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

This Second Amended Joint Stipulation of Class Action and PAGA Settlement and Release ("Settlement" or "Settlement Agreement") is made and entered into by and between Plaintiff Jesus Salguero ("Plaintiff" or "Class Representative"), as an individual and on behalf of all others similarly situated, and Defendant Deliv, Inc. ("Defendant") (collectively with Plaintiff, the "Parties").

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

- 1. "Action" means the actions entitled *Salguero v. Deliv*, Civil Case No. 19STCV32534, Appellate Civil Case No. B304732.
- 2. "Attorneys' Fees and Costs" means attorneys' fees agreed upon by the Parties and approved by the Court for Plaintiff's Counsel's litigation and resolution of the Action, and all costs incurred and to be incurred by Plaintiff's Counsel in the Action, including, but not limited to, costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court's approval of the Settlement, administering the Settlement, and expenses for any experts. Plaintiff's Counsel will request attorneys' fees not in excess of 35% of the Gross Settlement Amount and actual Costs not to exceed \$40,000. Defendant have agreed not to oppose Plaintiff's Counsel's request for Fees and Costs as set forth above.
- 3. "Claims Administrator" means Phoenix Settlement Administrators. The Parties each represent that they will not have any financial interest in the Claims Administrator or otherwise have a relationship with the Claims Administrator that could create a conflict of interest.
- 4. "Claims Administration Costs" means the costs payable from the Class Settlement Amount to the Claims Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating estimated amounts per Class Member, tax reporting, distributing the Class Settlement Amount, and providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. The Claims Administration Costs will be paid from the Class Settlement Amount, including, if necessary, any such costs in

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excess of the amount represented by the Claims Administrator as being the maximum costs necessary to administer the settlement. Claims Administration Costs shall not exceed \$20,000.

- 5. "Class Counsel" means The Parris Law Firm.
- 6. "Class List" means a complete list of all Class Members that Defendant will diligently and in good faith compile from its records and provide to the Claims Administrator within fourteen (14) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include (if available) each Class Member's full name; most recent mailing address and telephone number; the hire and termination dates, and the workweeks actually worked by each Class Member during the Class Period ("Individual Workweeks") and any other relevant information needed to calculate settlement payments.
- "Class Member(s)" or "Settlement Class" means: all independent contractor delivery specialists engaged to perform services for Defendant and/or the Released Parties who worked or resided in the State of California during the class period from September 12, 2015 to August 25, 2019, but shall exclude Ashley Young who has filed a separate lawsuit currently pending in the State of California.
- 8. "Class Representative Enhancement Payment" means the amounts to be paid to Plaintiff in recognition of his effort and work in prosecuting the Action on behalf of Class Members, and for his general release of claims. Subject to the Court granting final approval of this Settlement Agreement and subject to the exhaustion of any and all appeals, Plaintiff will request Court approval of a Class Representative Enhancement Payment of (\$10,000.00). The Class Representative Enhancement Payment is included in the Class Settlement Amount.
- 9. "Class Settlement Amount" means the maximum settlement amount of Six Hundred Thirty Five Thousand Dollars and Zero Cents (\$635,000.00) to be paid by Defendant in full satisfaction of all claims arising from the Action, which includes all Individual Settlement Payments to Class Members, the Class Representative Enhancement Payment to Plaintiff, Claims Administration Costs to the Claims Administrator, the Labor and Workforce Development Agency Payment, and the Attorneys' Fees and Costs.
 - 10. "Court" means the Superior Court of the State of California for the County of Los Angeles.
- 11. "Defendant" means Deliv, Inc., and its past, present or future affiliates, subsidiaries and parents at any level.

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 - 12. "Effective Date" means the later of: (a) the 60th day after the Court enters an order granting final approval of the Joint Stipulation of Class Action Settlement and Release; or (b) if any timely appeals are filed, the date of the resolution (or withdrawal) of any such appeal in a way that does not alter the terms of the Settlement.
 - 13. "Final Approval" means the Court entering an order granting final approval of the Settlement Agreement.
 - 14. "Final Approval Order" means the order granting Final Approval of Class Action and PAGA Settlement and Judgement entered by the Court.
 - 15. "Individual Settlement Payment" means each Class Member's share of the Net Settlement Amount, to be distributed to the Class Members.
 - 16. "Labor and Workforce Development Agency Payment" means the amount that the Parties have agreed to pay to the Labor and Workforce Development Agency ("LWDA") in connection with the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, et seq., "PAGA"). The Parties have agreed that (\$50,000.00) of the Class Settlement Amount will be allocated to the resolution of any Class Members' claims arising under PAGA. Pursuant to PAGA, Seventy-Five Percent (75%), or (\$37,500), of the Labor and Workforce Development Agency Payment will be paid to the California Labor and Workforce Development Agency, and Twenty Five Percent (25%), or (\$12,500.00), of the Labor and Workforce Development Agency Payment will distributed to the Settlement Class Members who worked within the PAGA Period.
 - 17. "Net Settlement Amount" means the portion of the Class Settlement Amount remaining after deduction of the approved Class Representative Enhancement Payment, Claims Administration Costs, Labor and Workforce Development Agency Payment, and the Attorneys' Fees and Costs. The Net Settlement Amount will be distributed to Class Members.
 - 18. "PAGA Period" means the period between September 12, 2018 through August 24, 2019.
 - 19. "Parties" means Plaintiff and Defendant collectively.
 - 20. "Plaintiff" means Jesus Salguero.
 - 21. "Plaintiff's Counsel" means The Parris Law Firm.
 - 22. "Post-*Dynamex* Settlement Class Period" means May 1, 2018 through August 25, 2019.

