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and on behalf of all others similarly situated
11

12 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

13 **FOR THE COUNTY OF LOS ANGELES**

14 MARIA DEL SOCORRO JIMENEZ, ELISA
LOPEZ, ROSA VALDEZ, AND OSIRIS
15 GONZALEZ, individually and on behalf of all
others similarly situated,
16

17 Plaintiff,

18 vs.

19 EL PROYECTO DEL BARRIO, INC., a
California Non-Profit Corporation, and DOES
20 1 through 25,

21 Defendants.
22
23

Case No.: 19STCV18696

*Assigned for all purposes to Hon. Kenneth
R. Freeman, SSC-14*

**SECOND AMENDED CLASS AND
PAGA ACTION SETTLEMENT
AGREEMENT**

Case Filed: May 30, 2019

1 This Second Amended Stipulation of Class and PAGA Action Settlement replaces
2 and supersedes the Stipulation of Class and PAGA Action Settlement signed by the parties
3 in or about March of 2021 and the First Amended Stipulation of Class and PAGA Action
4 Settlement signed by the parties in our about May 2021.

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

6 This Settlement Agreement sets forth the terms of the settlement of a class and
7 Private Attorneys’ General Act (“PAGA”) action filed by Maria Del Socorro Jimenez, Elisa
8 Lopez, Rosa Valdez, and Osiris Gonzalez aka Osiris Gonzalez Sanchez (“Plaintiffs”),on
9 behalf of current and former non-exempt employees who work(ed) for Defendant El
10 Proyecto Del Barrio, Inc. (“Defendant” or “El Proyecto”) (Defendant and Plaintiffs shall be
11 referred to collectively as the“Parties”) in California during the Class Period, as defined
12 below. The Second Amended Complaint alleges causes of action against Defendant for: (1)
13 failure to provide meal and rest breaks; (2) failure to pay for all hours worked; (3) failure to
14 pay overtime; (4) failure to provide accurate wage statements; (5) violation of the Unfair
15 Practices Act; (6) failure to pay all wages owed at termination; and (7) recovery of civil
16 penalties under the California Labor Code Private Attorneys’ General Act (“PAGA”),
17 California Labor Code sections 2698-2699.5.

18 Under the terms of the Parties’ Settlement Agreement and after final approval and
19 entry of judgment pursuant to California Rule of Court 3.769, Defendant will pay a gross
20 settlement amount of two million one hundred fifty thousand dollars (\$2,150,000) (the
21 “Gross Settlement Amount”), plus the employer’s share of applicable payroll taxes. The
22 Settlement will be administered by a third-party settlement administrator with experience
23 administering class and PAGA action settlements of this type. Until distribution, the Gross
24 Settlement Amount will be held in a Qualified Settlement Fund established by the
25 Settlement Administrator. This is a non–reversionary, opt-out settlement, and Class
26 Members (as defined in Section II) will receive a settlement payment unless they timely
27 submit a valid Request for Exclusion. Settlement Class Members shall not be required to
28 submit a claim form.

1 The Parties agree and propose the following disbursements be made from the Gross
2 Settlement Amount, subject to Court approval at the Final Fairness and Approval Hearing:

- 3 A. Settlement Administration Costs, estimated to be \$12,250.00.
- 4 B. Class Counsel’s Attorneys’ Fees, to be approved by the Court, in an amount
5 not to exceed \$716,666.66, which is one-third of the Gross Settlement
6 Amount;
- 7 C. Class Counsel’s Costs, as approved by the Court, in an amount not to exceed
8 \$25,000;
- 9 D. Service and Release Awards to Plaintiffs Maria del Socorro Jimenez, Elisa
10 Lopez, Rosa Valdez, and Osiris Gonzalez (aka Osiris Gonzalez Sanchez) in
11 the amount of \$10,000 each (for a total of \$40,000) as payment for their time
12 and efforts in pursuing this Action, and for the broader release and other
13 covenants that they will be providing to Defendant;
- 14 E. An allocation of \$20,000 to Plaintiffs’ PAGA claims (the “PAGA Amount”),
15 to be distributed as follows:
- 16 a. Payment of \$15,000 to the California Labor and Workforce
17 Development Agency (the “LWDA Payment”), which represents the
18 Labor and Workforce Development Agency’s (“LWDA”) 75% share
19 of the total \$20,000.
- 20 b. The other 25% of the PAGA Amount (\$5,000) will be distributed to
21 those Class members who were employed by Defendant at any time
22 during the PAGA Period (defined below).
- 23 F. The remainder of the Gross Settlement Amount (the “Net Settlement
24 Amount”) will be distributed to Settlement Class Members based on the
25 methodology discussed in section IV.K.1, below. It is estimated that the Net
26 Settlement Amount will be approximately \$1,336,083.34 after deductions for
27 Class Counsel’s Attorneys’ Fees, Class Counsel’s Costs, Settlement
28

1 Administration Costs, the Service and Release Awards, and the PAGA
2 Amount.

3 Defendant represents that the Class consisted of approximately 862 members as of
4 January 31, 2021.

5 **II. DEFINITIONS**

6 As used in this Agreement, the following terms shall have the meanings set forth
7 below:

8 A. "Action" means this putative class and representative action pending in Los
9 Angeles Superior County Superior Court titled *Jimenez v. El Proyecto Del Barrio, Inc.*, Case
10 No. 19STCV18696.

11 B. "Agreement" or "Stipulation" means this Class and PAGA Action Settlement
12 Agreement.

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

15 D. "Class Counsel" means Aaron C. Gundzik and Rebecca G. Gundzik of
16 Gundzik Gundzik Heeger LLP, 14011 Ventura Blvd., Suite 206E, Sherman Oaks, CA
17 91423, (818) 290-7461, and Dan Holzman of Caskey & Holzman, 24025 Park Sorrento, Ste.
18 400, Calabasas, CA 91302, (818) 657-1070.

19 E. "Class Counsel's Attorneys' Fees" means the amount to be awarded to Class
20 Counsel from the Gross Settlement Amount for their attorneys' fees for their work in this
21 Action, subject to Court approval at the Final Fairness and Approval Hearing. Class
22 Counsel's Attorneys' Fees will not exceed \$716,666.66, which is one-third of the Gross
23 Settlement Amount.

24 F. "Class Counsel's Costs" means the amount to be awarded to Class Counsel
25 from the Gross Settlement Amount to reimburse Class Counsel for their reasonable costs
26 and expenses incurred in the Action, subject to Court approval at the Final Fairness and
27 Approval Hearing. Class Counsel's Costs will not exceed \$25,000.

28

1 G. "Class Data" means each Class Member's full name, social security number,
2 last known address, and telephone number(s), along with the number of weeks that each
3 Class Member worked for Defendant during the Class Period to the extent that this
4 information is in Defendant's reasonable possession.

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

6 I. "Class Period" means the period from May 30, 2015 through April 1, 2021.

7 J. "Complaint" means the Second Amended Complaint on file in the Action.

8 K. "Court" means the Superior Court of the State of California, in and for the
9 County of Los Angeles, where the Action is pending.

10 L. "Defendant" means Defendant El Proyecto Del Barrio, Inc. "Defendant's
11 Counsel" means Ann K. Smith and Michael J. Morphew of Atkinson, Andelson, Loya, Ruud
12 & Romo, 12800 Center Court Drive, Suite 300, Cerritos, CA 90703, (562) 653-3200.

13 M. "Effective Date" means the date of entry of the "Final Approval Order" if no
14 valid objection is filed. If a timely, valid objection to the settlement is filed, the "Effective
15 Date" will be the later of (1) 65 days following entry of the Final Approval Order, or (2) if
16 an appeal, review, or writ is sought from the Final Approval Order, the date on which (i) the
17 highest reviewing court renders its decision denying the petition or writ challenging the
18 Final Approval Order or renders its decision affirming the Final Approval Order and (ii) the
19 Final Approval Order is no longer subject to further review.

20 N. "Employer's Withholding Share" means Defendant's share of any applicable
21 federal, state, and local taxes and required withholdings, including without limitation, FICA,
22 Medicare tax, FUTA, and state unemployment taxes.

23 O. "Final Approval Order" means the Order Granting Final Approval of Class
24 Action Settlement and Judgment entered by the Court.

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

28

1 Q. “Gross Settlement Amount” means the two million one hundred fifty
2 thousand dollars (\$2,150,000) that Defendant will pay under this Settlement.

3 R. “LWDA Payment” means 75% of the PAGA Amount. The LWDA Payment
4 will be paid to the LWDA.

5 S. “Net Settlement Amount” means the amount remaining from the Gross
6 Settlement Amount after payments of Court-approved Class Counsel’s Attorney’s Fees and
7 Class Counsel’s Costs, Service and Release Awards to the Representative Plaintiffs,
8 Settlement Administration Costs, and the PAGA Amount. It is estimated that the Net
9 Settlement Amount will be at least \$1,336,083.34.

10 T. “Notice of Settlement” means the “Notice of Proposed Class Action
11 Settlement and Final Approval Hearing,” the form of which is attached hereto as **Exhibit 1**.

12 U. “Notice of Objection” means any written objection to this Settlement sent by
13 a Settlement Class Member to the Settlement Administrator as specified herein and in the
14 Notice of Settlement.

15 V. “PAGA Amount” means the \$20,000 portion of the Gross Settlement
16 Amount that Parties allocated to settlement of Plaintiffs’ PAGA claims.

17 W. “Parties” means the Representative Plaintiffs on behalf of themselves and all
18 Settlement Class Members, and Defendant.

19 X. “Preliminary Approval Date” is the date that the Court grants preliminary
20 approval of this Settlement pursuant to California Rule of Court 3.769(c).

