion valid. The Class Member will have until the later of (i) the Response Deadline or (ii) fifteen (15) calendar days from the date of the cure letter, whichever date is later, to postmark or fax a revised Request for Exclusion. If the revised Request for Exclusion is not postmarked or faxed within that period, it will be deemed luntimely.
- 53. Attorneys' Fees and Expenses Award. Class Counsel shall be entitled to request an award of attorneys' fees of not more than thirty-five percent (35%) of the Gross Settlement Amount, or One Hundred Sixty-Six Thousand Two Hundred Fifty Dollars (\$166,250). In addition, Class Counsel shall also be entitled to request reimbursement of litigation costs and expenses associated with Class Counsel's prosecution of the Action not to exceed Twenty Thousand Dollars (\$20,000). Class Counsel's request for such attorneys fees and costs will be subject to approval from the Court. Defendant agrees not to oppose or object to Class Counsel's request for attorneys' fees in the amount not to exceed One Hundred Sixty-Six Thousand Two Hundred Fifty Dollars (\$166,250) or to Counsel's request for attorneys' costs in an amount not to exceed Twenty Thousand Dollars (\$20,000). In the event the Court awards Class Counsel less than One Hundred Sixty Six Thousand Two Hundred Fifty Dollars (\$166,250) in attorneys' fees or less than Twenty Thousand Dollars (\$20,000) in costs, the difference will become part of the Net Settlement Amount and will be distributed to Participating Class Members as part of their Individual Settlement Payments. The Court-approved Attorneys' Fees and Expenses will be paid to Class Counsel from the

Gross Settlement Amount and will be mailed by the Settlement Administrator to Class Counsel no later than then (10) calendar days after Defendant provides the Settlement Administrator with the Gross Settlement Amount. At the request of Class Counsel, the Settlement Administrator may purchase an annuity to utilize United States Treasuries and bonds or other attorney fee deferral vehicles, for deposit of the Attorneys' Fees and Expenses. Any additional expenses for the purchase of an annuity by the Settlement Administrator will be paid separately by Class Counsel and will not be included within the Settlement Administration Costs. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the Attorney's Fees and Expenses. Class Counsel shall provide the Settlement Administrator with properly completed and signed copies of IRS Form W-9 in order for the Settlement Administrator to process the Attorneys' Fees and Expenses approved by the Court. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the Class Counsel for the Attorneys' Fees and Expenses.

54. Class Representative Service Payment. For the purposes of this Settlement only, the Parties agree to the designation of Plaintiff Sonia Esparza as Class Representative. In recognition of her time and effort in bringing and presenting the Action, Plaintiff shall request a Service Payment not to exceed Seven Thousand Five Hundred Dollars (\$7,500). Plaintiff's request for such Service Payment will be subject to approval from the Court. Defendant agrees not to oppose or object to Plaintiff's request for a Service Payment in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500). The |Service Payment will be in addition to Plaintiff's right to any Individual Settlement Payment and Individual PAGA Payment pursuant to the Settlement. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff for her Service Payment. Plaintiff will be solely and legally responsible to pay any and all applicable taxes on her Service Payment and will hold Defendant and Defense Counsel harmless from any claim or liability for taxes, penalties, or interest arising as a result of payment of the Service Payment. Plaintiff will not have the right to revoke this Settlement in the event the Court fails to approve the amount sought by Plaintiff as a Service Payment. Any portion of the Service Payment not awarded

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will become part of the Net Settlement Amount and will be distributed to Participating Class Members as part of the Individual Settlement Payments.