- 23. "Post-*Dynamex* Workweeks" means the number of weeks each Class Member worked during the Post-*Dynamex* Settlement Class Period.
 - 24. "Pre-*Dynamex* Settlement Class Period" means September 12, 2015 through April 30, 2018.
- 25. "Pre-*Dynamex* Workweeks" means the number of weeks each Class Member worked during the Pre-*Dynamex* Settlement Class Period.
- 26. "Preliminary Approval" means the Court order granting preliminary approval of the Settlement Agreement.
- 27. "Released Claims" means all claims, rights, demands, liabilities, and causes of action, that were or could have been pleaded based on, arising from, or related to, the factual allegations set forth in the First Amended Class Action Complaint, including: (i) all claims for unpaid minimum wages; (ii) all claims for unpaid overtime; (iii) all claims for meal and rest break violations; (iv) all claims for the failure to timely pay wages upon termination; (v) all claims for the failure to timely pay wages during employment; (vi) all claims for wage statement violations; (vii) all claims for the failure to keep requisite payroll records; (viii) all claims for failure to reimburse business expenses; (ix) all claims for willful misclassification, (x) all claims that could arise under Business & Professions Code §§ 17200, et seq. Released Claims also means any claims, rights, demands, liabilities, damages, wages, benefits, expenses, penalties, debts, obligations, attorneys' fees, costs, any other form of relief or remedy in law, equity, or whatever kind or nature, whether known or unknown, suspected or unsuspected, and causes of action, that could potentially arise from the receipt of any monies as a result of this settlement by any member of the Settlement Class.
- 28. "Released Claims Period" means the period from September 12, 2015 through Preliminary Approval.
- 29. "Released Parties" means Defendant, its officers and directors, and any of its former and present parents, subsidiaries, affiliates, divisions, corporations in common control, predecessors, successors, and assigns, as well as all past and present officers, directors, employees, partners, shareholders and agents, attorneys, insurers, and any other successors, assigns, or legal representatives, if any.
- 30. "Settlement Payment Check" means the payment to Class Members pursuant to this Settlement Agreement. The back of the Settlement Payment Check shall state, immediately below the space where the check is to be endorsed by the payee: "By endorsing this check, I acknowledge that I read, understood, and

agree to the terms set forth in the Notice of Class Action Settlement."

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3 4 Plaintiff, on behalf of himself and the Settlement Class, and Defendant, agree as follows:

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TERMS OF AGREEMENT

- 31. Funding of the Class Settlement Amount. Defendant will pay the Class Action Settlement Amount into a Qualified Settlement Account ("QSF") to be established by the Claims Administrator. The payment shall be paid within fourteen (14) calendar days after the Effective Date. Within ten (10) calendar days of receipt of the Class Settlement Amount, the Claims Administrator will issue payments to: (a) Class Members; (b) the Labor and Workforce Development Agency; (c) Plaintiff; and (d) Plaintiff's Counsel. The Claims Administrator will also issue a payment to itself for Court-approved services performed in connection with the settlement.
- 32. Attorneys' Fees and Costs. Defendant agree not to oppose or impede any application or motion by Plaintiff's Counsel for attorneys' fees of not more than thirty-five percent (35%) of the Gross Settlement Amount in Fees and Actual Costs not to exceed \$40,000 which will be paid from the Class Settlement Amount.
- 33. Class Representative Enhancement Payment. In exchange for general releases, and in recognition of his effort and work in prosecuting the Action on behalf of Class Members, Defendant agrees not to oppose or impede any application or motion for a Class Representative Enhancement Payment of (\$10,000.00) to Plaintiff for his services on behalf of the Settlement Class. The Class Representative Enhancement Payment will be paid from the Class Settlement Amount and will be in addition to Plaintiff's individual settlement payment paid pursuant to the Settlement. Plaintiff will be solely and legally responsible to pay any and all applicable taxes on the payments made pursuant to this paragraph and will indemnify and hold Defendant harmless from any claim or liability for taxes, penalties, or interest arising as a result of the payment.
- 34. Claims Administration Costs. The Claims Administrator will be paid for the reasonable costs of administering the Settlement and distributing payment from the Class Settlement Amount. These costs, which will be paid from the Class Settlement Amount, will include, *inter alia*, the required tax reporting on the Individual Settlement Payments (if any), the issuing of required tax forms, calculating and distributing the Class Settlement Amount, and providing necessary reports and declarations.
 - 35. Acknowledgement of Potential Claims Administration Costs Increases. The Parties hereby