21 Y. “Qualified Settlement Fund” or “QSF” means a federally insured bank
22 account to be established by the Settlement Administrator into which all payments from
23 Defendant related to this Settlement will be deposited, and from which all payments
24 authorized by the Court will be made. The QSF will be established prior to Defendant’s
25 deposit of the Gross Settlement Amount.

26 Z. “Qualifying Pay Period” means the number of pay periods each PAGA
27 Employee worked for Defendant during the PAGA Period.

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1 AA. “Qualifying Workweek” means the number of weeks that each Class Member
2 worked for Defendant during the Class Period.

3 BB. “Released Claims,” as determined by the Court, means all causes of action
4 and factual or legal theories that were alleged, or could have been alleged, in the Complaint
5 or arise from facts alleged in the Complaint, including all damages, penalties, interest, and
6 other amounts recoverable under said claims, causes of action or legal theories of relief. The
7 time period governing these Released Claims shall be the Class Period only. Provided,
8 however, the Released Claims shall not include the PAGA Released Claims, which are
9 defined separately below. Claims and damages that were not alleged in the Complaint (or
10 any subsequent operative Complaint), and could not be alleged based on the fact and legal
11 theories alleged, and do not arise from the facts alleged in the Complaint are specifically
12 excluded from the release. Following Court approval of this Settlement, the Class
13 Participants will no longer be “aggrieved employees” for purposes of PAGA as it relates to
14 the Released Claims. In addition, the Parties, including the Class Participants, further
15 stipulate and agree that even if any Class Participant is determined to be an “aggrieved
16 employee” for purposes of PAGA as it relates to the Released Claims, said Class Participant
17 waives any potential right to any individual relief or penalty prescribed by PAGA relating to
18 the Released Claims.

19 CC. “Released Parties” means Defendant and its past, present and/or future
20 owners, co-owners, officers, directors, members, managers, employees, agents,
21 representatives, attorneys, insurers, reinsurers, partners, investors, shareholders,
22 administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors,
23 assigns, operators, payroll providers, joint employers, co-employers, and joint venturers.

24 DD. “Representative Plaintiffs” means Plaintiffs Maria del Socorro Jimenez, Elisa
25 Lopez, Rosa Valdez and Osiris Gonzalez (aka Osiris Gonzalez Sanchez).

26 EE. “Request for Exclusion” means a written and signed request by a Class
27 Member to be excluded from the Settlement Class that is submitted in accordance with the
28 procedure and deadline set forth herein, also known as an “opt-out request.”

1 FF. "Response Deadline" means the date that is forty-five (45) calendar days
2 after the mailing of the Notices of Settlement. Provided, for Notices of Settlement that are
3 re-mailed to a different address, the Response Deadline will be the earlier of: (1) forty-five
4 (45) calendar days after re-mailing, and (2) ten (10) days before the initial date set by the
5 Court for the Final Fairness and Approval Hearing.

6 GG. "Service and Release Awards" means the payment to be made to the
7 Representative Plaintiffs for their service to the Class and for the broader general release
8 that they are providing to Defendant, which is in addition to whatever payment each
9 otherwise would be entitled to receive as a Settlement Class Member. The Service and
10 Release Awards requested by the Representative Plaintiffs will not exceed \$10,000 each.

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

13 II. "Settlement Administration Costs" means the fees and costs incurred or
14 charged by the Settlement Administrator in connection with the execution of its duties under
15 this Agreement including, but not limited to fees and costs associated with: (1) establishing
16 and maintaining the QSF; (2) preparing, issuing and/or monitoring reports, filings, and
17 notices (including the cost of printing, translating and mailing all notices and other
18 documents to the Class Members) required to be prepared in the course of administering the
19 Settlement; (3) computing the amount of the settlement payments, taxes, and any other
20 payments to be made under this Agreement; (4) calculating and handling inquiries about the
21 calculation of individual settlement payments; (5) establishing and operating a settlement
22 payment center website, address, and phone number to receive Class Members' inquiries
23 about the Settlement; (6) providing a due diligence declaration for submission to the Court
24 prior to the final approval hearing; (7) printing and providing Settlement Class Members and
25 the Plaintiffs with W-2 and 1099 forms as required under this Agreement and applicable
26 law; (8) preparing, issuing, and filing any tax returns and information returns and any other
27 filings required by any governmental taxing authority or other governmental agency; and
28 (9) for such other tasks as the Parties mutually agree or the Court orders the Settlement

1 Administrator to perform. The Settlement Administration Costs will not exceed \$12,250.00.
2 Settlement Administration Costs will be paid out of the Gross Settlement Amount.

3 JJ. "Settlement Administrator" refers to Phoenix Settlement Administrators.

4 KK. "Settlement Class" means all Class Members who have not submitted a
5 timely, valid, and complete Request for Exclusion.

6 LL. "Settlement Class Member" is a person who is a member of the Settlement
7 Class.

8 MM. "PAGA Employee" means a member of the Class who was employed by
9 Defendant at any time during the PAGA Period.

10 NN. "PAGA Employee Portion" means \$5,000, which is 25% of the PAGA
11 Amount.

12 OO. "PAGA Period" means the time period from May 30, 2018 through April 1,
13 2021.

14 PP. "PAGA Released Claims" means any and all claims for civil penalties
15 recoverable by Plaintiffs, individually and as the representatives acting as proxies or agents
16 of the LWDA, a State of California Executive Branch Agency, for violations that were
17 alleged in, or arise out of the facts alleged in the Second Amended Complaint and/or the
18 May 30, 2019 letter submitted by Plaintiffs Maria del Socorro Jimenez, Elisa Lopez, and
19 Rosa Valdez to California's Labor and Workforce and Development Agency with respect to
20 failure to provide meal and rest breaks, failure to pay for all hours worked, failure to pay
21 overtime, failure to provide accurate wage statements, and failure to pay all wages owed at
22 termination. The express purpose of this Agreement and the judgment to be entered by the
23 Court following approval of this settlement is to forever bar Plaintiffs, the LWDA, and any
24 other individual or entity acting on behalf of or purporting to act on behalf of the LWDA
25 from asserting any of the Released Claims in any future litigation. It is the intent of the
26 Parties that, to the greatest extent provided by law, including but not limited to under the
27 holding of *Arias v. Superior Court*, 46 Cal. 4th 969, 986 (2009), the ability of Plaintiffs, the
28

1 State of California, and any Aggrieved Employee to bring a PAGA claim on behalf of the
2 LWDA is completely and forever foreclosed.

3 **III. BACKGROUND**

4 During the Class Period, Defendant operated a non-profit organization which
5 provides healthcare and related services to underserved communities at several locations in
6 Los Angeles County. Plaintiffs contend that during the Class Period, they and other non-
7 exempt employees of Defendant were not paid for all of their work, were not provided with
8 compliant meal and rest breaks, were not provided compliant wage statements, and were not
9 paid all amounts due at separation.

10 The Parties have undertaken significant investigation and informal discovery during
11 the prosecution of this Action. Such discovery and investigation includes extensively
12 interviewing the Representative Plaintiffs and over 70 other Class Members, Defendant's
13 production and Plaintiffs' counsel's review of personnel records, policies, as well as time
14 pay records for all Class Members during the majority of the Class Period, and other
15 detailed information relevant to the Class Members' claims. Counsel for the Parties have
16 investigated the law as applied to the facts discovered regarding the alleged claims of the
17 Class and potential defenses thereto, and the potential damages claimed by the Class.

18 The Parties' attorneys have engaged in extensive discussions about the strengths and
19 weaknesses of the claims and defenses in the Action. On July 1, 2020, the Parties attended a
20 full-day mediation before an experienced and well-regarded mediator, Gig Kyriacou, Esq.
21 The Parties did not settle at the mediation, but continued to negotiate during the next six
22 months, and in early February of 2021, reached an agreement regarding the resolution of this
23 Action which is embodied in the terms of this Agreement.

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

1 This Settlement contemplates: (i) entry of an order preliminarily approving the
2 Settlement and approving certification of a provisional Class for settlement purposes only;
3 (ii) dissemination of a notice to Class Members about the settlement; (iii) entry of a Final
4 Approval Order granting final approval of the Settlement; and (iv) entry of the Final
5 Approval Order.

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

7 **A. Preliminary Approval of Settlement**

8 Following the execution of this Stipulation by all Parties, or at such other time
9 specified by the Court, Class Counsel will submit this Stipulation to the Court as part of
10 Plaintiffs' motion for preliminary approval of the settlement. Plaintiffs' motion will include
11 such briefing and evidence as may be required for the Court to determine that this
12 Agreement is fair and reasonable, as required by California Code of Civil Procedure section
13 382 and California Rule of Court 3.769. Class Counsel will provide Defendant's counsel
14 with the opportunity to review and comment on all drafts of all papers to be filed in
15 connection with the motion for preliminary approval (notice of motion, memorandum of
16 points and authorities, and declarations) before filing such motion with the Court. Plaintiffs'
17 motion for preliminary approval will also include a proposed order that is mutually agreed-
18 upon by the Parties. Defendant shall not oppose Plaintiffs' motion for preliminary approval
19 of the settlement to the extent it is consistent with the terms and conditions of this
20 Agreement. Defendant may, however, provide a written response to any characterization of
21 the law or facts contained in the motion for preliminary approval.

22 The Parties have agreed to the certification of the Class for the sole purposes of
23 effectuating this Settlement. Should the Settlement be terminated for any reason, or should
24 the Settlement not be approved by the Court or the judgment not become final, the fact that
25 the Parties were willing to stipulate to class certification as part of the Settlement will have
26 no bearing on, and will not be admissible in connection with, the issue of whether a class
27 should be certified in a non-settlement context in this Action, and in any of those events,
28 Defendant expressly reserves the right to oppose class certification. Additionally, if the

1 Settlement does not become final, this Agreement and all negotiations, court orders, and
2 proceedings related thereto shall be without prejudice to the rights of all Parties hereto, and
3 evidence relating to the Agreement and all negotiations shall not be admissible in the Action
4 or otherwise. The Parties further agree that if, for any reason, the Settlement is not approved,
5 the certification for purposes of this Settlement will have no force or effect and will be
6 immediately revoked.