- 55. PAGA Settlement. Subject to Court approval, Fifty Thousand Dollars (\$50,000) will be allocated from the Gross Settlement Fund for settlement of claims for civil penalties under PAGA. The Settlement Administrator will distribute seventy-five percent (75%) of the PAGA Payment, or Thirty-Seven Thousand Five Hundred Dollars (\$37,500), to the LWDA, and will distribute the remaining twenty-five percent (25%) of the PAGA Payment, or Twelve Thousand Five Hundred Dollars (\$12,500), to Plaintiff and Participating Class Members who worked for Defendant between October 18, 2018 and the date the Court grants Preliminary Approval of the Settlement on a pro-rata basis. The Individual PAGA Payments Will be calculated, distributed, and allocated as follows:
 - a) Using the Class List, the Settlement Administrator will calculate: (i) the total number of PAGA Workweeks for each PAGA Group Member and (ii) the aggregate total number of PAGA Workweeks for all PAGA Group Members ("Aggregate PAGA Workweeks"). Each PAGA Group Member will be credited with a minimum of one (1) PAGA Workweek.
 - b) To determine each PAGA Group Member's estimated Individual PAGA Payment, the Settlement Administrator will use the following formula: Twenty-five percent (25%) of the PAGA Payment will be divided by the Aggregate PAGA Workweeks ("PAGA Workweek Value"). Each PAGA Group Member's Individual PAGA Payment will be calculated by: (i) multiplying each individual PAGA Group Member's total number of PAGA Workweeks by the PAGA Workweek Value.
 - c) Individual PAGA Payments will be made by check and will be made payable to each PAGA Group Member as set forth in this Settlement.
 - d) One hundred percent (100%) of all Individual PAGA Payments will be allocated as alleged non-wage penalties not subject to payroll tax withholdings, reported by the Settlement Administrator on the Form IRS 1099.

56. <u>Settlement Administration Costs.</u> The Settlement Administration fees and expenses, which are estimated not to exceed Seven Thousand Dollars (\$7,000) will be paid from the Gross Settlement Amount. Prior to Plaintiff filing a Motion for Final Approval of the Settlement, the Settlement Administrator shall provide the Parties with a statement detailing the Settlement Administration Costs to date. The Parties agree to cooperate in the Settlement Administration process and to make all reasonable efforts to control and minimize Settlement Administration Costs.

- i. The Parties each represent they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.
- ii. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities required by the Settlement.

57. <u>Settlement Administration.</u>

Within twenty (20) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator for purposes of mailing the Class Notices to Class Members. The Settlement Administrator shall be authorized to establish a Qualified Settlement Fund ("QSF") pursuant to IRS rules and regulations in which the Gross Settlement Amount will be placed and from which payments required by the Settlement will be made. The Settlement Administrator shall not be permitted to share any information included in the Class List with Plaintiff or Class Counsel, except for the total number of individuals included on the Class List, absent express approval by Defendant or Defense Counsel.

a. <u>Monitoring and Reviewing Settlement Administration</u>.

The Parties have the right to monitor and review the administration of the Settlement to verify that the monies allocated under the Settlement are distributed in the correct amount, as provided for in this Settlement Agreement. Within three (3) business days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting of the amounts

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b. Notice by First Class U.S. Mail.

Upon receipt of the Class List, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes. All Class Members will be mailed a Class Notice in the form attached as **Exhibit A**, or as provided by Court order. Within ten (10) calendar days after receiving the Class List from Defendant, the Settlement Administrator will mail a Class Notice to all Class Members via First-Class U.S. Mail. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Class Member. The address identified by the Settlement Administrator as the current mailing address will be presumed to be the most current mailing address for each Class Member. The Parties agree that this procedure for notice provides the best notice practicable to Class Members and fully complies with due process.

c. Undeliverable Notices.

Any Class Notice returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be re-mailed to the forwarding address affixed thereto within five (5) calendar days of receipt of the returned Class Notice by the Settlement Administrator. If no forwarding address is provided, the Settlement Administrator shall attempt to determine a correct address by the use of skip-tracing, or other type of automated search, using the name, address and/or Social Security number of the Class Member involved, and shall then perform a re-mailing to the Class Member whose Class Notice was returned as nondeliverable within five (5) calendar days of receipt of the returned Class Notice by the Settlement Administrator, assuming another mailing address is identified by the Settlement Administrator. Class Members who are sent a re-mailed Class Notice shall have their Response Deadline extended by ten (10) calendar days. If these procedures are followed, notice to Class Members will be deemed to have been fully satisfied, and if the intended recipient of the Class Notice does not receive the Class Notice, the intended recipient shall

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nevertheless remain a Class Member and shall be bound by all terms of the Settlement and the Final Order and Judgment.

d. Disputed Information on Notices of Class Action Settlement.