acknowledge that the Claims Administration Costs may increase and that any such additional Class Administration Costs shall be taken out of the Class Settlement Amount.

- 36. <u>Labor and Workforce Development Agency Payment</u>. Subject to Court approval, the Parties agree that the amount of (\$50,000.00) from the Class Settlement Amount will be designated for satisfaction of Plaintiff's and Class Members' PAGA claims. Pursuant to PAGA, Seventy Five Percent (75%), or (\$37,500.00), of the Labor and Workforce Development Agency Payment will be paid to the LWDA, and Twenty Five Percent (25%), or (\$12,500.00), will be distributed to the Settlement Class Members who worked within the PAGA Period.
- 37. <u>Net Settlement Amount.</u> The Net Settlement Amount will be used to satisfy Individual Settlement Payments to Class Members from the Settlement Class in accordance with the terms of this Settlement.
- 38. <u>Individual Settlement Payment Calculations</u>. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of Pre-*Dynamex* and post-*Dynamex* Workweeks a Class Member worked. Specific calculations of Individual Settlement Payments will be made as follows:
 - Defendant will calculate the total number of Pre-*Dynamex* and Post-*Dynamex*Workweeks actually worked by each Class Member ("Individual Pre-*Dynamex*Workweeks" and "Individual Post-*Dynamex* Workweeks") and the total number of Pre-*Dynamex* and Post-*Dynamex* Workweeks actually worked by all Class Members ("Class Pre-*Dynamex* Workweeks" and Class "Post-*Dynamex* Workweeks"). Defendant will also calculate the total number of Workweeks actually worked by each Class Member during the PAGA Period ("Individual PAGA Workweeks") and the total number of Workweeks actually worked by all Class Members during the PAGA Period ("PAGA Workweeks").
 - To determine each Class Member's Individual Settlement Payment, the Claims

 Administrator will use the following formula: Individual Settlement Payment =

 (0.25 × [Individual Pre-Dynamex Workweeks ÷ Total Pre-Dynamex Workweeks

 of Class Members]) + (0.75 × [Individual Post-Dynamex Workweeks ÷ Total

1			Post-Dynamex Workweeks of Class Members]) × Net Settlement Amount.
2		38(c)	If any Class Member requests to be excluded from the settlement these funds shall
3			remain part of the Net Settlement Amount and shall proportionally increase each
4			participating Class Member's final Individual Settlement Payment
5		38(d)	Each Class Member who worked during the PAGA Period is eligible to receive
6			the proportionate amount of 25% of the Labor and Workforce Development
7			Agency Payment. To determine each Class Member's Individual PAGA
8			Settlement Payment, the Claims Administrator will use the following formula:
9			Individual PAGA Settlement Payment = (Individual PAGA Workweeks ÷ Total
10			PAGA Workweeks) × \$12,500.00.
11	39.	No Credit	Toward Benefit Plans. The Individual Settlement Payments made to Class Members
12	under this Settlement, as well as any other payments made pursuant to this Settlement, will not be utilized to		
13	calculate any additional benefits under any benefit plans to which any Class Members may be eligible,		
14	including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation		
15	plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this		
16	Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may		
17	be entitled under any benefit plans.		
18	40.	Claims A	dministration Process. The Parties agree to cooperate in the administration of the
19	settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in		
20	administration of the Settlement. The Claims Administrator will provide the following services:		
21		40(a)	Establish and maintain a Qualified Settlement Account.
22		40(b)	Calculate the Individual Settlement Payment each Class Member is eligible to
23			receive.
24		40(c)	Calculate Class Members' Individual Settlement Payment, field inquiries from
25			Class Members, and administer of any Requests for Exclusion. This service will
26			include settlement proceed calculation, printing and issuance of Settlement
27			Payment Checks, and preparation of IRS 1099 or W-2 Tax Forms.
28		40(d)	Inform Defendant of its employer-side tax liability, if any.