7 **B. Cooperation**

8 The Parties agree to fully cooperate with each other to accomplish and implement the
9 terms of this Agreement, including but not limited to, execution of such documents and to
10 take such other reasonably necessary actions to fulfill and/or implement the terms of this
11 Agreement. The Parties shall use their best efforts, including all efforts contemplated by this
12 Agreement and any other efforts that may become necessary by Court order or otherwise, to
13 effectuate this Agreement and the terms set forth herein. As soon as practicable after
14 execution of this Agreement, Class Counsel, with the cooperation of Defendant and Defense
15 Counsel, shall take all necessary and reasonable steps to secure the Court's final approval of
16 this Settlement Agreement. No party, nor any of its attorneys or agents, shall solicit or
17 encourage any Class Member to opt out of or object to the Settlement.

18 **C. Notice of Settlement**

19 Within twenty (20) calendar days following the Court's order granting preliminary
20 approval of the Settlement, Defendant will provide the Settlement Administrator with the
21 Class Data in an electronic format acceptable to the Settlement Administrator. At the same
22 time, Defendant will provide Class Counsel with an anonymized listing of Class Members
23 along with the number of Qualifying Workweeks for each Class Member. This information
24 will remain confidential and will not be disclosed to anyone, except as required to applicable
25 taxing authorities, pursuant to Defendant's express written authorization, by order of the
26 Court, or as otherwise provided for in this Agreement.

27 Using the Class Data, the Settlement Administrator will: (1) confirm the number of
28 Class Members and Qualifying Workweeks, (2) finalize and print the Notice of Settlement;

1 (3) check all addresses against the National Change of Address database; and (4) within ten
2 (10) calendar days of receiving the Class Data, send to each Class Member via First-Class
3 United States mail the Notice of Settlement, with the information in English and Spanish, to
4 the most recent address known for each Class Member.

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

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

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

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

17 Any Class Member who wishes to be excluded from the Settlement must notify the
18 Settlement Administrator in writing of his or her desire to be excluded by mailing his or her
19 own Request for Exclusion to the Settlement Administrator that clearly expresses such
20 desire. Any such Request for Exclusion shall include, for identification purposes, the Class
21 Member's name (and former names, if any), current address, telephone number, and last
22 four numbers of the Class Member's social security number.

23 To be valid, the Request for Exclusion must be postmarked by no later than the
24 Response Deadline.

25 Any Class Member who submits a valid and timely Request for Exclusion shall be
26 barred from participating in this Settlement, shall be barred from objecting to this
27 Settlement, and shall receive no benefit from the Class Settlement. Provided, however,
28 notwithstanding a valid Request for Exclusion, all PAGA Employees shall receive their

1 share of the PAGA Employee Portion and will be deemed to have released the PAGA
2 Released Claims.

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

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

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

16 **F. Declaration of Compliance**

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

23 **G. Sufficient Notice**

24 Compliance with the procedures described in this Section IV shall constitute due and
25 sufficient notice to Class Members of this Settlement and of the Final Fairness and Approval
26 Hearing, shall satisfy the requirements of due process, and nothing else shall be required of
27 the Representative Plaintiffs, Class Counsel, Defendant, Defendant's Counsel, or the
28

1 Settlement Administrator to provide notice of the Settlement and the Final Fairness and
2 Approval Hearing.

3 **H. Objections to Settlement**

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

5 A Class Member may object to the Settlement by submitting a written Notice of
6 Objection to the Settlement Administrator, postmarked no later than the Response Deadline,
7 signed by the objecting Class Member or his or her attorney, along with all supporting
8 papers (if any). The date the signed Notice of Objection was postmarked shall be
9 conclusively determined according to the records of the Settlement Administrator. The
10 Settlement Administrator shall send any Notices of Objections it receives to Defendant's
11 counsel and Class Counsel within three (3) business days of receipt. A Class Member may
12 also object to the settlement by appearing at the Final Approval Hearing. The Court retains
13 final authority with respect to the consideration and admissibility of any Notice of
14 Objection.

15 If a Class Member submits both an objection and an opt-out request, the Settlement
16 Administrator shall make reasonable attempts to clarify the intentions of the Class Member.
17 If the Class Member fails to clarify their position, the opt-out request shall be disregarded,
18 the Settlement Administrator shall send the objection to Defendant's Counsel and Class
19 Counsel the claim will be paid, and the Class Member will become a Settlement Class
20 Member and be bound by the judgment. A Class Member who does not submit a valid and
21 timely Request for Exclusion and who objects to the Settlement will still be considered a
22 Settlement Class Member.

23 **2. Responses to Objections**

24 Class Counsel and Defendant's counsel shall file any written objections from Class
25 Members submitted to the Settlement Administrator, and Class Counsel's and Defendant's
26 Counsel's responses to such objections, at least five (5) court days before the Final Fairness
27 and Approval Hearing.

28

1 **I. Pro-Rata Increase in Settlement Fund**

2 If, as reflected in the Class Data delivered to the Settlement Administrator, the total
3 number of Class Member Qualifying Workweeks exceeds 118,281, the Gross Settlement
4 Amount shall increase by the same percentage that the number of Qualifying Workweeks
5 exceeds 118,281.

6 **J. Final Fairness and Approval Hearing**

7 On or before the date set by the Court, Class Counsel will file a motion for final
8 approval of this Settlement pursuant to California Rule of Court 3.769. Class Counsel will
9 provide Defendant’s counsel with the opportunity to review and comment on drafts of all
10 papers to be filed in connection with the motion for final approval (notice of motion,
11 memorandum of points and authorities, and declarations) before filing such motion with the
12 Court. Plaintiffs’ motion for final approval will also include a proposed order that is
13 mutually agreed-upon by the Parties. Defendant shall not oppose Class Counsel’s motion for
14 final approval of the settlement to the extent it is consistent with the terms and conditions of
15 this Agreement. Defendant may, however, provide a written response to any characterization
16 of the law or facts contained in the motion for final approval.

17 On the date set by the Court, the Final Fairness and Approval Hearing shall be held
18 before the Court in order to: (1) determine whether the Court should give this Settlement
19 final approval; (2) determine whether Class Counsel’s application for attorneys’ fees and
20 costs, and request for the Service and Release Awards to the Representative Plaintiffs,
21 should be granted; (3) determine whether the Court should approve the payment of fees to
22 the Settlement Administrator and the PAGA Settlement Amount; and (4) consider any
23 timely Objections to Settlement, including Class Counsel’s and Defendant’s counsel’s
24 responses thereto. Upon final approval, the Court shall enter a Final Approval Order (in a
25 form submitted by Class Counsel and approved by Defendant’s counsel) which has the
26 effect of adjudicating all claims set forth in the Complaint and implementing the release of
27 Released Claims, as set forth in this Agreement. The Final Approval Order will be posted on
28 the Settlement Administrator’s website. The posting of the Final Approval Order on the

1 Settlement Administrator’s website will constitute notice of entry of the judgment, as
2 required by California Rule of Court 3.771(b).

3 **K. Settlement Payments to Settlement Class Members**

4 **1. Calculation of Settlement Payments.**

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

7 **(Individual Settlement Class Member’s Qualifying Workweeks**
8 **÷ All Settlement Class Members’ Qualifying Workweeks) x Net**
9 **Settlement Amount**

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

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

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

20 The Notice of Settlement sent to each Class Member shall state the amount of the
21 Class Member’s Qualifying Workweeks during the Class Period and during the PAGA
22 Period, as reflected in the Class Data. The Notice of Settlement shall provide an estimate of
23 each Class Member’s share of the Class settlement and each PAGA Employee’s share of the
24 PAGA Employee Portion. Each Notice of Settlement shall also include an estimate of the
25 Class Member’s settlement payment as a member of the Settlement Class, as calculated by
26 the Settlement Administrator. The estimated settlement payment included in the Notice of
27 Settlement will be calculated by assuming that no Class Members will be excluded from the
28 Settlement.

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3. Eligibility

Settlement Class Members (but not Class Members who exclude themselves of the Settlement), will receive a settlement payment from the Net Settlement Fund, distributed through the Settlement Administrator. All PAGA Employees will still receive a check for their share of the PAGA Employee Portion, regardless of whether they submit a valid Request for Exclusion.

If the Parties become aware after settlement checks are mailed that a Class Member was not sent a Notice of Settlement because of an error in the Class Data as provided by Defendant, Defendant may arrange to separately pay the Class Member the amount that the Class Member would have received had they participated in the settlement, as long as the Class Member agrees in writing to be bound by the Judgment and Class releases.

4. Disputes about Qualifying Workweeks

If a Class Member disagrees with the number of Qualifying Workweeks, as stated in his or her Notice of Settlement, he or she may dispute that figure by informing the Settlement Administrator of the number of Qualifying Workweeks he or she claims to have worked during the Class Period or PAGA Period and provide any supporting documentation (such as, without limitation, payroll or time keeping records, and paycheck stubs) on or before the Response Deadline. If there is a dispute, the Settlement Administrator will consult with Class Counsel and Defendant’s counsel to determine whether an adjustment is warranted. However, Defendant’s records shall be presumed to be accurate. The Settlement Administrator shall determine any such disputes, subject to Court approval. The Settlement Administrator shall be obligated to resolve any disputes regarding the number of Qualifying Workweeks submitted by a Class Member within ten (10) calendar days, but by no later than the date of the Final Approval Hearing. If a dispute arises after settlement checks have been distributed, the initial calculation shall stand (as Defendant shall be under no obligation to pay any amounts in excess of the Settlement Amount under this Agreement).