Class Members will have an opportunity to dispute the information provided in their Class Notices. To the extent Class Members dispute their employment dates or the number of |Workweeks, Class Members may produce evidence to the Settlement Administrator showing that such information is inaccurate. The Settlement Administrator will advise the Parties of such dispute, allow Defendant five (5) business days to respond with any additional information or records, and then decide the dispute. Defendant's records will be presumed correct, but the Settlement Administrator will evaluate the evidence submitted by the Class Member and Defendant and will make the final decision as to the merits of the dispute.

e. <u>Settlement Administrator Reports.</u>

The Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report of the number of Class Members who have submitted valid Requests for Exclusion, Notices of Objection, and Workweek Disputes. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested.

f. <u>Distribution and Timing of Payments.</u>

Within fifteen (15) calendar days after the Gross Settlement Amount is funded, the Settlement Administrator will issue payments to: (i) all Class Members who have not submitted a valid and timely Request for Exclusion, including any Class Member whose notice was returned as undeliverable; (ii) Plaintiff; (iii) Class Counsel;(iv) the LWDA; and (v) itself. The Settlement Administrator will pay Individual Settlement Payments from the Net Settlement Amount to all Participating Class Members and Individual PAGA Payments from twenty-five percent (25%) of the PAGA Payment to all PAGA Group Members. The Settlement Administrator will do so by sending a check in the appropriate amount to the Class Member at the address indicated in the Class List provided by Defendant, or as

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g. <u>Un-cashed Settlement Checks.</u>

Class Members will receive checks for their Individual Settlement Payments and Individual PAGA Payments. Checks will remain negotiable for 180 calendar days ("Check-Cashing Deadline"). Any check not cashed within 180 calendar days will be void. The funds associated with the uncashed checks will be distributed by the Settlement Administrator, in accordance with California Code of Civil Procedure section 384. Any amounts from the Settlement checks that remain uncashed and otherwise unclaimed will be tendered to Legal Aid at Work, a nonprofit legal services organization that assists low-income working families. The Parties each represent they do not have a financial interest in Legal Aid at Work or otherwise have a relationship with Legal Aid at Work that creates or could create a conflict of interest.

h. <u>Certification of Completion.</u>

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

i. <u>Disputes Regarding Administration of Settlement.</u>

Any dispute not resolved by the Settlement Administrator concerning the administration of the Settlement will be resolved by the Court.

Best Efforts. i.

The Parties agree to use their best efforts to carry out the terms of this Settlement.

58. Objection Procedures. The Class Notice will state that Participating Class Members who wish to object to the Settlement may do so by a written Notice of Objection to be mailed or faxed by the Response Deadline to the Settlement Administrator. Class Members who submit a valid and timely Request for Exclusion may not object to the Settlement. The date of fax or postmark of the Notice of Objection will be deemed the exclusive means for determining that the Notice of Objection is timely. The Settlement Administrator will promptly provide any Notices of Objection to the Parties' counsel upon

receiving them. Class Counsel will include all objections received and Plaintiff's response(s) with Plaintiff's Motion for Final Approval of the Settlement. Participating Class Members may also have a right to have their objections heard at the Final Approval Hearing. Class Counsel will not represent any Class Members with respect to any such Objections to this Settlement, and any Class Members who request exclusion from the Settlement will not have standing to object to it.

- Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiff, Class Members, and Class Counsel tax forms as may be required by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding all taxes and penalties to the appropriate government authorities as may be required by law. The Settlement Administrator shall calculate the amount of the employer's share of Payroll Taxes and shall remit and report the applicable portions of the payroll tax payment to the appropriate taxing authorities in a timely manner.
- 60. Escalator. This Settlement is based on Defendant's representation that there were approximately one hundred and seventy-two (172) Class Members and approximately sixteen thousand four hundred and seventy-six (16,476) Workweeks as of June 3, 2020. Should the total number of Workweeks for the Class Period increase by more than ten percent (10%) (i.e., exceed eighteen thousand one hundred and twenty-three (18,123) Workweeks), then there will be a *pro rata* adjustment to the Gross Settlement Amount, which will automatically increase in proportion to the amount of the increase above the ten percent (10%) threshold stated in this paragraph. There are approximately one hundred and seventy-four (174) Class Members and approximately seventeen thousand two hundred and sixty-four (17,264) Workweeks as of October 19, 2020.
- 61. <u>No Credit Toward Benefit Plans.</u> The Individual Settlement Payments made to Participating Class Members under this Settlement, as well as any other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any Participating Class Members may be eligible, including, but

not limited to: (i) profit-sharing plans, (ii) bonus plans, (iii) 401(k) plans, (iv) stock purchase plans, (v) vacation plans, (vi) sick leave plans, (vii) PTO plans, and (viii) any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Participating Class Members may be entitled under any benefit plans.