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- 40(e) Provide declarations and/or other information to this Court as requested by the Parties and/or the Court.
- 40(f) Provide weekly status reports to counsel for the Parties.
- 40(g) Posting a notice of final judgment online at Claims Administrator's website.
- 41. <u>Delivery of the Class List and Notice to Class Members</u>. Within fourteen (14) calendar days of Preliminary Approval, Defendant will provide the Class List to the Claims Administrator. Within five (5) calendar days of receiving the Class List, the Claims Administrator shall update the mailing addresses on the Class List using the National Change of Address Database maintained by the United States Postal Service and mail the Notice of Class Action Settlement to all Class Members via first class mail in English and Spanish. Class Members shall have thirty-five (35) days after the date of mailing to dispute their estimated Individual Settlement Payment Amount, exclude themselves from the Settlement, or object to the Settlement.
- 42. <u>Settlement Terms Bind All Class Members</u>. All Class Members, except for Ashley Young, will be bound by all of its terms, including those pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the Settlement. All Class Members will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged, any and all Released Claims arising under the Private Attorney General Act (California Labor Code Sections 2698 *et seq*).
- 43. <u>Certification Reports Regarding Individual Settlement Payment Calculations</u>. The Claims Administrator will provide Defendant's counsel and Class Counsel a weekly report which certifies: (a) the number of Class Members from the Settlement Class; and (b) the Net Settlement Amount claimed by Class Members. Additionally, the Claims Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested.
- 44. <u>Uncashed Settlement Checks</u>. Any checks issued by the Claims Administrator to Class Members will be negotiable for at least one hundred eighty (180) calendar days. Those funds represented by settlement checks returned as undeliverable and those settlement checks remaining un-cashed for more than one hundred eighty (180) calendar days after issuance will be tendered in accordance with California Code of Civil Procedure §384(b) to California State Bar's Justice Gap Fund.
- 45. <u>Certification of Completion</u>. Upon completion of administration of the Settlement, the Claims Administrator will provide a written declaration under oath to certify such completion to the Court and counsel

for all Parties.

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46. <u>Tax Treatment of Individual Settlement Payments</u>. All Individual Settlement Payments will be allocated as 20% to wages and 80% to non-wages and will be reported on an IRS Forms W-2 and 1099 by the Claims Administrator, as necessary.

- 47. <u>Administration of Taxes by the Claims Administrator</u>. The Claims Administrator will be responsible for issuing to Plaintiff, Class Members, and Plaintiff's Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement Agreement. The Claims Administrator will also be responsible for forwarding all payroll taxes and penalties to the appropriate government authorities.
- 48. <u>Tax Liability</u>. Defendant makes no representation 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 Defendant or by the Claims Administrator in this regard. Plaintiff and Class Members understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein.
- 49. <u>Circular 230 Disclaimer</u>. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "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 ADVISERS, 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 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR

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DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

- 50. <u>No Prior Assignments</u>. 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.
- 51. <u>Arbitration Dismissal</u>. Within five (5) business days of the Effective Date, Defendant shall dismiss with prejudice its arbitration demand against Plaintiff in the action *Deliv v. Salguero*, AAA Case No. 01-19-0004-2451.
- Settlement Settlement, and Defendant to fully, finally, and forever settle, compromise, and discharge the claims asserted in the Action. Upon the Final Approval by the Court of this Settlement Agreement, and except as to such rights or claims as may be created by this Settlement Agreement, the Class Members shall fully release and discharge the Released Parties from any and all Released Claims for the entire Released Claims Period. This release shall be binding on all Class Members including each of their respective attorneys, agents, spouses, executors, representatives, guardians ad litem, heirs, successors, and assigns, and shall inure to the benefit of the Released Parties, who shall have no further or other liability or obligation to any Settlement Class Member with respect to the Released Claims, except as expressly provided herein.
- 53. Release of Additional Claims & Rights by Plaintiff. Upon the Effective Date, and as a condition of receiving any portion of his Class Representative Enhancement Payment, Plaintiff will agree to the additional following General Release: In consideration of Defendant's promises and agreements as set forth herein, Plaintiff hereby fully releases the Released Parties from any and all Released Claims and also generally

releases and discharges the Released Parties from any and all claims, demands, obligations, causes of action, rights, or liabilities of any kind which have been or could have been asserted against the Released Parties arising out of or relating to Plaintiff's employment by Defendant or termination thereof, including but not limited to claims for wages, restitution, penalties, retaliation, defamation, discrimination, harassment or wrongful termination of employment. This release specifically includes any and all claims, demands, obligations and/or causes of action for damages, restitution, penalties, interest, and attorneys' fees and costs (except provided by the Settlement Agreement) relating to or in any way connected with the matters referred to herein, whether or not known or suspected to exist, and whether or not specifically or particularly described herein. Specifically, Plaintiff waives all rights and benefits afforded by California Civil Code Section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