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5. Allocation of Settlement Payments

Payment to each Settlement Class Member shall be allocated as follows: twenty percent (20%) shall be attributed to wages, to be reported on a W-2 form; and eighty percent (80%) shall be reported as penalties and interest. The amount of penalties and interest will be reported on an IRS Form 1099. Shares of the PAGA Employee Portion shall be exclusively 1099 income.

6. Payment of Payroll Taxes

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

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

7. Payments to Settlement Class Members

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

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8. Distribution of PAGA Employee Portion

The PAGA Employee Portion will be divided among and distributed to all PAGA Employees based upon the number of workweeks they worked during the PAGA Period pursuant to the following formula:

$$\text{(Individual PAGA Employee's Qualifying Workweeks during PAGA Period} \div \text{All PAGA Employees' Qualifying Workweeks during PAGA Period)} \times \$5,000$$

Settlement Class Members who are also PAGA Employees will receive their shares of the PAGA Employee Portion included in the same checks that include their individual Settlement Class Member payments. Class Members who exclude themselves from the Class Settlement will still receive their shares of the PAGA Employee Portion and such Class Members will still be bound by the PAGA Release, notwithstanding their exclusion from the Settlement Class.

L. The Settlement Administrator

The Settlement Administrator will perform the duties specified in this Agreement and any other duties incidental to such obligations. The Settlement Administrator's duties shall include, without limitation: establishing the QSF, preparing, translating and distributing the Notice of Settlement; calculating and directing the disbursement of payments to Settlement Class Members, Class Counsel, the Class Representative and the LWDA; calculating and timely paying any and all payroll taxes from the wages portion of the Net Settlement Amount to the appropriate tax authorities, as required under this Agreement and applicable law; handling inquiries about the calculation of individual settlement payments; preparing and filing any tax returns and information returns and any other filings required by any governmental taxing authority or other governmental agency; providing weekly status reports to the Parties' counsel; advising Defendant's counsel and Class Counsel of any Class Members who submit Notices of Objections and/or Requests for Exclusion; providing a due diligence declaration for submission to the Court prior to the final approval hearing; printing and providing Settlement Class Members and Representative Plaintiffs with W-2 and 1099 forms as required under this Agreement and

1 applicable law; arranging for and remitting funds from any uncashed settlement payment to
2 the designated recipient, as determined by the Court; and for such other tasks as the Parties
3 mutually agree or the Court orders the Settlement Administrator to perform.

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

7 In addition, the Settlement Administrator shall establish a static website and, on the
8 website, post this Agreement, any preliminary approval order, and the Final Approval Order
9 and Judgment. Posting of the Final Approval Order and Judgment on such website shall
10 constitute notice of judgment to the Settlement Class, as required by California Rule of
11 Court 3.771(b).

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

15 **M. Time for Payment by Defendant**

16 By the later of (1) thirty (30) calendar days after the Effective Date or (2) January 22,
17 2022, Defendant shall deliver the Gross Settlement Amount and Employer's Withholding
18 Share to the third party administrator.

19 If, after the Court enters a Final Approval Order, Defendant fails to timely pay the
20 amount required to satisfy its payment obligation under this Stipulation, the Representative
21 Plaintiffs, may seek to enforce this Agreement per section VIII.G or terminate it pursuant to
22 section VIII.S after providing notice and five business days to cure.

23 **N. Payments to Class Counsel, the Representative Plaintiffs, the LWDA and**
24 **the Settlement Administrator**

25 Subject to Court approval, within ten (10) calendar days of Defendant's deposit of
26 the Gross Settlement Amount with the Settlement Administrator, the Settlement
27 Administrator shall make payment from the QSF to: (1) Class Counsel, for Class Counsel's
28 Attorneys' Fees and Class Counsel's Costs, as approved by the Court; (2) the Representative

1 Plaintiffs for the Service and Release Awards approved by the Court; (3) to the LWDA for
2 the LWDA Amount, as approved by the Court; and (4) to the Settlement Administrator for
3 the Settlement Administration Costs, as approved by the Court. These payments will be
4 reported on an IRS Form 1099.

5 **O. Un-cashed/Un-deposited Settlement Payment Checks**

6 If any Settlement Class Member's settlement payment check has not been cashed or
7 deposited within sixty (60) calendar days after disbursement, the Settlement Administrator
8 shall attempt to contact each individual to advise them to cash their checks, and to offer to
9 replace any checks reported as either lost or stolen. In attempting to contact such persons,
10 the Settlement Administrator will send notices (1) by mail to the individuals' last known
11 addresses (as provided by Defendant) after first checking those addresses against the NCOA
12 database and skip tracing and (2) by telephoning or emailing such persons, in the event that
13 Defendant provides telephone numbers and/or email addresses for such persons.

14 If a Class Member's check is not cashed within 180 calendar days, the check will be
15 void and a stop payment order may be placed on the check. In such event, the Settlement
16 nevertheless will be binding upon the Settlement Class Member. The funds represented by
17 all uncashed settlement checks will be transmitted by the Settlement Administrator to the
18 California State Controller as unclaimed property in the name of the individual Settlement
19 Class Member. However, if the Court disapproves of the forgoing and instead determines
20 that pursuant to Code of Civil Procedure section 384, funds from uncashed settlement
21 checks must be distributed to a qualifying *cy pres*, the Parties agree that the *cy pres* recipient
22 shall be the Legal Aid Foundation of Los Angeles.

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

24 Defendant will not oppose Class Counsel's application for an award of attorneys'
25 fees of up to \$716,666.66, which is one-third of the Gross Settlement Amount.

26 Defendant will not oppose Class Counsel's application for an award of their
27 reasonable litigation expenses and costs in an amount not to exceed \$25,000.

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

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

10 **Q. Service and Release Award to Representative Plaintiffs**

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

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

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

21 **R. Taxes**

22 **1. Withholding and Reporting Requirements**

23 The Settlement Administrator shall be responsible for ensuring that all taxes required
24 to be withheld from the wage portions of each Settlement Class Member's individual
25 settlement payment, along with the Employer's Withholding Share, are timely paid to the
26 appropriate tax authorities. The Settlement Administrator's responsibilities in this regard
27 will also include the following: (a) filing all Federal, state, and local employment tax
28 returns, tax withholding returns, and any other tax returns associated with the taxes,

1 (b) timely and proper filing of all required Federal, state, and local information returns (e.g.,
2 1099s, W-2s, etc.) with the appropriate taxing authorities, and (c) completion of any other
3 steps necessary for compliance with any tax obligations of the settlement fund under
4 Federal, state and/or local law. To verify the Settlement Administrator’s compliance with
5 the foregoing withholding and reporting requirements, as soon as administratively
6 practicable, the Settlement Administrator shall provide a signed declaration stating it filed
7 all applicable tax returns and information returns (including all 1099 and W-2 information
8 returns), and include a final accounting adequate to demonstrate full compliance with all tax
9 withholding, payment and reporting obligations.

10 **2. Circular 230 Disclaimer**

11 Each party to this Agreement (for purposes of this section, the “Acknowledging
12 Party”; and each party to this Agreement other than the Acknowledging Party, and “Other
13 Party”) acknowledges and agrees that: (1) no provision of this Agreement, and no written
14 communication or disclosure between or among the Parties or their attorneys and other
15 advisers, is or was intended to be, nor shall any such communication or disclosure constitute
16 or be construed or be relied upon as, tax advice within the meaning of United States
17 Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) the Acknowledging
18 Party (a) has relied exclusively upon his, her, or its own, independent legal and tax advisers
19 for advice (including tax advice) in connection with this Agreement, (b) has not entered into
20 this Agreement based upon the recommendation of any other party or any attorney or
21 advisor to any other party, and (c) is not entitled to rely upon any communication or
22 disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be
23 imposed on the Acknowledging Party; and (3) no attorney or adviser to any other party has
24 imposed any limitation that protects the confidentiality of any such attorney’s or adviser’s
25 tax strategies (regardless of whether such limitation is legally binding) upon disclosure by
26 the Acknowledging Party of the tax treatment or tax structure of any transaction, including
27 any transaction contemplated by this Agreement.

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

2 **A. No Admission of Liability or Wrongdoing**

3 Defendant has denied, and continues to deny, all of the allegations, claims, and
4 contentions alleged by Plaintiffs in this Action. Defendant has expressly denied, and
5 continues to deny, all charges of wrongdoing or liability against it arising out of any of the
6 conduct, statements, acts, or omissions alleged in the Action. Defendant contends that it
7 complied with California and federal wage and hour laws, and has dealt legally and fairly
8 with Plaintiffs and Class Members. Defendant further denies that, for any purpose other than
9 settling this Action, these claims are appropriate for class or representative treatment.
10 Nevertheless, Defendant has concluded that further proceedings in the Action would be
11 protracted and expensive, and that it is desirable that the Action be fully and finally settled
12 in the manner and upon the terms and conditions set forth in this Agreement in order to
13 dispose of burdensome and protracted litigation, to permit the operation of Defendant's
14 business without further expensive litigation and the distraction and diversion of its
15 personnel with respect to matters at issue in the Action, and for Parties to buy their
16 respective peace. Defendant has also taken into account the uncertainty and risks inherent in
17 any litigation, especially in complex cases such as the Action. Defendant has, therefore,
18 determined that it is desirable and beneficial to it that the Action be settled in the manner
19 and upon the terms and conditions set forth in this Agreement.

20 **B. Nullification**

21 If (a) the Court should for any reason fail to approve this Agreement in the form
22 agreed to by the Parties, (b) the Court should for any reason fail to enter a judgment with
23 prejudice of the Action, or (c) the approval of the Agreement and judgment is reversed,
24 modified, or declared or rendered void, then the Agreement and conditional class
25 certification shall be considered null and void, and neither the Agreement, conditional class
26 certification, nor any of the related negotiations or proceedings, shall be of any force or
27 effect, and all parties to the Agreement shall stand in the same position, without prejudice,
28 as if the Agreement had been neither entered into nor filed with the Court. Notwithstanding

1 the foregoing, the Parties may attempt in good faith to cure any perceived defects in this
2 Agreement to facilitate approval.