- 62. <u>Tax Liability.</u> The Parties make no representations as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiff and Class Members are not relying on any statement, representation, or calculation by the Parties, Class Counsel, Defense Counsel or by the Settlement Administrator in this regard. Plaintiff, Class Members and Class Counsel understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein and will defend, indemnify, and hold Defendant and Defense Counsel free and harmless from and against any claims resulting from treatment of such payments as non-taxable damages, including the treatment of applicable payments as not subject to withholding or deduction for payroll and employment taxes.
- PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, ANY "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISORS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE

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64. Final Settlement Approval Hearing and Entry of Judgment. Following expiration of the Response Deadline, a Final Approval Hearing will be conducted by the Court for the Court to determine whether to grant final approval of the Settlement, including determining the amounts properly payable for: (i) the Attorneys' Fees and Expenses; (ii) the Service Payment; (iv) Settlement Administration Costs; and (iv) the PAGA Settlement. Prior to the Final Approval Hearing, the Settlement Administrator shall provide a written report or declaration to the Parties at least ten (10) days before the Final Approval Hearing, describing the process and results of the administration of the Settlement to date, which report or declaration will be filed by Plaintiff with the Court prior to the Final Approval Hearing. The Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for final approval. The proposed Order granting Plaintiff's Motion for Final Approval will be mutually agreed to by the Parties prior to Plaintiff submitting the proposed Order to the Court. Plaintiff will also provide Defendant with the opportunity to review and comment upon drafts of the final approval papers, including the Proposed Final Order and Judgment, at least five (5) business days before filing the Motion for Final Approval of the Settlement with the Court. Class Counsel will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will also be responsible for drafting the attorneys' fees and costs application to be heard at the final approval hearing.

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ii. Approving Class Counsel's application for an award of attorneys' fees and costs;

iii. Approving the Service Payment to Plaintiff;

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v. Approving the PAGA Settlement;

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vi. Setting a date when the Parties shall submit the Final Report regarding the distribution

of the Gross Settlement Amount pursuant to California Code of Civil Procedure section

384, and, if necessary a date for a final accounting hearing following its receipt of the

Final Report:

vii. Entering judgment in this Action barring all Participating Class Members from prosecuting against any of the Released Parties, any individual, class, or representative

claims released herein pursuant to the Settlement Agreement, upon satisfaction of all

payments and obligations hereunder.

67. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability,

claim, demand, action, cause of action or right herein released and discharged.

68. Revocation of Settlement by Defendant. If five percent (5%) or more of the total Class Members timely exclude themselves from the Settlement, Defendant may, at its election and in its sole discretion, rescind the Settlement and all actions taken in furtherance of it will thereby be null and void. Defendant must exercise this right of rescission in writing, by certified or electronic mail to Class Counsel, within fourteen (14) calendar days of the Response Deadline. In event the Settlement is terminated under this provision, Defendant shall be solely responsible for paying any Settlement Administration Costs already incurred by the Settlement Administrator.

69. Nullification of Settlement Agreement. In the event: (i) the Court does not enter the Preliminary Approval Order; (ii) the Court does not grant final approval of the Settlement; (iii) the Court does not enter the Final Order and Judgment; or (iv) the Settlement does not become final for any other reason, this Settlement Agreement will be rendered null and void, any order or judgment entered by the Court in furtherance of this

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Settlement will be treated as void from the beginning and this Settlement Agreement and any documents related to it will not be used by any Class Member or Class Counsel to support any claim or request for class certification in the Action, and will not be used in any other civil, criminal or administrative action against Defendant or any of the other Released Parties. Should the Settlement not become final for any reason, the Parties will request that the Court reopen proceedings within thirty (30) calendar days, the Parties and any monies required to be paid under this Settlement will be returned to their respective statuses as of the date and time immediately prior to the execution of this Settlement Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed, except that any Settlement Administration Costs already incurred by the Settlement Administrator shall be split evenly amongst the Parties (unless Defendant elects to revoke the Settlement, as specified in Paragraph 68 above, in which case any Settlement Administration Costs already incurred by the Settlement Administrator will be paid by Defendant). In the event an appeal is filed from the Court's Final Order and Judgment, or any other appellate review is sought, administration of the Settlement will be stayed pending final resolution of the appeal or other appellate review and the stay will only be lifted if the end result of the appeal or other proceeding is that the terms of this Settlement Agreement are upheld.