- 54. <u>Nullification of Settlement Agreement</u>. In the event that: (a) the Court does not finally approve the Settlement as provided herein; (b) the Court strikes or does not approve any material term of this Settlement Agreement; or (c) the Settlement does not become final as written and agreed to by the Parties for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect including the Memorandum of Agreement, will be null and void, all amounts deposited into the QSF will be returned to Defendant, and the Parties shall be returned to their original respective positions. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning.
- Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes only, (b) Preliminary Approval of the proposed Settlement Agreement, and (c) setting a date for a Final Approval/Settlement Fairness Hearing. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this Settlement Agreement, which sets forth the terms of this Settlement. Defendant will provide Class Counsel will a declaration setting forth its current operational status. Class Counsel will be responsible for drafting all other documents necessary to obtain preliminary approval. Any failure by the Court to fully and completely approve the Settlement

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Agreement as to all of the Action, or the entry of any Order by another Court with regard to any of the Action which has the effect of preventing the full and complete approval of the Settlement Agreement as written and agreed to by the Parties, will result in this Settlement Agreement and the Term Sheet and Memorandum of Understanding entered into by the Parties, and all obligations under this Settlement Agreement and the Term Sheet and Memorandum of Understanding being nullified and voided.

- Final Settlement Approval Hearing and Entry of Judgment. With the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to determine the Final Approval of the Settlement Agreement along with the amounts properly payable for: (a) Individual Settlement Payments; (b) the Labor and Workforce Development Agency Payment; (c) the Attorneys' Fees and Costs; (d) the Class Representative Enhancement Payment; and (e) all Claims Administration Costs. Class Counsel will be responsible for drafting all documents necessary to obtain Final Approval. Class Counsel will also be responsible for drafting the attorneys' fees and costs application to be heard at the final approval hearing. Any failure by the Court to fully and completely approve the Settlement Agreement as to all of the Action, or the entry of any Order by another Court with regard to any of the Action which has the effect of preventing the full and complete approval of the Settlement Agreement as written and agreed to by the Parties, will result in this Settlement Agreement and the Term Sheet and Memorandum of Understanding entered into by the Parties, and all obligations under this Settlement Agreement and the Term Sheet and Memorandum of Understanding being nullified and voided.
- 57. <u>Judgment and Continued Jurisdiction</u>. Upon Final Approval of the Settlement by the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment to the Court for its approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement.
- 58. <u>Entire Agreement</u>. This Settlement Agreement constitutes the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.
 - 59. <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.

- 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 and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. If 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.
- 61. <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.
- 62. <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.
- 63. <u>Execution and Counterparts</u>. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.
- 64. 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 the Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.
 - 65. <u>Invalidity of Any Provision</u>. Before declaring any provision of this Settlement Agreement

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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.

- 66. <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 either party may appeal any court order that materially alters the Settlement Agreement's terms.
- 67. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to class action certification only for purposes of the Settlement. If, for any reason, the Settlement is not approved, the stipulation to certification will be void. The Parties further agree that certification for purposes of the Settlement is not an admission that class action certification is proper under the standards applied to contested certification motions and that this Settlement Agreement will not be admissible in this or any other proceeding as evidence that either: (a) a class action should be certified or (b) Defendant is liable to Plaintiff or any Class Member, other than according to the Settlement's terms.
- 68. Non-Admission of Liability. The Parties enter into this Settlement Agreement 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 Agreement, Defendant does not admit, and specifically deny, 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 Settlement 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 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 Agreement, this Settlement 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 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.
- 69. <u>Captions and Headings</u>. The captions and headings in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Settlement Agreement.

70. <u>Waiver</u>. No waiver of any condition or covenant contained in this Settlement Agreement 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.

- 71. <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.
- 72. <u>Mutual Preparation</u>. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement 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 Agreement.
- 73. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.
- 74. <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.
- 75. <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.
- 76. Confidentiality Prior to Preliminary Approval. Plaintiff, Plaintiff's Counsel, Class Counsel, Defendant and its counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communication with the press about the fact, amount or terms of the Settlement Agreement prior to Preliminary Approval. Nothing in this Settlement Agreement shall limit Defendant's ability to fulfill disclosure obligations reasonably required by law or in furtherance of business purposes, including the fulfillment of obligations stated in this Settlement Agreement

1	77. <u>Binding Agreement</u> . The Parties warrant that they understand and have full authority to enter					
2	into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on					
3	all parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms,					
4	notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.					
5						
6	SIGNATURES					
7	READ CAREFULLY BEFORE SIGNING					
8	Dated: 4/2/2021 PLAINTIFF					
9						
10	— DocuSigned by:					
11	JANG.					
12	Plaintiff Jesus Salguero					
13						
14	Dated: DEFENDANT DELIV INC.					
15						
16						
17						
18	Michael Maidy, Trustee					
19						
20	APPROVED AS TO FORM					
21	Dated: April 2, 2021					
22						
23						
24	Kitty K. Sveto John Bickford					
25	Attorneys for Plaintiff and the Class					
26						
27						
28						