3 **VI. RELEASE**

4 **A. Settlement Class Member Release**

5 It is the desire of the Representative Plaintiffs, Settlement Class Members (except
6 those who exclude themselves from the Settlement), and Defendant to fully, finally, and
7 forever settle, compromise, and discharge the Released Claims. Upon entry of the Final
8 Approval Order and Defendant’s payment of the Gross Settlement Amount and Employer’s
9 Withholding Share, and except as to such rights or claims as may be created by this
10 Settlement Agreement, the Settlement Class Members, on behalf of themselves, and each of
11 their heirs, representatives, successors, assigns, agents, dependents, beneficiaries, devisees,
12 legatees, executors, administrators, trustees, conservators, guardians, personal
13 representatives, attorneys, and successors-in-interest—whether individual, class,
14 representative, legal, equitable, direct or indirect, or any other type or in any other
15 capacity—shall be deemed to have, and by operation of the final judgment shall have, fully
16 released and discharged the Released Parties from any and all Released Claims that accrued
17 during the Class Period.

18 **B. PAGA Employee Release**

19 Regardless of whether they submitted a valid Request for Exclusion, all PAGA
20 Employees shall fully, finally, and forever settle, compromise, and discharge the PAGA
21 Released Claims. Upon entry of the Final Approval Order and Defendant’s payment of the
22 Gross Settlement Amount, and except as to such rights or claims as may be created by this
23 Settlement Agreement, all PAGA Employees, on behalf of themselves, and each of their
24 heirs, representatives, successors, assigns, and attorneys, shall be deemed to have, and by
25 operation of the final judgment shall have, fully released and discharged the Released
26 Parties from any and all PAGA Released Claims.

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1 **VII. RELEASES AND COVENANANTS BY THE REPRESENTATIVE**
2 **PLAINTIFFS**

3 With the exception of (1) the claims asserted by Plaintiffs Maria del Socorro
4 Jimenez, Elisa Lopez, and Rosa Valdez in Los Angeles Superior Court case number
5 19STCV18020, and (2) the First Cause of Action for wrongful termination/retaliation in
6 violation of public policy and Sixth Cause of Action for intentional infliction of emotional
7 distress asserted by Plaintiff Osiris Gonzalez (aka Osiris Gonzalez Sanchez) in Los Angeles
8 Superior Court case number 21STCV03383, upon entry of the Final Approval Order and
9 Defendant's payment of the Gross Settlement Amount and Employer's Withholding Share,
10 and except as to such rights or claims as may be created by this Settlement Agreement, the
11 Representative Plaintiffs fully release and forever discharge Defendant and the Released
12 Parties, and its/their respective present and former officers, directors, employees,
13 shareholders, members, agents, trustees, representatives, attorneys, insurers, parent
14 companies, subsidiaries, divisions, affiliates, predecessors, successors, assigns, and any
15 individual or entity that could be jointly liable with Defendant, from any and all claims,
16 causes of action, damages, wages, benefits, expenses, penalties, debts, liabilities, demands,
17 obligations, attorney's fees, costs, and any other form of relief or remedy in law, equity, or
18 whatever kind or nature, whether known or unknown, suspected or unsuspected, exclusive
19 only of any workers compensation claims or any other claims which cannot be released as a
20 matter of law, including but not limited to (1) all Released Claims and PAGA Released
21 Claims, (2) the Action and any claims arising out of or related to the Action, (3) any claims
22 under federal, state or local law for or relating to wages, benefits, compensation, vacation or
23 other paid time off, and claims for liquidated damages, penalties, or costs and fees
24 associated therewith, (4) wrongful termination, discrimination, harassment, and/or
25 retaliation, (5) any act, omission, or occurrence or claim arising out of or related to the
26 Action or Plaintiffs' employment or termination thereof with Defendant taking place on or
27 before the Effective Date of the Settlement, and (6) and any other form of relief or remedy
28 of any kind, nature, or description whatsoever, whether premised on statute, contract, tort, or

1 other theory of liability under state, federal, or local law. Provided, however, this release
2 shall not include any claims for workers' compensation benefits, the claims asserted by
3 Plaintiffs Maria del Socorro Jimenez, Elisa Lopez, Rosa Valdez in Los Angeles Superior
4 Court case number 19STCV18020, or the First Cause of Action for wrongful
5 termination/retaliation in violation of public policy and Sixth Cause of Action for intentional
6 infliction of emotional distress asserted by Plaintiff Osiris Gonzalez (aka Osiris Gonzalez
7 Sanchez) in Los Angeles Superior Court case number 21STCV03383—Osiris Gonzalez (aka
8 Osiris Gonzalez Sanchez) will release all her other claims alleged in the Los Angeles
9 Superior Court case number 21STCV03383, namely the Second, Third, Fourth, and Fifth
10 Causes of Action.

11 The Representative Plaintiffs hereby agree that, notwithstanding section 1542 of the
12 California Civil Code (“Section 1542”), all claims that the Representative Plaintiffs may
13 have, known or unknown, suspected or unsuspected, are hereby released as of the Effective
14 Date. Section 1542 provides:

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

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

26 **VIII. MISCELLANEOUS PROVISIONS**

27 **A. Amendments**

28 This Settlement Agreement may only be modified or changed by a writing signed by
the Parties, and any modification(s) or change(s) shall be approved by the Court if the
modification(s) or change(s) were made after the Court approved this Agreement. This

1 Agreement, including any subsequent modification(s) or change(s) hereto, may not be
2 discharged except by performance in accordance with its terms or by a writing signed by the
3 Parties.

4 **B. Integrated Agreement**

5 After this Agreement is signed and delivered by all Parties to the Action and their
6 counsel, this Agreement and its exhibits will constitute the entire agreement between the
7 Parties to the Action relating to the Settlement, and it will then be deemed that no oral
8 representations, warranties, covenants, or inducements have been made to any Party
9 concerning this Stipulation or its exhibits other than the representations, warranties,
10 covenants, and inducements expressly stated in this Stipulation and its exhibits. No rights
11 under this Agreement may be waived except in writing as provided above.

12 **C. No Inducements**

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

18 **D. No Prior Assignment**

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

23 **E. No Retaliation or Advice**

24 Defendant agrees not to retaliate against any Class Member, and Defendant will not
25 induce or offer any advice to any current or former employee to opt out of, or object to, the
26 Settlement.

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1 **F. Attorney’s Fees**

2 Except as otherwise specifically provided for herein, each party shall bear his or its
3 own attorney fees, costs and expenses, taxable or otherwise, incurred by them in or arising
4 out of the Action and shall not seek reimbursement thereof from any other party to this
5 Agreement.

6 **G. Action to Enforce Agreement**

7 In any suit or court action to enforce the terms of this Agreement, the prevailing
8 party shall be entitled to recover from the other their attorneys' fees and costs, including
9 expert witness fees

10 **H. Applicable Law**

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

14 **I. Entry of Judgment Pursuant to Terms of Settlement**

15 The Parties agree that upon the Settlement of this case, the Court may enter judgment
16 pursuant to the terms of this Settlement and specifying the Gross Settlement Amount. The
17 Court will retain jurisdiction over the Parties to enforce the Settlement until performance in
18 full of the terms of the Settlement.

19 **J. Notices**

20 All notices, requests, demands and other communications required or permitted to be
21 given pursuant to this Agreement shall be in writing, and shall be delivered personally or by
22 first class mail to Class Counsel or Defendant’s Counsel at their respective addresses as set
23 forth at the beginning of this Agreement or at any new address as to which counsel have
24 advised the Court and the other Parties.

25 **K. Binding on Successors**

26 This Agreement shall be binding and shall inure to the benefit of the Parties to the
27 Action and their respective present and former heirs, trustees, executors, administrators,
28 representatives, owners, co-owners, officers, directors, managers, members, co-employers,

1 payroll providers, shareholders, agents, employees, insurers, reinsurers, attorneys,
2 accountants, auditors, advisors, consultants, pension and welfare benefit plans, fiduciaries,
3 parent companies, subsidiaries, affiliates, related companies, joint venturers, predecessors,
4 successors, and assigns..

5 **L. Execution in Counterparts**

6 This Agreement, and any amendments hereto, may be executed by handwritten or
7 electronic signature and in any number of counterparts, each of which when executed and
8 delivered shall be deemed to be an original and all of which taken together shall constitute
9 the same instrument.

10 **M. Warranties and Representations**

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

15 **N. Representation by Counsel**

16 The Parties to this Action acknowledge that they have been represented by counsel
17 throughout all negotiations that preceded the execution of this Agreement, and that this
18 Agreement has been executed with the consent and advice of counsel.

19 **O. Signatories**

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

25 **P. Non-Evidentiary Use**

26 Neither this Agreement nor any of its terms, nor any statements or conduct in the
27 negotiation or drafting of it, shall be offered or used as evidence by Plaintiffs, any Class
28 Member (including any individual who requested to be excluded from the Class),

1 Defendant, or its, her, his, or their respective counsel, in the Action, except as is reasonably
2 necessary to effectuate this Agreement's purpose and terms. This Agreement may be used
3 by Defendant and the Released Parties to prove or defend against any claim released herein
4 by any Class Member in any judicial, quasi-judicial, administrative, or governmental
5 proceeding.

6 **Q. Captions and Interpretations**

7 Section, subsection, and paragraph titles or captions contained herein are inserted as
8 a matter of convenience and for reference only and in no way define, limit, extend, or
9 describe the scope of this Agreement or any provision thereof.

10 **R. Media or Press**

11 Plaintiffs and Defendant, and their respective counsel, recognize and accept that the
12 Parties to this Agreement desire that the terms of this Agreement, the fact of the Class and
13 Representative Settlement embodied in this Agreement, the disposition of the Action, the
14 Action, and all matters relating to the litigation of the Action, including discovery
15 proceedings therein, and evidence obtained during the course of the Action, shall not be
16 discussed with or presented to the media or press.

17 **S. Terminating this Agreement**

18 The Parties intend this Agreement to be binding and enforceable pursuant to Code of
19 Civil Procedure section 664.6. Pending Court approval, and other than as provided in section
20 V.B herein, if either Party seeks to, and successfully terminates this Agreement because any
21 of the material conditions set forth in this Agreement are not met and satisfied, including
22 Defendant's obligation to deliver the Gross Settlement Amount and Employer's
23 Withholding Share to the settlement administrator, this Agreement shall, at the option of the
24 non-breaching party, terminate and shall be ineffective, void, and of no further force and
25 effect, and shall not be used or be admissible in any subsequent proceeding, either in this
26 Court or in any other court or forum. Further, any conditional class certification shall be
27 considered void, and neither this Agreement, conditional class certification, nor any of the
28 related negotiations or proceedings, shall be of any force or effect, and the Parties shall stand

1 in the same position, without prejudice, as if this t Agreement had been neither entered into
2 nor filed with the Court. The Party that terimates the Agreement shall be responsible for all
3 Settlement Administrator fees and costs actually incurred.

4 **T. Invalidation**

5 Invalidation by the Court of any material portion of the Agreement shall invalidate
6 the Class Agreement in its entirety, unless the Parties subsequently agree in writing that the
7 remaining provisions of the Agreement are to remain in full force and effect.

8 **U. Stay Upon Appeal**

9 In the event of a timely appeal from the approval of the Settlement and judgment, the
10 judgment shall be stayed, and Defendant shall not be obligated to fund the Gross Settlement
11 Amount or take any other actions required by this Agreement until all appeal rights have
12 been exhausted by operation of law.

13 **V. Duty to Support and Defend the Settlement**

14 The Parties agree to abide by all of the terms of the Agreement in good faith and to
15 support the Agreement fully and to use their best efforts to defend this Agreement and
16 Settlement from any legal challenge, whether by appeal or collateral attack.

17 **W. Construction**


18 The Parties hereto agree the terms and conditions of this Agreement are the result of
19 lengthy, intensive, arms-length, non-collusive negotiations between the Parties, and this
20 Agreement is not to be construed in favor of or against any party by reason of the extent to
21 which any party or its counsel participated in the drafting of this Agreement. If any of the
22 dates in this Agreement fall on a weekend, bank or court holiday, the time to act shall be
23 extended to the next business day.

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EXECUTION

IN WITNESS WHEREOF, the Parties and their counsel have executed this Agreement on the date next to their signatures or the signature of their representatives. BY SIGNING BELOW, THE PARTIES AGREE TO THIS AGREEMENT AND ITS TERMS. The date of this Agreement shall be the date of the latest signature.:

Dated: 10-1-21, 2021



Maria Jimenez (Oct 1, 2021 09:59 PDT)

Plaintiff Maria del Socorro Jimenez

Dated: _____, 2021

Plaintiff Elisa Lopez

Dated: _____, 2021

Plaintiff Rosa Valdez

[Signatures continued on next page]

Dated: _____, 2021

Plaintiff Osiris Gonzalez aka Osiris Gonzalez Sanchez

Dated: _____, 2021

Defendant El Proyecto Del Barrio, Inc.

By: _____

Its: _____

Approved as to form:

Dated: _____, 2021

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

By: _____

Ann K. Smith
Attorneys for Defendant El Proyecto Del Barrio, Inc.

EXECUTION

IN WITNESS WHEREOF, the Parties and their counsel have executed this Agreement on the date next to their signatures or the signature of their representatives. BY SIGNING BELOW, THE PARTIES AGREE TO THIS AGREEMENT AND ITS TERMS. The date of this Agreement shall be the date of the latest signature.:

Dated: __ __, 2021

Plaintiff Maria del Socorro Jimenez

Dated: 10 01, 2021



Elisa Lopez (Oct 1, 2021 11:18 MDT)

Plaintiff Elisa Lopez

Dated: __ __, 2021

Plaintiff Rosa Valdez

[Signatures continued on next page]

Dated: __ __, 2021

Plaintiff Osiris Gonzalez aka Osiris Gonzalez Sanchez

Dated: __ __, 2021

Defendant El Proyecto Del Barrio, Inc.

By: _____

Its: _____

Approved as to form:

Dated: __ __, 2021

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

By: _____

Ann K. Smith

Attorneys for Defendant El Proyecto Del Barrio, Inc.

EXECUTION

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Dated: _____, 2021

Plaintiff Maria del Socorro Jimenez

Dated: 10 1, 2021

Plaintiff Elisa Lopez

Dated: _____, 2021


Plaintiff Rosa Valdez

[Signatures continued on next page]

Dated: _____, 2021

Plaintiff Osiris Gonzalez aka Osiris Gonzalez Sanchez

Dated: _____, 2021
Defendant El Proyecto Del Barrio, Inc.
By: _____
Its: _____

Approved as to form:

Dated: _____, 2021
ATKINSON, ANDELSON, LOYA, RUUD & ROMO
By: _____
Ann K. Smith
Attorneys for Defendant El Proyecto Del Barrio, Inc.

EXECUTION

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Dated: _____, 2021

Plaintiff Maria del Socorro Jimenez

Dated: _____, 2021

Plaintiff Elisa Lopez

Dated: _____, 2021

Plaintiff Rosa Valdez

[Signatures continued on next page]

Dated: 9/30/, 2021

Osiris Gonzalez
Osiris Gonzalez (Oct 1, 2021 14:58 PDT)

Plaintiff Osiris Gonzalez aka Osiris Gonzalez Sanchez

Dated: _____, 2021

Defendant El Proyecto Del Barrio, Inc.

By: _____

Its: _____

Approved as to form:

Dated: _____, 2021

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

By: _____

Ann K. Smith
Attorneys for Defendant El Proyecto Del Barrio, Inc.

EXECUTION

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IN WITNESS WHEREOF, the Parties and their counsel have executed this Agreement on the date next to their signatures or the signature of their representatives. BY SIGNING BELOW, THE PARTIES AGREE TO THIS AGREEMENT AND ITS TERMS. The date of this Agreement shall be the date of the latest signature.:

Dated: ____ __, 2021 _____

Plaintiff Maria del Socorro Jimenez

Dated: ____ __, 2021 _____

Plaintiff Elisa Lopez

Dated: ____ __, 2021 _____

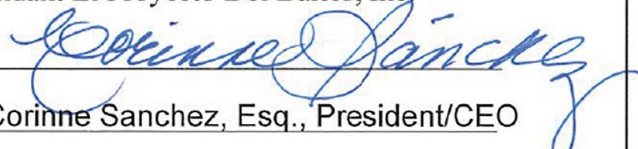
Plaintiff Rosa Valdez

[Signatures continued on next page]

Dated: ____ __, 2021 _____


Plaintiff Osiris Gonzalez aka Osiris Gonzalez Sanchez

Dated: Sept. 30, 2021 Defendant El Proyecto Del Barrio, Inc.

By: 
Its: Corinne Sanchez, Esq., President/CEO

Approved as to form:

Dated: Oct. 4, 2021 ATKINSON, ANDELSON, LOYA, RUUD & ROMO

By: 
Ann K. Smith
Attorneys for Defendant El Proyecto Del Barrio, Inc.

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Dated: 10/1 __, 2021

GUNDZIK GUNDZIK HEEGER LLP



Aaron C. Gundzik
Attorneys for Plaintiffs Maria del Socorro Jimenez,
Elisa Lopez, Rosa Valdez and Osiris Gonzalez,
individually and on behalf of all others similarly
situated

Dated: 10 01, 2021

CASKEY & HOLZMAN



Daniel M. Holzman
Attorneys for Plaintiffs Maria del Socorro Jimenez,
Elisa Lopez, Rosa Valdez and Osiris Gonzalez,
individually and on behalf of all others similarly
situated

Exhibit 1

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Jimenez v. El Proyecto Del Barrio, Inc., Case No. 19STCV18696
The Los Angeles County Superior Court authorized this notice.
This is not a solicitation from a lawyer.

ATTENTION: IF YOU HAVE BEEN EMPLOYED BY EL PROYECTO DEL BARRIO AS A NON-EXEMPT EMPLOYEE IN CALIFORNIA AT ANY TIME DURING THE PERIOD BEGINNING MAY 30, 2015 AND ENDING ON APRIL 1, 2021, YOU MAY BE ENTITLED TO A SHARE OF A PROPOSED CLASS ACTION SETTLEMENT.

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

OVERVIEW OF YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT	
DO NOTHING	You will automatically receive an Individual Settlement Payment. No action is required for you to get your share of this Settlement. You will be mailed a settlement check at the address where this Notice was mailed (unless you timely provide an updated address to the Settlement Administrator).
EXCLUDE YOURSELF	<u>GET NO PAYMENT.</u> The only way for you to be part of any other lawsuit against Defendant and/or the Released Parties involving the same or similar legal claims as the ones in the Action is to submit a valid Request for Exclusion to the Settlement Administrator postmarked no later than [+45 days from date of mailing] . If you submit a timely Request for Exclusion, you will <u>not</u> receive an Individual Settlement Payment. Information on how to exclude yourself from the settlement is provided in section 12(b) of this Notice.
OBJECT	If you wish to object to the Settlement, you must submit a written Objection, and supporting papers, to the Settlement Administrator and be postmarked no later than [+45 days from date of mailing] . This option is available only if you do <u>not</u> exclude yourself. Information on how to submit an objection to the settlement is provided in section 12(c) of this Notice.

A proposed class action settlement (“the Settlement”) has been reached between Plaintiffs Maria Del Socorro Jimenez, Elisa Lopez, Rosa Valdez, and Osiris Gonzalez (“Plaintiffs”), on behalf of themselves and the below-defined Class Members, and Defendants El Proyecto Del Barrio, Inc. (“Defendant”), and the Court has preliminarily approved the proposed class action settlement. A hearing to determine whether the settlement should receive the Court’s final approval will be held on [redacted] at [redacted] m. in Department 14 of the Los Angeles County Superior Court, which is located at 312 N. Spring Street, Los Angeles, CA 90012.

This Notice explains the proposed settlement and provides an estimate of how much money you will receive as a settlement payment if you do not exclude yourself from the settlement.

1. WHY DID I GET THIS NOTICE?

Defendants’ records show that you are, or have been, employed by Defendant as a non-exempt employee in California during the period from May 30, 2015 through April 1, 2021 (the “Class Period”). This notice explains the Action, the Settlement, and your legal rights.

The Action is known as *Jimenez v. El Proyecto Del Barrio, Inc.*, Case No. 19STCV18696, and is pending in the Superior Court of California for the County of Los Angeles (the “Action”). Maria Del Socorro Jimenez, Elisa Lopez, Rosa

FOR MORE INFORMATION CALL 1-800-[redacted]

Valdez, and Osiris Gonzalez are the Plaintiffs, and the company they sued, El Proyecto Del Barrio, Inc. is the Defendant.

2. PURPOSE OF THIS NOTICE

The purpose of this notice is to provide you with information about the lawsuit and the proposed settlement and to advise you of your options.

3. WHY IS THIS LAWSUIT A CLASS ACTION?

In a class action, one or more people called “Plaintiffs” (in this case, Maria Del Socorro Jimenez, Elisa Lopez, Rosa Valdez, and Osiris Gonzalez) sue on behalf of people who have similar alleged claims. All of these people are a “class” or “class members.” The Court resolves the issues for all class members, except for those who exclude themselves from the class. On [insert date of preliminary approval order], the Honorable Kenneth R. Freeman issued an order provisionally certifying the Settlement Class for purposes of settlement only.

4. WHY IS THERE A SETTLEMENT?

After conducting substantial investigation, including a review of Defendant’s policies, procedures, sample records, and Plaintiffs’ files, both sides agreed to the Settlement to avoid the cost and risk of further litigation. The Settlement does not mean any laws were broken. Defendant denies all of the claims asserted in the Action and denies it violated any laws. Plaintiffs and their lawyers think the Settlement is in the best interests of all Class Members.

5. PERSON ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT

The people eligible to receive a settlement payment are all non-exempt employees of Defendant who worked for Defendant in California at any time from May 30, 2015 through April 1, 2021. You are receiving this notice because, according to Defendant’s records, you are eligible to participate in the settlement.

6. DESCRIPTION OF THE ACTION

The Action alleges causes of action for: (1) failure to provide meal and rest breaks; (2) failure to pay for all hours worked; (3) failure to pay overtime; (4) failure to provide accurate wage statements; (5) violation of the Unfair Practices Act; (6) failure to pay all wages owed at termination; and (7) recovery of civil penalties under the California Labor Code Private Attorneys’ General Act (“PAGA”), California Labor Code sections 2698-2699.5.

Defendant denies all of Plaintiffs’ allegations and denies any wrongdoing. Among other things, Defendant contends that all employees have been properly compensated and that Defendant complied with all applicable California labor laws.

The Court has made no ruling on the merits of the Plaintiffs’ claims or the defenses asserted by Defendant. The Court has preliminarily approved the proposed settlement. The Court will decide whether to give final approval to the settlement at a hearing scheduled for [redacted], 20 [redacted] at [redacted] m. (the “Final Approval Hearing”).

FOR MORE INFORMATION CALL 1-800-[redacted].

7. WHO ARE THE ATTORNEYS REPRESENTING THE PARTIES?

Attorneys representing Plaintiffs and the class (“Class Counsel”) are:

Aaron C. Gundzik aaron.gundzik@gghllp.com Rebecca Gundzik rebecca.gundzik@gghllp.com Gundzik Gundzik Heeger LLP 14011 Ventura Blvd., Suite 206E Sherman Oaks, CA 91423 Telephone: (818) 290-7461 Facsimile: (818) 918-2316	Daniel M. Holzman Caskey & Holzman 24025 Park Sorrento, Ste. 400 Calabasas, CA 91302 Telephone: (818) 657-1070 Facsimile: (818) 297-1775
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Attorneys representing Defendant are:

Ann K. Smith asmith@aalrr.com Michael J. Morphey michael.morphey@aalrr.com Atkinson, Andelson, Loya, Ruud & Romo 12800 Center Court Drive, Suite 300, Cerritos, CA 90703 Telephone: (562) 653-3200 Facsimile: (562) 653-3333	
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8. THE TERMS OF THE PROPOSED SETTLEMENT

The following is a summary of the settlement. The specific and complete terms of the proposed Settlement are stated in the Class and PAGA Action Settlement Agreement (“Settlement Agreement”), a copy of which is filed with the Court. You can obtain a copy of the Settlement Agreement from the following website: www.Phoenixclassaction.com/EIProyectoDelBarrio. If you have any questions about the Settlement, you may contact Class Counsel or the Settlement Administrator.

Subject to Court approval, Defendant has agreed to pay \$2,150,000 to settle any and all obligations for the claims alleged in the lawsuit. This amount is called the Gross Settlement Amount. As discussed below, the Gross Settlement Amount will be used to cover all payments to the settlement class, settlement administration costs, attorneys’ fees and costs, service and release awards to the Plaintiffs, and funds owed to the state of California in settlement of penalties. All of these payments will be deducted from the Gross Settlement Amount. The remaining amount (called the Net Settlement Amount) will be distributed to class members who do not timely submit Requests for Exclusion, as discussed below.

(a) Attorneys’ Fees and Costs: Class Counsel has worked on this matter without compensation and have advanced funds to pay for expenses necessary to prosecute the Action. Accordingly, under the settlement, Class Counsel may request an amount not to exceed \$716,666.66 to compensate them for their work on the case, plus their reasonable costs and expenses incurred in the litigation not to exceed \$25,000. Subject to court approval, the attorneys’ fees and costs will be deducted from the Gross Settlement Amount.

(b) Service and Release Awards: The Plaintiffs are requesting a service and release award of \$10,000 each, for a total of \$40,000, in addition to the amounts they will receive as members of the class, to compensate them for undergoing the burden and expense of prosecuting the action and for the broader release of claims they are required to provide to Defendant. Subject to court approval, the service and release awards will be deducted from the Gross Settlement Amount.

(c) Settlement Administration Costs: The Settlement Administrator, Phoenix Settlement Administrators has advised the parties that the settlement administration costs will not exceed \$12,250. Subject to court approval, the settlement administration costs will be deducted from the Gross Settlement Amount.

FOR MORE INFORMATION CALL 1-800- .

(d) Payment to State of California: A total of \$20,000 of the Gross Settlement Amount will be allocated to settle allegations that Defendant owes civil penalties to the state for alleged violations of the California Labor Code. Of this amount, \$15,000 (75%) will be paid to the California Labor & Workforce Development Agency (“LWDA”) in accordance with the Labor Code requirements. Subject to court approval, the \$15,000 payment to the LWDA will also be deducted from the Gross Settlement Amount. The other 25%, which is \$5,000, will be distributed to those class members who were employed by Defendant at any time between May 30, 2018 through April 1, 2021 (the “PAGA period”).

(e) Payments to Settlement Class Members: The remainder of the Gross Settlement Amount (called the Net Settlement Amount) will be distributed to class members who do not exclude themselves from the settlement (called Settlement Class Members). The amount of each Settlement Class Member’s share of the Net Settlement Amount will be calculated by dividing the total number of qualifying workweeks that the Settlement Class Member worked during the Class Period by the total number of qualifying workweeks worked by all Settlement Class Members during the Class Period and multiplying that fraction by the Net Settlement Amount. A qualifying workweek is a full or partial week that a class member worked for El Proyecto during the Class Period. Class Members who worked for Defendant at any time from May 30, 2018 through April 1, 2021 will also participate in the “PAGA Settlement,” whereby they will receive a portion of the \$5,000 penalty allocation referenced above in section 8(d). The PAGA claim portion of your settlement payment, if you worked for Defendant between May 30, 2018 and April 1, 2021 will be calculated by dividing the total number of qualifying pay periods you worked during that time period by the total number of pay periods worked by all eligible employees and then multiplying that fraction by \$5,000.

9. WHAT YOU WILL RECEIVE UNDER THE SETTLEMENT

According to Defendant’s records, you worked a total of [redacted] qualifying workweeks during the Class Period and a total of [redacted] qualifying pay periods during the PAGA period. Under the settlement, you will receive approximately \$ [redacted] for the Class settlement and will receive \$ [redacted], which is your share of the \$5,000 PAGA settlement. This amount may increase or decrease based on various factors, including the number of class members who submit Requests for Exclusion, the amounts approved by the Court for attorneys’ fees and costs, settlement administration costs, service and release awards to Plaintiffs, payment to the LWDA, and disputes by other class members regarding their qualifying workweeks during the Class Period. **To receive your settlement payment, you do not need to do anything. You will receive a settlement payment unless you exclude yourself from the settlement.**

If you disagree with the number of qualified workweeks, you can contest the number of qualifying workweeks set forth in the paragraph above. To do so, you must provide the Settlement Administrator with a written explanation of your position. The statement must also include your full name, current address and telephone number, and must identify this case (*Jimenez v. El Proyecto Del Barrio, Inc.*, Case No. 19STCV18696). You must provide written documentation supporting the number of workweeks you believe that you worked; otherwise, the number listed above will be presumed correct. You must postmark your written statement no later than **[45 days from mailing]**. The Settlement Administrator will consider the documentation you submit and will communicate with you and the parties as necessary regarding the dispute to determine whether an adjustment is warranted before making a final determination regarding your settlement payment. The Settlement Administrator will mail you its final determination.

10. PAYMENT SCHEDULE

The Settlement Administrator will mail settlement checks to class members after the settlement is finally approved by the Court. You will have 180 days after the Settlement Administrator mails your settlement check to cash it; otherwise, it will be voided and the amount of your settlement payment will be sent to the California State Controller as unclaimed property in your name and you will need to contact that agency to obtain your funds. For tax purposes, twenty percent (20%) of your settlement payment shall be attributed to wages and reported on a W-2 form; eighty percent (80%) will be attributed to interest and penalties. The amount of interest and penalties will be reported on an IRS Form 1099. Nothing in this Notice should be construed as providing you with tax advice. You should consult with your tax advisor concerning the tax consequences of the payment you receive.

FOR MORE INFORMATION CALL 1-800-[redacted].

11. RELEASE OF CLAIMS

(a) Release by Class Members Who Do Not Exclude Themselves from the Settlement.

Unless you submit a valid Request for Exclusion (described below in section 12), you will release El Proyecto and its past, present and/or future owners, co-owners, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, reinsurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, operators, payroll providers, joint employers, co-employers, and joint venturers from all causes of action and factual or legal theories that were alleged in the Second Amended Complaint or arise from facts alleged in the Second Amended Complaint, including all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief. The time period governing these Released Claims shall be the Class Period only. Claims and damages that were not alleged in the Second Amended Complaint (or any subsequent operative Complaint) and do not arise from the facts alleged in the Second Amended Complaint are specifically excluded from the release. The claims that you will be releasing by participating in the settlement include claims for: (1) failure to provide meal and rest breaks; (2) failure to pay for all hours worked; (3) failure to pay overtime; (4) failure to provide accurate wage statements; (5) violation of the Unfair Practices Act; (6) failure to pay all wages owed at termination. The release only releases claims that arose at any time from May 30, 2015 through April 1, 2021. Claims and damages that were not alleged in the operative Complaint and do not arise from the facts alleged in the operative Complaint are specifically excluded from the release.

(b) Release by PAGA Settlement Members—Class Members who worked for Defendant at any time from May 30, 2018 through April 1, 2021.

If you worked for Defendant at any time between May 30, 2018 and April 1, 2021, you will receive a payment that is your share of the \$5,000 PAGA penalty and you will release El Proyecto and its past, present and/or future owners, co-owners, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, reinsurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, operators, payroll providers, joint employers, co-employers, and joint venturers from all claims for civil penalties recoverable by Plaintiffs, individually and as the representatives acting as proxies or agents of the LWDA, a State of California Executive Branch Agency, for violations that were alleged in, or arise out of the facts alleged in the Second Amended Complaint and/or the May 30, 2019 letter submitted by Plaintiffs Maria del Socorro Jimenez, Elisa Lopez, and Rosa Valdez to California's Labor and Workforce and Development Agency with respect to failure to provide meal and rest breaks, failure to pay for all hours worked, failure to pay overtime, failure to provide accurate wage statements, and failure to pay all wages owed at termination. The express purpose is to forever bar Plaintiffs, the LWDA, and any other individual or entity acting on behalf of or purporting to act on behalf of the LWDA from asserting any of the Released Claims in any future litigation. It is the intent of the Parties that, to the greatest extent provided by law, including but not limited to under the holding of *Arias v. Superior Court*, 46 Cal. 4th 969, 986 (2009), the ability of Plaintiffs, the State of California, and any Aggrieved Employee to bring a PAGA claim on behalf of the LWDA is completely and forever foreclosed.

12. YOUR OPTIONS

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

(a) You Can Do Nothing.

If you do nothing, you will remain a member of the settlement class and will receive a settlement payment. You will also be bound by the release of claims set forth in Section 11 above. The payment will remain valid and negotiable for one

FOR MORE INFORMATION CALL 1-800- .

hundred eighty (180) days from the date of the issuance. This deadline to cash the payment check shall not be extended for you absent Court Order.

(b) You Can Exclude Yourself from the Settlement Class.

If you do not want to remain a member of the settlement class—and GET NO PAYMENT from the proposed settlement—you can request exclusion (i.e., opt out) by sending the Settlement Administrator a written Request for Exclusion at the address specified in Section 17 below. The deadline to postmark a Request for Exclusion is **[45 days from mailing]**. A Request for Exclusion is a written statement that unambiguously requests exclusion from the settlement class. The Request for Exclusion must include the case number (*Jimenez v. El Proyecto Del Barrio, Inc.*, Case No. 19STCV18696), and for identification purposes, your name, current address and telephone number, and the last four digits of your social security number (for verification purposes). You must also sign the Request for Exclusion. You should keep a copy of your Request for Exclusion. Moreover, to demonstrate receipt by the Settlement Administrator, you may elect to send your Request for Exclusion via certified mail. Requests for Exclusion that do not include all required information, or that are not postmarked on or before **[45 days from mailing]**, will not be valid.

If you submit a valid and timely Request for Exclusion, you will not be bound by the settlement or the release of claims in Section 11 above; and you will not receive any money under the settlement. You will also be barred from objecting to this settlement. By opting out of the settlement class, you will retain whatever rights or claims you may have against Defendant.

Please note: The submission of a Request for Exclusion cannot exclude you from the PAGA Settlement. Thus, if you worked for Defendant at any time from May 30 10, 2018 and April 1, 2021, you will receive your portion of the PAGA Settlement and you will be bound by the more limited release set forth in section 11(b).

(c) You Can Object to the Settlement.

If you do not submit a Request for Exclusion from the settlement, you may object to the settlement in writing by sending your written objections to the Settlement Administrator at the address specified in Section 17 below. The deadline to postmark your written objections is **[45 days from mailing]**. You may also object to the settlement by appearing at the Final Approval Hearing. Only class members who have not requested exclusion may object to the settlement.

Any written objection must state the basis of your objection and include any papers and briefs in support of your position. Your written objection must be signed and must contain your current address and telephone number (or that of your attorney) and refer to this case (*Jimenez v. El Proyecto Del Barrio, Inc.*, Case No. 19STCV18696).

If you object to the settlement and if the Court approves the settlement notwithstanding your objections, you will be bound by the terms of the settlement and be deemed to have released all of the Released Claims as set forth in Section 11 above, and you will not be permitted to file a Request for Exclusion.

13. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT

The Final Approval Hearing on the fairness and adequacy of the proposed settlement, the plan of distribution, the service and release awards to the Plaintiffs, and Class Counsel's request for attorneys' fees and costs, and other issues will be held on [REDACTED], 20 [REDACTED] at [REDACTED].m., in Department 14 of the Los Angeles Superior County Superior Court, 312 N. Spring Street, Los Angeles, CA 90012. Any Class Member may attend the hearing. The Final Approval Hearing may be continued to another date without further notice. If you plan to attend the Final Approval Hearing, it is recommended that you contact the Settlement Administrator to confirm the date and time.

14. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer any questions the judge may have. If you send a written objection, you do not have to come to Court to talk about it. If you did not submit a written objection, but still object to the settlement, you must appear

FOR MORE INFORMATION CALL 1-800-[REDACTED].

at the hearing in order to present your objection. You may also pay another lawyer to attend, but it is not required. Class Counsel will not represent you in connection with any objection.

15. NON-RETALIATION

Defendant will not retaliate or take any adverse action against a class member for participating in the settlement and receiving a settlement payment.

16. WHAT HAPPENS IF I DO NOTHING?

If you do nothing, you will automatically receive a settlement payment as described above and you will be bound by the release of Released Claims against the Released Parties, as described in section 11 of this Notice.

17. ADDITIONAL INFORMATION AND COURTHOUSE SOCIAL DISTANCING INFORMATION.

This Notice only summarizes the lawsuit and settlement. For more information, you may inspect the Court file at the Los Angeles County Superior Court, 312 N. Spring Street, Los Angeles, CA 90012, subject to the social distancing procedures in place at the Courthouse. You may also review the settlement agreement and other documents on-line at www.Phoenixclassaction.com/ElProyectoDelBarrio or you may contact the Settlement Administrator as follows:

Phoenix Settlement Administrators

Telephone: [REDACTED]

Facsimile: [REDACTED]

Email: [REDACTED]

Website: [REDACTED]

You may also contact Class Counsel at the address and telephone number provided in Section 4 above.

IMPORTANT: If your address changes or is different from the address on the envelope enclosing this Notice, please promptly notify the settlement administrator.

If you are planning to come to the Final Approval Hearing, you should review the Court's social distancing requirements at: <http://www.lacourt.org/newsmedia/ui/HfySfy.aspx> (Here for You, Safe for You).

These rules require that all persons entering any courthouse or courtroom must wear a face covering/mask over his or her nose and mouth at all times within the public areas of the courthouse or courtroom. Individuals who wear a face shield must ensure it covers both the nose and the mouth, wraps around the sides of a wearer's face and extend to below the chin with a cloth drape from the bottom of the face shield to below the neck. Children under the age of three (3) are exempt, as are persons with a medical condition, mental health condition, or disability that precludes them from wearing a face covering. However, they must "take whatever protective measures their condition permits, such as wearing a face shield without a drape on the bottom edge."

Individuals are required to maintain at least (6) six feet of physical distance from all persons (except those within their household) at all times and comply with social distance signage throughout the courthouse.

Individuals are requested to use hand sanitizer when entering the courthouse, practice good hand-washing hygiene, and cover coughs and sneezes, preferably with a tissue.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE

FOR MORE INFORMATION CALL 1-800-[REDACTED].