- 70. <u>Plaintiff's Waiver of Right to Be Excluded</u>. Plaintiff agrees that, by signing this Settlement Agreement, she will be bound by the terms herein. Plaintiff further agrees that, upon signing this Settlement Agreement, she will not request to be excluded from this Settlement and that any such request for exclusion by Plaintiff will be void and of no force or effect.
- 71. <u>Judgment and Continued Jurisdiction.</u> Upon final approval of the Settlement by the Court or after the Final Approval Hearing, the Parties will present the Judgment to the Court for its approval pursuant to Rule 3.770 of the California Rules of Court. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing:

 (i) the interpretation and enforcement of the terms of the Settlement, (ii) Settlement

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27 28 administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

- 72. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action, including with respect to California Code of Civil Procedure section 583.310, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval Hearing before the Court.
- 73. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the terms set forth in any attached Exhibits, which are incorporated by reference as though fully set forth herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

74. Publicity Agreement.

- Prior to the Filing of Plaintiff's Motion for Preliminary Approval. Class a) Representative and Class Counsel will not make any public disclosures of any kind regarding the Settlement, this Settlement Agreement, or the confidential Memorandum of Understanding fully executed by the Parties, Class Counsel and Defense Counsel, including but not limited to postings on Class Counsel's websites and postings on any social media sites/outlets, until after the Motion for Preliminary Approval is filed. Class Counsel will take all steps necessary to ensure the Class Representative is aware of, and will encourage her to adhere to, the restriction against any public disclosures regarding the Settlement, this Settlement Agreement, and the confidential fully executed Memorandum of Understanding in this Action until after the Motion for Preliminary Approval is filed. Further, Class Counsel will| not include, reference or use the Settlement for any marketing or promotional purposes, or for attempting to influence business relationships at Defendant's location(s), either before or after the Motion for Preliminary Approval is filed, except that Class Counsel is permitted to include the dollar amount of the Gross Settlement Amount in any verdicts or settlement calculations without referencing the names of Defendant or the Released Parties.
- b) Following the Court's Order Granting Preliminary Approval. Class Representative and Class Counsel will not initiate any communications with the media or third

 parties, and, if contacted by the media or third parties, will only direct any media inquiries to the public records of the Action on file with the Court. Class Counsel will take all steps necessary to ensure the Class Representative is aware of, and will encourage her to adhere to, the restriction against initiating any media comment. Class Counsel further agrees not to use the Settlement or any of its terms for any marketing or promotional purposes except as provided for above. Nothing herein will restrict Class Counsel from including publicly available information regarding this Settlement in future judicial submissions regarding Class Counsel's qualifications and experience. Further, as stated above, Class Counsel will not include, reference or use the Settlement for any marketing or promotional purposes, or for attempting to influence business relationships at Defendant's location(s), either before or after the Motion for Preliminary Approval is filed, except as for provided above.

- 75. <u>Entire Agreement.</u> This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.
- 76. <u>Amendment or Modification.</u> This Settlement Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest and approved by the Court.
- Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties, Class Counsel and Defense Counsel shall cooperate with each other and use their best efforts to affect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement. The person(s) signing this Settlement Agreement

on behalf of Defendant represents and warrants that he/she is authorized to sign this Settlement Agreement on behalf of Defendant. Plaintiff represents and warrants that she is authorized to sign this Settlement Agreement and that she has not assigned any claim, or part of a claim, covered by this Settlement of Settlement to a third-party. The Parties have cooperated in the drafting and preparation of this Settlement Agreement. Hence, in any construction made of this Settlement Agreement, the same will not be construed against any of the Parties.

- 78. <u>Binding on Successors and Assigns.</u> This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.
- 79. <u>California Law Governs.</u> All terms of this Settlement Agreement and Exhibits hereto will be governed by and interpreted according to the laws of the State of California.
- 80. <u>Execution and Counterparts.</u> This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned copies of the signature page, will be deemed to be one and the same instrument.
- 81. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement 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 Settlement. In addition, the Mediator may execute a declaration supporting the Settlement and the reasonableness of the Settlement and whether or not the Settlement is objectively fair and reasonable.