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6	
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8	Dated: PLAINTIFF
9	
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12	Plaintiff Jesus Salguero
13	04 / 02 / 2021
14	Dated: 04 / 02 / 2021 DEFENDANT DELIV INC.
15	
16 17	
18	Michael Maidy, Trustee
19	Whenaer Wardy, Trustee
20	APPROVED AS TO FORM
21	Dated:
22	Dated.
23	
24	Kitty K. Szeto John Bickford
25	Attorneys for Plaintiff and the Class
26	
27	
28	

1	Dated: April 5, 2021	LITTLER MENDELSON, P.C.
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3		Y am
4		Jaime Laurent Attorneys for Defendant DELIV INC.
5		DELIV INC.
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NOTICE OF CLASS ACTION SETTLEMENT

Salguero v. Deliv, Inc., Los Angeles County Superior Court Case No. 19STCV32534

If you worked as an independent contractor delivery specialist for Deliv, Inc. (Deliv) in California anytime between September 12, 2015 and August 25, 2019, a settlement in a class action lawsuit may affect your rights.

- A putative class action lawsuit is pending against Deliv alleging it misclassified its delivery specialists as independent contractors rather than employees.
- On [preliminary approval date], the Court preliminarily approved a proposed settlement of this lawsuit as set forth in the Second Amended Stipulation of Class Action and PAGA Settlement and Release ("Settlement Agreement").
- Deliv denies any wrongdoing and maintains it fully complied with the law. By entering into the Settlement Agreement, Deliv in no way admits any violation of law or any liability whatsoever, individually or collectively, and expressly denies all such liability.
- This Notice provides you with a brief description of the lawsuit. More information and key documents related to the settlement, including the Class Action Complaint, can be found at [website].

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT		
	Do nothing. Get money. Release claims.	
DO NOTHING	By doing nothing, you will receive your share of the settlement money and will give up your right to pursue the claims released in the Settlement Agreement.	
	Request to be excluded. Get nothing. Keep claims.	
REQUEST EXCLUSION	By requesting to be excluded, you will receive no share of the settlement money, but will keep your right to pursue the claims released in the Settlement Agreement. Requests to be excluded must be submitted by [35 days from date of mailing]. If you choose to be excluded, you cannot object to the Settlement Agreement.	
OBJECT	Object. By objecting to the Settlement Agreement, the Court will rule on your objections at the Final Approval Hearing on [Final Approval Hearing Date]. Objections must be submitted by [35 days from date of mailing].	

WHAT IS THIS LAWSUIT ABOUT?

This is a class action lawsuit alleging Deliv misclassified its delivery specialists as independent contractors, rather than employees. To determine whether delivery specialists were misclassified as independent contractors, Plaintiff sought to use the test described by the California Supreme Court in its April 30, 2018 decision entitled *Dynamex Operations W. v. Superior Court* (2018) 4 Cal.5th 903 ("*Dynamex*"). Based on the alleged misclassification of delivery specialists, Plaintiff seeks unpaid minimum wages, unpaid overtime, unpaid meal and rest break premiums, penalties for final wages not timely paid, penalties for non-compliant wage statements, and unpaid business expenses. Deliv denies these allegations. The Court has not yet ruled on the merits of the claims. This means that there has been no ruling as to who wins and who loses. The Parties reached a settlement to avoid the time, uncertainty, and expense of further litigation.

The Parties are settling this lawsuit as a class action. In a class action, one or more people, called the Class Representatives, sue on behalf of a group of people who have similar claims. These people are called the Class or the Class Members. If the Court decides the Class Members are similar enough, it resolves the claims for everyone in the Class, except those who choose to exclude themselves.

The Class in this lawsuit includes "all independent contractor delivery specialists engaged to perform services for Deliv and/or the Released Parties who worked or resided in the State of California during the class period from September 12, 2015 to August 25, 2019." If you meet this definition, you are a Class Member and may be eligible to recovery money as part of the settlement.

If the Court approves the settlement at the Final Approval Hearing on [Final Approval Hearing Date] it will bind all Class Members who have not excluded themselves. If the Court does not approve the settlement, it will have no effect on the subsequent proceedings in this lawsuit or in any other litigation.

HOW MUCH IS THE SETTLEMENT?

Deliv has agreed to pay up to \$635,000.00 to settle all claims, rights, demands, liabilities, and causes of action, that were or could have been pleaded based on, arising from, or related to, the factual allegations set forth in the First Amended Class Action Complaint, including: (i) all claims for unpaid minimum wages; (ii) all claims for unpaid overtime; (iii) all claims for meal and rest break violations; (iv) all claims for the failure to timely pay wages upon termination; (v) all claims for the failure to timely pay wages during employment; (vi) all claims for wage statement violations; (vii) all claims for the failure to keep requisite payroll records; (viii) all claims for failure to reimburse business expenses; (ix) all claims for willful misclassification, and (x) all claims that could arise under Business & Professions Code §§ 17200, et seq. Released Claims also means any claims, rights, demands, liabilities, damages, wages, benefits, expenses, penalties, debts, obligations, attorneys' fees, costs, any other form of relief or remedy in law, equity, or whatever kind or nature, whether known or unknown, suspected or unsuspected, and causes of action, that could potentially arise from the receipt of any monies as a result of this settlement by any member of the Settlement Class. The releases are set forth in specific detail in the Settlement Agreement.

HOW MUCH MONEY WILL I RECEIVE?

Based on Deliv's records, you will receive a check of approximately \$XX.XX.

Because the applicable period at issue in this class action lawsuit covers periods before and after the California Supreme Court's *Dynamex* decision, the settlement includes a Pre-*Dynamex* and Post-*Dynamex* settlement calculation. Your Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of Pre-*Dynamex* and post-*Dynamex* Workweeks you worked based on Deliv's records.

Important definitions:

- The Net Settlement Amount means the portion of the Class Settlement Amount remaining after deduction of the approved Class Representative Enhancement Payment (\$10,000), Claims Administration Costs (\$20,000), Labor and Workforce Development Agency Payment (\$37,500), the Attorneys' Fees (\$222,250), and Costs (\$40,000).
- Pre-Dynamex workweeks are the number of weeks each Class Member worked between September 12, 2015 and April 30, 2018.
- Post-Dynamex workweeks means the number of weeks each Class Member worked between May 1, 2018 and August 25, 2019.
- This action also includes a demand for penalties under California Private Attorney General Act ("PAGA"). PAGA workweeks means the number of weeks each Class Member worked between September 12, 2018 through August 24, 2019 ("PAGA Period").

Specific calculations of Individual Settlement Payments will be made as follows:

- (a) Deliv will calculate the total number of Pre-Dynamex and Post-Dynamex Workweeks actually worked by each Class Member ("Individual Pre-Dynamex Workweeks" and "Individual Post-Dynamex Workweeks") and the total number of Pre-Dynamex and Post-Dynamex Workweeks actually worked by all Class Members ("Class Pre-Dynamex Workweeks" and Class "Post-Dynamex Workweeks"). Deliv will also calculate the total number of Workweeks actually worked by each Class Member during the PAGA Period ("Individual PAGA Workweek") and the total number of Workweeks actually worked by all Class Members during the PAGA Period ("PAGA Workweeks").
- (b) To determine each Class Member's Individual Settlement Payment, the Claims Administrator will use the following formula: Individual Settlement Payment = (0.25 × [Individual Pre-*Dynamex* Workweeks ÷ Total Pre-*Dynamex* Workweeks of Class Members]) + (0.75 × [Individual Post-*Dynamex* Workweeks ÷ Total Post-*Dynamex* Workweeks of Class Members]) × Net Settlement Amount.
- (c) If any Class Member requests to be excluded from the settlement these funds shall remain part of the Net Settlement Amount and shall proportionally increase each participating Class Member's final Individual Settlement Payment
- Each Class Member who worked during the PAGA Period is eligible to receive the proportionate amount of 25% of the Labor and Workforce Development Agency Payment. To determine each Class Member's Individual PAGA Settlement Payment, the Claims Administrator will use the following formula: Individual PAGA Settlement Payment = (Individual PAGA Workweeks ÷ Total PAGA Workweeks) × \$12,500.00.

All Individual Settlement Payments will be allocated as 20% to wages and 80% to non-wages and will be reported on an IRS Forms W-2 and 1099 by the Claims Administrator, as necessary.

Any checks issued by the Claims Administrator to Class Members will be negotiable for at least one hundred eighty (180) calendar days. Those funds represented by settlement checks returned as undeliverable and those settlement checks remaining un-cashed for

more than one hundred eighty (180) calendar days after issuance will be tendered in accordance with California Code of Civil Procedure §384(b) to California State Bar's Justice Gap Fund.

HOW DO I RECOVER MY MONEY?

Do nothing. If you do nothing, you will recover your portion of the settlement money and will be bound by the Release described below.

WHEN WILL I RECEIVE MY MONEY?

You will be mailed your settlement check on or about [84 days after Final Approval Hearing].

HOW DOES THE SETTLEMENT AFFECT MY RIGHTS?

If you do nothing and recover money under the settlement, you are agreeing to release "all claims, rights, demands, liabilities, and causes of action, that were or could have been pleaded based on, arising from, or related to, the factual allegations set forth in the First Amended Class Action Complaint, including: (i) all claims for unpaid minimum wages; (ii) all claims for unpaid overtime; (iii) all claims for meal and rest break violations; (iv) all claims for the failure to timely pay wages upon termination; (v) all claims for the failure to timely pay wages during employment; (vi) all claims for wage statement violations; (vii) all claims for the failure to keep requisite payroll records; (viii) all claims for failure to reimburse business expenses; (ix) all claims for willful misclassification, (x) all claims that could arise under Business & Professions Code §§ 17200, et seq. Released Claims also means any claims, rights, demands, liabilities, damages, wages, benefits, expenses, penalties, debts, obligations, attorneys' fees, costs, any other form of relief or remedy in law, equity, or whatever kind or nature, whether known or unknown, suspected or unsuspected, and causes of action, that could potentially arise from the receipt of any monies as a result of this settlement by any member of the Settlement Class."

Upon the Final Approval by the Court of the Settlement Agreement, you fully release and discharge the Released Parties from any and all Released Claims for the entire Released Claims Period. The release is binding on you, and your attorneys, agents, spouses, executors, representatives, guardians ad litem, heirs, successors, and assigns, and shall inure to the benefit of the Released Parties, who shall have no further or other liability or obligation to you with respect to the Released Claims, except as expressly provided in the Settlement Agreement.

CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?

Yes. A written request for exclusion must be sent by U.S. Mail to the Settlement Administrator (mailing address included below). The exclusion request must be postmarked no later than [35 days after mailing]. If you submit a request for exclusion which is not postmarked by that date, your request for exclusion will be rejected and you will be bound by the Release and all other Settlement Agreement terms. The request for exclusion must include the case name and number, the Class Member's name, address, telephone number, signature, last four digits of the Social Security Number of the person requesting exclusion, and the statement "I understand that I am requesting to be excluded from the class monetary settlement." If you exclude yourself, you will not receive any money from the settlement, but will not be subject to the Release.

CAN I OBJECT TO THE SETTLEMENT?

Yes. To object to the settlement you must mail the Settlement Administrator a signed written objection to the settlement by [35 days after mailing]. Objections must include your full name, mailing address, telephone number, and reason(s) for objecting to the settlement.

If the Court rejects your objection, you will still be bound by the terms of the settlement unless you also request to be excluded from the settlement.

WHAT ABOUT THE CLASS COUNSEL AND REPRESENTATIVES?

The Court has appointed the following Firm as Class Counsel:

R. Rex Parris
Kitty K. Szeto
John M. Bickford
Michelle J. Lopez
PARRIS LAW FIRM
Class Counsel
43364 10th Street West
Lancaster, California 93534

You do not need to pay any portion of their fees or litigation expenses. Rather, Class Counsel will apply to the Court for approval of their attorneys' fees, not to exceed \$222,250.00, litigation expenses, not to exceed \$40,000.00, and class administration expenses, not to exceed \$20,000.00. The actual amount awarded will be determined by the Court to ensure that the amount ultimately awarded is reasonable.

The Court has appointed Jesus Salguero as the Class Representative. He will ask the Court to approve a service and individual settlement award of \$10,000.00 to compensate him for his efforts prosecuting this lawsuit, reaching this settlement on your behalf, and signing a general release.

WHEN AND WHERE IS THE FINAL APPROVAL HEARING?

The Court will hold a Final Approval Hearing on [date] at [time] at the Stanley Mosk Courthouse, Department 31, 111 N Hill Street, Los Angeles, CA 90012. At that time, the Court will determine: (1) whether the settlement is fair, reasonable, and adequate; (2) whether Class Counsel's attorneys' fees and litigation expenses should be approved, and in what amount; (3) whether the service and individual settlement award for the Class Representative should be approved, and in what amount; and (4) whether the proposed Final Approval Order and Judgment should be entered. The hearing date and time may change without further notice. Please contact the Settlement Administrator to find out if there has been a change to the date and time of the Final Approval Hearing.

You Are Not Required To Attend The Final Approval Hearing.

You are welcome to attend the Final Approval Hearing at your own expense. You may also request permission to speak at the Final Approval Hearing or hire an attorney to speak on your behalf at your own expense. The Court may, or may not, grant the request.

ARE MORE DETAILS AVAILABLE?

Yes. You can find more information and key documents related to the settlement at website. You may also contact the Settlement Administrator:

PHOENIX CLASS ACTION ADMINISTRATION SOLUTIONS

Claims Administrator

P.O. Box XX

City, State Zip

[Telephone number]

PLEASE DO NOT CALL OR CONTACT THE COURT WITH QUESTIONS ABOUT THE SETTLEMENT OR THE SETTLEMENT PROCESS.

SUMMARY OF IMPORTANT DATES

[35 days after mailing]	Last Day To Request Exclusion
[35 Days After Mailing]	Last Day To Object To The Settlement
[Date & Time]	Final Approval Hearing