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- 82. <u>Invalidity of Any Provision.</u> Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.
- 83. <u>Waiver of Certain Appeals.</u> The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only; except, however, that Plaintiff or Class Counsel may appeal any reduction in Attorneys' Fees and Expenses below the amount they request from the Court, and either party may appeal any court order that materially alters the Settlement Agreement's terms.
- 84. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering into this Settlement, Defendant does not admit, and specifically denies, that it 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 Settlement, nor any of its terms or provisions, nor any of the negotiations connected with it, will be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement, this Settlement and its terms and provisions will not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.
- 85. <u>Waiver.</u> No waiver of any condition or covenant contained in this Settlement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

- 86. <u>Enforcement Action.</u> In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.
- 87. <u>Mutual Preparation.</u> The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement. Accordingly, this Settlement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement.
- 88. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement, and that this Settlement has been executed with the consent and advice of counsel. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.
- 89. <u>All Terms Subject to Final Court Approval.</u> All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.
- 90. <u>Cooperation and Execution of Necessary Documents.</u> All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.
- 91. <u>Binding Agreement.</u> The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement will be fully enforceable and binding on all parties (including participating Class members), and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

1	92. <u>Voluntary and Knowing Execu</u>	ution. The Parties acknowledge that they each	
2	have the right to enter into this Settlement and Release, and that they each enter into thi		
3	Settlement knowingly and voluntarily, with full understanding of its terms.		
4	///		
5	///		
6	///		
7	SO AGREED AND STIPULATED.		
8		PLAINTIFF	
9	February 08, 2021	Electrorically Signed 2021-02-08 21:46:10 UTC - 104.172.140.183	
10	Dated: February, 2021	41ac1611-9e16-47d5-bb45-acc601050H44_	
11		Sonia Esparza	
12		DEFENDANT	
13	Dated: February, 2021		
14		Floral Supply Syndicate, LLC	
15		By: Title: President	
16	APPROVED AS TO FORM:		
17	Dated: February 8_, 2021	LAWYERS FOR JUSTICE, PC	
18			
19		By Mini Aninja	
20		Edwin Aiwazian Attorneys for Plaintiff SONIA ESPARZA	
21			
22	Dated: February, 2021	LIGHTGABLER	
23			
24		By Jonathan Fraser Light	
25		Monnett G. De La Torre Attorneys for Defendant FLORAL SUPPLY	
26		SYNDIČATE, LLC	
27			
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JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

	11		
1	92 <u>Voluntary and Knowing Execution</u> The Parties acknowledge that they each		
2	have the right to enter into this Settlement and Release, and that they each enter into this		
3	Settlement knowingly and voluntarily, with full understanding of its terms		
4	<i>III</i>		
5	<i>III</i>		
6	<i>III</i>		
7	SO AGREED AND STIPULATED.		
8		PLAINTIFF	
9			
10	Dated: January, 2021		
11		Sonia Esparza	
12		DEFENDANT	
13	Dated: February <u>5</u> , 2021	LIM	
14	لمان المان الم	Floral Supply Syndicate, LLC	
15		By: Richard KLUNER Title: President	
16	APPROVED AS TO FORM:	Member	
17	Dated: January, 2021	LAWYERS FOR JUSTICE, PC	
18			
19		Ву	
20		Edwin Aiwazian Attorneys for Plaintiff SONIA ESPARZA	
21		110117040180	
22	Dated: January, 2021	LIGHTGABLER	
23		_	
24		By Jonathan Fraser Light	
25		Monnett G. De La Torre Attorneys for Defendant FLORAL SUPPLY SYNDICATE, LLC	
26		SYNDICATE, LLC	
27			
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Ì	JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT		

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2	have the right to enter into this Settlement and Release, and that they each enter into thi		
3	Settlement knowingly and voluntarily, with full understanding of its terms.		
4	///		
5	///		
6	///		
7	SO AGREED AND STIPULATED.		
8		PLAINTIFF	
9			
10	Dated: February, 2021	Sonia Esparza	
11		DEFENDANT	
12			
13	Dated: February, 2021	<u></u>	
14		Floral Supply Syndicate, LLC By:	
15	APPROVED AS TO FORM:	Title: President	
16	Datady Fahrusany 2004	LAWYERS <i>FOR</i> JUSTICE, PC	
17	Dated: February, 2021	LAWTERS FOR JUSTICE, FC	
18			
19		By Edwin Aiwazian	
20		Attorneys for Plaintiff SONIA ESPARZA	
21	Dated: February 3, 2021	LIGHTGABLER	
22		, 1 1 1 11	
23		By Muth De F h	
2425		Jonathan Fraser Light Monnett G. De La Torre	
26		Attorneys for Defendant FLORAL SUPPLY SYNDICATE, LLC	
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JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT