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14	AMERÍCAN YOUTH SOCCER ORGANIZATI			
15	AMERICAN YOUTH SOCCER ORGANIZATI			
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 15 16 17 18 19 20 21 	AMERICAN YOUTH SOCCER ORGANIZATI SUPERIOR COURT OF TH FOR THE COUNTY OF LOS ANGELI OLEG KOROLOV, on behalf of himself and others similarly situated, Plaintiff, vs. AMERICAN YOUTH SOCCER	ION, INC. IE STATE OF CALIFORNIA ES – SPRING STREET COURTHOUSE Case No.: 21STCV25615 CLASS ACTION [Assigned for all purposes to the Hon. David S. Cunningham, SSC Dept. 11] FIRST AMENDED JOINT STIPULATION		
 15 16 17 18 19 20 21 22 	AMERICAN YOUTH SOCCER ORGANIZATI SUPERIOR COURT OF TH FOR THE COUNTY OF LOS ANGELI OLEG KOROLOV, on behalf of himself and others similarly situated, Plaintiff, vs. AMERICAN YOUTH SOCCER ORGANIZATION, INC.; AYSO SERVICES CORPORATION; and DOES 1 to 100,	ION, INC. IE STATE OF CALIFORNIA ES – SPRING STREET COURTHOUSE Case No.: 21STCV25615 CLASS ACTION [Assigned for all purposes to the Hon. David S. Cunningham, SSC Dept. 11] FIRST AMENDED JOINT STIPULATION		
 15 16 17 18 19 20 21 22 23 	AMERICAN YOUTH SOCCER ORGANIZATI SUPERIOR COURT OF TH FOR THE COUNTY OF LOS ANGELI OLEG KOROLOV, on behalf of himself and others similarly situated, Plaintiff, vs. AMERICAN YOUTH SOCCER ORGANIZATION, INC.; AYSO SERVICES CORPORATION; and DOES 1 to 100, inclusive,	ION, INC. IE STATE OF CALIFORNIA ES – SPRING STREET COURTHOUSE Case No.: 21STCV25615 CLASS ACTION [Assigned for all purposes to the Hon. David S. Cunningham, SSC Dept. 11] FIRST AMENDED JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND		
 15 16 17 18 19 20 21 22 23 24 	AMERICAN YOUTH SOCCER ORGANIZATI SUPERIOR COURT OF TH FOR THE COUNTY OF LOS ANGELI OLEG KOROLOV, on behalf of himself and others similarly situated, Plaintiff, vs. AMERICAN YOUTH SOCCER ORGANIZATION, INC.; AYSO SERVICES CORPORATION; and DOES 1 to 100,	ION, INC. IE STATE OF CALIFORNIA ES – SPRING STREET COURTHOUSE Case No.: 21STCV25615 CLASS ACTION [Assigned for all purposes to the Hon. David S. Cunningham, SSC Dept. 11] FIRST AMENDED JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND		
 21 22 23 24 25 	AMERICAN YOUTH SOCCER ORGANIZATI SUPERIOR COURT OF TH FOR THE COUNTY OF LOS ANGELI OLEG KOROLOV, on behalf of himself and others similarly situated, Plaintiff, vs. AMERICAN YOUTH SOCCER ORGANIZATION, INC.; AYSO SERVICES CORPORATION; and DOES 1 to 100, inclusive,	ION, INC. IE STATE OF CALIFORNIA ES – SPRING STREET COURTHOUSE Case No.: 21STCV25615 CLASS ACTION [Assigned for all purposes to the Hon. David S. Cunningham, SSC Dept. 11] FIRST AMENDED JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND		
15 16 17 18	AMERICAN YOUTH SOCCER ORGANIZATI SUPERIOR COURT OF TH FOR THE COUNTY OF LOS ANGELI OLEG KOROLOV, on behalf of himself and others similarly situated, Plaintiff, vs. AMERICAN YOUTH SOCCER ORGANIZATION, INC.; AYSO SERVICES CORPORATION; and DOES 1 to 100, inclusive,	ION, INC. IE STATE OF CALIFORNIA ES – SPRING STREET COURTHOUSE Case No.: 21STCV25615 CLASS ACTION [Assigned for all purposes to the Hon. David S. Cunningham, SSC Dept. 11] FIRST AMENDED JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND		
 15 16 17 18 19 20 21 22 23 24 25 26 	AMERICAN YOUTH SOCCER ORGANIZATI SUPERIOR COURT OF TH FOR THE COUNTY OF LOS ANGELI OLEG KOROLOV, on behalf of himself and others similarly situated, Plaintiff, vs. AMERICAN YOUTH SOCCER ORGANIZATION, INC.; AYSO SERVICES CORPORATION; and DOES 1 to 100, inclusive,	ION, INC. IE STATE OF CALIFORNIA ES – SPRING STREET COURTHOUSE Case No.: 21STCV25615 CLASS ACTION [Assigned for all purposes to the Hon. David S. Cunningham, SSC Dept. 11] FIRST AMENDED JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND		

1.

1 IT IS HEREBY STIPULATED, by and among Plaintiff Oleg Korolov ("Plaintiff" or "Class 2 Representative"), on behalf of himself and the Settlement Class Members on the one hand, and 3 Defendants American Youth Soccer Organization and AYSO Services Corporation ("Defendants") 4 (collectively with Plaintiff, the "Parties"), and subject to the approval of the Court, that the above-5 captioned action is hereby being compromised and settled pursuant to the terms and conditions set 6 forth in this First Amended Joint Stipulation of Class Action Settlement and Release (the 7 "Settlement"). This First Amended Joint Stipulation of Class Action Settlement and Release shall 8 replace and supersede the originally entered into Joint Stipulation of Class Action Settlement and 9 Release executed on or around August 30, 2022.

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BACKGROUND; DENIALS OF LIABILITY

11 1.1. <u>Procedural History.</u> On July 13, 2021, Plaintiff filed a proposed putative wage and
12 hour class action complaint against Defendants American Youth Soccer Organization and AYSO
13 Services Corporation for alleged violations of the California Labor Code in the Los Angeles County
14 Superior Court Case No. 21STCV25615, ("Action"). On December 1, 2021, Plaintiff filed a First
15 Amended Complaint adding a single cause of action for civil penalties associated with Defendants'
16 alleged violations of the California Labor Code pursuant to the Private Attorneys General Act of
17 2004.

18 In the Action, Plaintiff alleges, among other things, claims on behalf of certain California-19 based, hourly, non-exempt employees who worked for Defendants. More particularly, Plaintiff 20 alleges, among other things, that Defendants had, with respect to him individually and/or other 21 members of the public similarly situated, among other things, (1) failed to pay employees for all 22 hours worked at the minimum wage and/or applicable overtime rates of pay; (2) failed to provide 23 legally compliant meal periods and/or pay meal period premium wages; (3) failed to indemnify 24 employees for employment-related losses/expenditures; (4) statutory penalties for failure to timely 25 pay earned wages during employment; (5) statutory penalties for failure to provide accurate wage 26 statements; (5) waiting time penalties for failure to timely pay employee all earned and unpaid wages 27 due upon separation of employment; (6) applicable civil penalties; and civil penalties pursuant to

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the Private Attorneys General Act of 2004 ("PAGA"). In the Action, Plaintiff seeks on behalf of the
 class monetary relief (including damages, restitution, and penalties) and other relief.

3 1.2. Settlement Negotiations. On March 22, 2022, the Parties participated in a formal 4 mediation session with well-respected wage and hour mediator Steve Rottman, Esq. Prior to the 5 mediation, Class Counsel conducted extensive informal discovery and investigation during the 6 prosecution of the Action. The informal discovery and investigation included, among other 7 things: (1) inspection and analysis of employee documents and data, including personnel files, 8 time and payroll records, employment policies and procedures, and other relevant documents; (2) 9 evaluation of legal positions taken by Defendants; (3) evaluation of potential class-wide damages 10 and PAGA penalties; and (4) review and research of applicable law with respect to the claims and 11 potential defenses brought by Defendants. As part of Defendants' production, Plaintiff's counsel 12 and expert witness also reviewed and analyzed time records, pay records, and information relating 13 to the size and scope of the Class, as well as data permitting Plaintiff to understand the number of 14 workweeks in the Class and PAGA Periods. Class Counsel has vigorously prosecuted this Action, 15 and Defendants have vigorously defended it. The Parties have engaged in sufficient discovery and 16 investigation to assess the relative merits of the claims and contentions of the Parties. The Parties 17 agree that the above-described investigation and evaluation, as well as the information exchanged 18 during the settlement negotiations, are more than sufficient to assess the merits of the respective 19 Parties' positions and to compromise the issues on a fair and equitable basis. Based on this 20 information and the settlement discussions during the mediation conducted at arm's length, the 21 Parties came to an agreement on March 22, 2022. The settlement is the result of an informed and 22 detailed evaluation of the potential liability of total exposure in relation to the costs and risks 23 associated with continued litigation of the Action. Following the mediation, on March 22, 2022, 24 the Parties executed a Memorandum of Understanding. This Joint Stipulation of Settlement, and 25 Release among other things, resolves and settles on behalf of the "Settlement Class" and "PAGA 26 Employees" (defined below) all claims asserted in the operative complaint in the Action.

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1.3. Defendant's Denial of Wrongdoing and Liability and Reasons for Settlement.

28 Defendants contend that the Settlement Class Members were properly and timely paid all wages

FIRST AMENDED JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

1 owed, including, but not limited to, all straight time and overtime, were properly reimbursed, and 2 were provided meal and rest periods as required under California law. In entering into this 3 Settlement, Defendants do not admit, and specifically deny, on behalf of themselves and each of 4 the "Released Parties" as defined below, each and all such claims whether asserted or to be 5 asserted by Plaintiff individually or on behalf of any putative class or represented group. 6 Defendants, on behalf of themselves and each of the Released Parties deny that any Released Party 7 is liable in any way to Plaintiff or any putative member of any class or any represented group; 8 denies that Plaintiff or any putative member of any class or any represented group is entitled to 9 any monetary compensation or payment of any kind (or any other form of relief) under California, 10 federal, or any other law; and denies that Plaintiff or any putative member of any class or any 11 represented group are, were, or could have been harmed by any conduct, acts, or omissions by 12 Defendants or any Released Party. Defendants also deny that any of the settled claims could ever 13 properly be certified as a class in any contested certification proceedings or could proceed as a 14 representative action. Except as necessary in a proceeding to enforce the terms of this Settlement, 15 this Settlement Agreement and its terms and provisions will not be offered or received as evidence 16 in any action or proceeding to establish any liability or admission on the part of Defendants or to 17 establish the existence of any condition constituting a violation of, or a non-compliance with, 18 federal, state, local or other applicable law. However, Defendants have concluded that any further 19 defense of this Action would be protracted and expensive for all Parties. Substantial amounts of 20 time, energy and resources of Defendants have been devoted and, unless this Settlement is made, 21 will continue to be devoted to the defense of the claims asserted by Plaintiff and Settlement Class 22 Members. Defendants have also taken into account the risks of further litigation in reaching their 23 decision to enter into this Settlement. Despite continuing to contend they are not liable for any of 24 the claims set forth by Plaintiff in the Action, Defendants have, nonetheless, agreed to settle in the 25 manner and upon the terms set forth in this Agreement to put to rest the claims as set forth in the 26 Action.

1.4. <u>No Admissions</u>. The Parties understand and agree that this Settlement is the result
of a good faith compromise of disputed claims and allegations. Defendants deny any and all

1 claims alleged in this Action and deny all wrongdoing whatsoever. This Agreement is not a 2 concession or admission, and shall not be used against Defendants as an admission or indication 3 with respect to any claim of any fault, concession or omission by Defendants, regardless of 4 whether or not the Settlement is finally approved and/or consummated. In particular, but without 5 limiting the generality of the foregoing, nothing about this Settlement shall be offered or construed 6 as an admission that Defendants have violated any of their obligations under the California Labor 7 Code, or of liability in general, or any wrongdoing, impropriety, responsibility, or fault 8 whatsoever on the part of Defendants and/or the Released Parties. In addition, this Settlement 9 shall not be offered or admissible in evidence against any of the Parties or any of the Released 10 Parties, except in any action or proceeding brought by or against Plaintiff, or Defendants to 11 enforce its terms, or by Defendants in defense of any claims brought by Plaintiff.

12 1.5. Benefits of Settlement to Settlement Class Members. Plaintiff and Class Counsel 13 recognize the length of continued proceedings necessary to litigate their disputes through 14 certification, trial, and any possible appeal. Plaintiff and Class Counsel have also taken into 15 account the uncertainty and risk of the outcome of further litigation, the difficulties and delays 16 inherent in such litigation, including, but not limited to, the risks related to a contested motion for 17 class certification, risk of Defendants being able to fund a Class-wide judgement, and the risks 18 related to liability raised by the issues in this case. Plaintiff and Class Counsel are also aware of 19 the burdens of proof necessary to establish liability for the claims asserted in the Action and the 20 difficulties in establishing damages for the Settlement Class Members. Plaintiff and Class 21 Counsel have also taken into account Defendants' agreement to enter into a settlement that confers 22 substantial relief upon Settlement Class Members. Based on the foregoing, Plaintiff and Class 23 Counsel have determined that this Settlement is a fair, adequate, and reasonable, and is in the best 24 interests of the Settlement Class Members.

1.6. <u>Class Certification</u>. The Parties stipulate and agree to the certification of this
Action for purposes of this Settlement only. Should the Settlement not become final and effective,
class certification shall immediately be set aside (subject to further proceedings on motion of any
party to certify or deny certification thereafter). The Parties' willingness to stipulate to class

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certification as part of the Settlement shall have no bearing on and shall not be admissible in or
 considered in connection with, the issue of whether a class should be certified in a non-settlement
 context in this Action, and shall have no bearing on and shall not be admissible or considered in
 connection with the issue of whether a class should be certified in any other lawsuit.

5 1.7. <u>Settlement Class Members' Claims</u>. Plaintiff claims that the Released Class
6 Claims have merit and give rise to liability on the part of Defendants. This Settlement is a
7 compromise of disputed claims. Nothing contained in this Settlement and no documents referred
8 to herein, nor any action taken to carry out this Settlement may be construed or used as an
9 admission by or against the Settlement Class Members or Class Counsel as to the merits or lack
10 thereof of the claims asserted.

11 1.8. Defendants' Defenses. Defendants denied and continue to deny each and all of the 12 allegations, claims, and contentions alleged by Plaintiff in the Action. Defendants have expressly 13 denied and continue to deny all charges of wrongdoing or liability against them arising out of any 14 of the conduct, statements, acts, or omissions alleged in the Action. Defendants contend that they 15 complied in good faith with California and federal wage-and-hour laws and dealt legally and fairly 16 with Plaintiff and the Settlement Class Members. Defendants also denied and continue to deny, 17 *inter alia*, the allegations that the Settlement Class Members have suffered damage; that 18 Defendants in any way failed to pay Settlement Class Members for all hours worked; that 19 Defendants violated any laws regarding meal periods, rest breaks and/or reporting time pay; that 20 Defendant failed to timely pay Settlement Class Members all wages owed upon 21 termination/resignation or otherwise when due; that Defendants failed to comply with the law with 22 respect to itemized wage statements; that Defendants engaged in any unlawful, unfair or 23 fraudulent business practices; that Defendants engaged in any wrongful conduct as alleged in the 24 Action; or that Settlement Class Members were harmed by the conduct alleged in the Action. 25 Neither this Settlement, nor any document referred to or contemplated herein, nor any action taken 26 to carry out this Settlement, is, may be construed as, or may be used as an admission, concession 27 or indication by or against Defendants of any fault, wrongdoing or liability whatsoever.

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1 Defendants deny that, for any purpose other than settling this Action, these claims are appropriate 2 for class or representative treatment.

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DEFINITIONS

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2.1 "Settlement Administrator" means Phoenix Settlement Administrators.

5 "Settlement Administration Costs" means the amount to be paid to the third-party 2.2 6 Settlement Administrator from the Maximum Settlement Amount for the administration of the 7 Settlement. The Settlement Administration Costs amount is not to exceed six thousand dollars 8 (\$6,000.00). Any portion of the requested Settlement Administration Costs that is not awarded to 9 the Settlement Administrator shall be part of the Net Settlement Amount.

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2.3 "Class Counsel" refers to Joseph Lavi, Vincent Granberry, and Pooja V. Patel of Lavi & Ebrahimian, LLP, 8889 W. Olympic Blvd., Suite 200, Beverly Hills, California 90211.

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2.4 "Class Counsel Award" means reasonable attorneys' fees for Class Counsel's litigation and resolution of this Action in a maximum total of Eighty-Six Thousand and Six Hundred Sixty-Six Dollars and No Cents (\$86,666.00) (one-third of the Maximum Settlement Amount). The

14 15 Court shall determine the amount of the Class Counsel Award, and it shall be paid from the 16 Maximum Settlement Amount. Any portion of the requested Class Counsel Award that is not 17 awarded to Class Counsel shall be part of the Net Settlement Amount.

18 2.5 "Class Counsel Costs" means expenses incurred by Class Counsel for Class 19 Counsel's litigation and resolution of this Action, not to exceed Nineteen Thousand Dollars 20 (\$19,000). The Court shall determine the amount of the Class Counsel Costs, and it shall be paid 21 from the Maximum Settlement Amount. Any portion of the requested Class Counsel Costs that is 22 not awarded to Class Counsel shall be part of the Net Settlement Amount.

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2.6 "Class Notice" or "Notice Packet" means the notice of this Settlement, substantially 24 in the form of **Exhibit A**, to be sent to Settlement Class Members to notify them of this Settlement 25 and their right to Opt Out.

26 2.7 "Class Information" means information regarding Settlement Class Members that 27 Defendants will in good faith compile from its records and provide to the Settlement Administrator. 28 Class Information shall be provided as a Microsoft Excel spreadsheet and shall include: each

1 Settlement Class Member's full name; last known address; last known home telephone number; 2 social security number; start and end dates of employment during the Class Period, Compensable 3 Work Weeks, and Pay Periods for Participating Class Members who are eligible for a portion from 4 the PAGA Allocation of the Net Settlement Amount. The Class Information shall also include the 5 sum total of all Compensable Work Weeks for the Class, which the Parties estimate to be 6 approximately 3,712 as of July 13, 2017. Because social security numbers are included in the Class 7 Information, the Settlement Administrator shall maintain the Class Information in confidence; 8 access shall be limited to those with a need to use the Class Information as part of the administration 9 of the Settlement; and transmission shall be through use of a secure, password-protected file. To 10 protect Class Members' privacy rights, the Settlement Administrator must maintain the Class 11 Information in confidence, use the Class Information only for purposes of this Settlement and for no 12 other purpose, and restrict access to the Class Information to Administrator employees who need 13 access to the Class Information to effect and perform under this Agreement. Defendant has a 14 continuing duty to immediately notify Class Counsel if it discovers that the Class Information 15 omitted class member identifying information and to provide corrected or updated Class Information 16 as soon as reasonably feasible. Without any extension of the deadline by which Defendant must 17 send the Class Information.

- 18 2.8 "Class Period" means the time period from and including July 13, 2017, through June
 19 6, 2021.
- 20 2.9 "Class Representative Enhancement Award" means the amount that the Court
 21 authorizes to be paid to Plaintiff, not to exceed nine thousand nine hundred dollars (\$9,900.00) for
 22 Plaintiff Oleg Korolov, in recognition of Plaintiff's efforts and risks in assisting with the prosecution
 23 of the Action. The Class Representative Enhancement Award shall be paid from the Maximum
 24 Settlement Amount. Any portion of the requested Class Representative Enhancement Award that is
 25 not awarded to Plaintiff shall be part of the Net Settlement Amount.
- 26 2.10 "Compensable Work Weeks" means the number of work weeks worked by each
 27 Settlement Class Member during the Class Period. Each Settlement Class Member's Compensable
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Work Weeks are calculated by totaling the number of weeks worked by each Settlement Class
 Member during the Class Period.

3 2.11 "Defendants" means American Youth Soccer Organization and AYSO Services
4 Corporation.

5 2.12 "Defense Counsel" means Mark S. Posard and Tatiana Dupuy of Gordon Rees Scully
6 Mansukhani, LLP.

2.13 "Effective Date" means the latest of the following dates: (i) the date upon which the
Court grants final approval of the Settlement if no Settlement Class members file objections to the
Settlement; or (ii) if a Class Member files an objection to the Settlement, sixty (60) days after the
date upon which the Court grants final approval of the Settlement if no appeal is initiated by an
objector; or (iii) if a timely appeal is initiated by an objector, the Effective Date shall be the date of
final resolution of that appeal (including any requests for rehearing and/or petitions for *certiorari*),
resulting in final judicial approval of the Settlement.

2.14 "Employee Taxes" means the employee's share of any and all applicable federal,
state, and local payroll taxes on the portion of Participating Class Members' Individual Settlement
Payment that constitutes wages. The Employee Taxes will be paid out of the Net Settlement
Amount.

2.15 "Employer Taxes" means the employer's share of any and all applicable federal,
state, and local payroll taxes on the portion of Participating Class Members' Individual Settlement
Payment that constitute wages. The Employer Taxes will be paid by Defendants separately and in
addition to the Gross Settlement Amount, and not out of the Maximum Settlement Amount or Net
Settlement Amount.

23 2.16 "Final Approval Hearing" means the hearing held on the motion for final approval
24 of the Settlement.

25 2.17 "Final Approval Date" means the date on which the Court grants final approval of
26 the Settlement.

27 2.18 "Final Class Judgment" means the Court's entry of an order of judgment in this
28 Action following the Court's final approval of the Settlement.

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2.19 "Individual Settlement Payment" means the amount to be allocated under this
 Settlement to individual Settlement Class Members as calculated pursuant to Paragraph 6.19 of the
 Settlement, from the Net Settlement Amount. Checks for Individual Settlement Payments will
 specifically indicate that they are void if not negotiated within one hundred eight (180) days of their
 issuance.

6 2.20"Maximum Settlement Amount" means the maximum amount Defendants shall have 7 to pay in connection with this Settlement, by way of a common fund, which shall be inclusive of all 8 Individual Settlement Payments to Participating Class Members, Class Counsel Award, Class 9 Counsel Costs, Settlement Administrator Costs, Class Representative Enhancement Award, and the 10 PAGA Allocation. Subject to Court approval and the terms of this Settlement, the Maximum 11 Settlement Amount Defendants shall be required to pay is Two Hundred and Sixty Thousand Dollars 12 and No Cents (\$260,000.00). No portion of the Maximum Settlement Amount will revert to 13 Defendants, and the Settlement does not require Participating Class Members to submit claims as a 14 prerequisite to receiving their Individual Settlement Payment. This Maximum Settlement Amount 15 is based on Defendants' representation that the class size is seventy-seven (77) individuals as of 16 March 22, 2022 who were employed by AYSO, Inc. The Maximum Settlement Amount is based 17 on a calculation of 3,712 Compensable Work Weeks, as of March 22, 2022, collectively worked by 18 Settlement Class Members in the Class Period. Defendants shall not be required to pay more than 19 the Maximum Settlement Amount as long as the amount of Compensable Work Weeks does not 20 increase by more than five (5%) percent. Should the compensable work weeks increase by more 21 than five (5%) percent, the Maximum Settlement Amount shall increase proportionately — e.g., if 22 the Compensable Work Weeks increase by six (6%) percent or 185 (or 3,897 total) Compensable 23 Work Weeks, the Maximum Settlement Amount shall increase by one percent for each percent 24 over 5%. Under no other circumstances shall Defendants be required to pay more than the 25 Maximum Settlement Amount except as provided for in this Settlement.

26 2.21 "Net Settlement Amount" means the Maximum Settlement Amount less the
27 following amounts: (1) Attorneys' Fees and Costs to Class Counsel; (2) Enhancement Payment to

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Plaintiff; (3) Settlement Administration Costs to the Settlement Administrator; and (4) PAGA
 Settlement Amount.

2.22 "Notice of Objection" means a written statement of objection to the Settlement made
and signed by a Settlement Class Member and includes the following: (1) the full name of the
Settlement Class Member; (2) the dates of employment of the Settlement Class Member; (3) the last
four (4) digits of the Settlement Class Member's Social Security number and/or the Employee ID
number; and (4) the basis for the objection.

8 2.23 "Opt Out(s)" means any Settlement Class Member who submits a complete and
9 timely request to be excluded from this Settlement, by submitting a Request for Exclusion under the
10 procedures set forth below.

2.24 "PAGA Allocation" means Twenty-Six Thousand Dollars and No Cents
(\$26,000.00) for the compromise of claims for civil penalties brought under the Labor Code Private
Attorneys General Act of 2004 ("PAGA"). Per California Labor Code section 2699(i), Nineteen
Thousand Five Hundred Dollars and No Cents (\$19,500.00), representing 75% of the PAGA
Allocation, will be paid to California's Labor Workforce Development Agency from the Maximum
Settlement Amount. The remaining Six Thousand Five Hundred Dollars and No Cents (\$6,500.00),
representing 25% of the PAGA Allocation, shall be distributed to PAGA Employees.

18 2.25 "PAGA Employees" means any means any and all current and former hourly non19 exempt employees of Defendants in California during PAGA Period.

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2.26 "PAGA Period" means July 13, 2020, through June 6, 2021.

21 2.27 "Participating Class Member" means any Settlement Class Member who does not
 22 submit a timely Request for Exclusion under the procedures set forth below.

2.28 "Parties" means Defendants, Plaintiff, and the Settlement Class.

24 2.29 "Plaintiff" means Plaintiff Oleg Korolov, who is the named plaintiff in the action.

25 2.30 "Preliminary Approval" or "Preliminary Approval Date" means the date the Court
26 enters the Preliminary Approval Order for the Settlement.

27 2.31 "Preliminary Approval Order" means the Proposed Order (filed concurrently with
28 this Settlement) for preliminary approval of the Settlement.

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FIRST AMENDED JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

1 2.32 "Plaintiff's Released Claims" means any and all claims arising from the facts alleged 2 in the Action, including all wage and hour claims for unpaid wages including minimum wage 3 payments, failure to pay wages during employment, failure to pay overtime, meal and rest break 4 violations, wage statement violations, reimbursement, restitution, disgorgement, conversion, unjust 5 enrichment, civil and statutory penalties, interests, liquidated damages, attorneys' fees and costs, 6 claims under California Labor Code sections 201-203, 204, 223, 226, 226.7, 510, 512, 558.1, 1194, 7 1194.2, 1197, 2698-2696.5, 2802, applicable Industrial Welfare Commission Wage Order, and 8 claims under California Business & Professions Code sections 17200-17204. With respect to any 9 claims Defendants may have against Plaintiff and Plaintiff's Released Claims, Defendants and 10 Plaintiff shall be deemed to have, and by operation of the Final Judgment shall have, expressly 11 waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits 12 of Section 1542 of the California Civil Code, or any other similar provision under federal or state 13 law, which Section provides:

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

Plaintiff's Released Claims against Defendants shall expressly exclude all claims for wrongful
termination, age discrimination and claims under the Fair Employment and Housing Act
("FEHA"), unemployment insurances, workers compensations, social security, and or vested
benefits.

22 2.33 "Released Claims" means collectively, the Released Class Claims which
23 Participating Class Members will release against the Released Parties and the Released PAGA
24 Claims which PAGA Employees will release against the Released Parties. It is understood and
25 agreed that Released Claims do not include claims for workers compensation, unemployment, or
26 disability benefits of any nature, nor any claims, actions, or causes of action which may be possessed
27 by Settlement Class Members under state or federal discrimination statutes, including, without
28 limitation, the Cal. Fair Employment and Housing Act, the Cal. Government Code § 12940, et seq.;

1 the Unruh Civil Rights Act, the Cal. Civil Code § 51, et seq.; the California Constitution; Title VII 2 of the Civil Rights Act of 1964, 42 U.S.C. § 2000, et seq.; the Americans with Disabilities Act, as 3 amended, 42 U.S.C. § 12101, et seq.; the Employee Retirement Income Security Act of 1974, as 4 amended, 29 U.S.C. § 1001, et seq.; and all of their implementing regulations and interpretive 5 guidelines.

6 2.34 "Released Parties" means: (a) Defendants American Youth Soccer Organization and 7 AYSO Services Corporation, and each and all past or present partners, parents, subsidiaries, regions, 8 or affiliates (regardless whether such partners, parents, subsidiaries, regions, or affiliates are 9 individuals, corporations, partnerships, limited partnerships, limited liability companies, or other 10 forms of entity) of Defendants; (b) each and all of the predecessor or successor entities of any of 11 those entities identified in subparagraph (a); (c) any other individuals or entities of any kind, 12 including but not limited to any payroll companies, which have been or could be alleged to be in 13 any manner responsible (whether on an alter ego, joint employer, integrated enterprise, or any other 14 theory) for any violations described in the releases below and occurring as a result of employment; 15 and (d) all past and present directors, officers, representatives, insurers, agents, shareholders, 16 partners, members, lawyers, and employees of any of the individuals or entities identified in 17 subparagraphs (a), (b), or (c).

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2.35 "Request for Exclusion" means a Settlement Class Member's request, in writing, for 19 exclusion from the Settlement.

20 "Response Deadline" means the last date for Settlement Class Members to postmark, 2.36 21 for return to the Settlement Administrator, Requests for Exclusion or Objections. The Response 22 Deadline shall be forty-five (45) days after the Settlement Administrator has postmarked the Class 23 Notice for mailing to Settlement Class Members, subject to adjustment in the case of re-mailings, 24 as specified in Section XVI below.

25 2.37 "Settlement" means the settlement reflected in and to be effectuated through this 26 Joint Stipulation of Settlement.

27 "Settlement Class" means any and all current and former hourly non-exempt 2.38 28 employees of Defendant AYSO Services Inc. in California during Class Period.

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3.

2 any Opt Outs.
 2 Settlement Class Members' means all members of the Settlement Class, including

"Superior Court" means the Los Angeles County Superior Court.

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THE SETTLEMENT CLASS

5 For purposes of this Joint Stipulation of Class Action Settlement and Release only, the 6 Parties agree to seek, under the procedures described below, the Superior Court's approval of 7 certification of the following "Settlement Class": any and all current and former hourly non-exempt 8 employees of Defendant AYSO Services Inc. in California during the Class Period. The Settlement 9 Class shall include any heirs, successors, or assigns or purported assigns of the above-described 10 persons.

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4. MAXIMUM SETTLEMENT AMOUNT

The maximum amount to be paid under this Settlement is Two Hundred and Sixty Thousand
Dollars and No Cents (\$260,000.00) (i.e., Maximum Settlement Amount).

This Settlement is based on 3,712 workweeks during the period from July 13, 2017, to June
6, 2021. Should the class increase by more than 5%, the payout will increase proportionately over
the 5% grace (i.e., meaning if the class increases 6% the settlement will increase by 1%).

The Maximum Settlement Amount shall be used to pay all of Class Counsel's attorneys' fees and costs, all costs of settlement administration, the enhancement payment paid to Plaintiff, all payments to the California Labor Workforce and Development Agency, all settlement payments to Participating Class Members, and the employee's share of all Employee's Taxes. No Released Party shall be required to pay anything above or beyond the Maximum Settlement Amount, under any circumstance, as a result of this Settlement, except Defendants' obligation to pay the Employer's Taxes.

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5. PAYMENTS TO THE LABOR AND WORKFORCE DEVELOPMENT AGENCY

The Parties have agreed to pay a certain sum to the California Labor and Workforce Development Agency ("LWDA") in connection with the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, "PAGA"). The Parties have agreed that a total of Twenty-14

FIRST AMENDED JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

1 Six Thousand Dollars and No Cents (\$26,000.00) of the Maximum Settlement Amount will be 2 allocated to the resolution of Class Members' claims arising under PAGA for the PAGA Period 3 ("PAGA Settlement Amount"). Pursuant to PAGA, Seventy-Five Percent (75%), or Nineteen 4 Thousand Five Hundred Dollars and No Cents (\$19,500.00), of the PAGA Settlement Amount will 5 be paid to the LWDA ("LWDA Payment"), and Twenty-Five Percent (25%), or Six Thousand Five 6 Hundred Dollars and No Cents (\$6,500.00), of the PAGA Settlement Amount shall be distributed 7 to any and all current and former hourly non-exempt employees of Defendants in California during 8 PAGA Period ("PAGA Employees") as specified below. This \$6,500.00 shall be referred to as the 9 "PAGA Employees Portion."

The Settlement Administrator will pay to the LWDA, in accordance with California Labor
 Code section 2699(i), the amount of Nineteen Thousand Five Hundred Dollars and No Cents
 (\$19,500.00). The Settlement Administrator will advise Class Counsel when this payment is made.

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TERMS OF SETTLEMENT

14 6.1. <u>Binding Settlement</u>. This Settlement shall bind the Parties and all Participating Class
15 Members, subject to the terms and conditions hereof and the Court's approval.

16 6.2. Maximum Amount Payable. Under the terms of this Settlement, the maximum 17 amount payable by Defendants shall be the Gross Settlement Amount of two hundred and sixty 18 thousand dollars and no cents (\$260,000.00), which includes Individual Settlement Payments to 19 Participating Class Members, the Class Counsel Award, Class Counsel Costs, Settlement 20 Administrator Costs, Class Representative Enhancement Award, and the PAGA Allocation. 21 Employer's Taxes due on wage payments from the maximum amount payable shall be paid 22 separately by Defendants, in addition to the maximum amount payable. This section does not limit 23 the agreement set forth in Section II.20 and I.V.

6.4. <u>Circular 230 Disclaimer</u>. The Parties acknowledge and agree that (1) no provision
of this Settlement, and no written communication or disclosure between or among the Parties, Class
Counsel or Defense Counsel and other advisers, is or was intended to be, nor shall any such
communication or disclosure constitute or be construed or be relied upon as, tax advice within the
meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) the

1 acknowledging party (a) has relied exclusively upon his, her, or its own, independent legal and tax 2 counsel for advice (including tax advice) in connection with this Settlement, (b) has not entered into 3 this Settlement based upon the recommendation of any other party or any attorney or advisor to any 4 other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or 5 adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party; 6 and (3) no attorney or adviser to any other party has imposed any limitation that protects the 7 confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such 8 limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax 9 structure of any transaction, including any transaction contemplated by this Settlement.

10 6.5. Tax Liability. Defendants, Defense counsel, Plaintiff, and Class Counsel make no 11 representation as to the tax treatment or legal effect of the payments called for hereunder, and 12 Plaintiff and Settlement Class Members are not relying on any statement, representation, or 13 calculation by Defendants, Defense counsel, Plaintiff, Class Counsel, or the Settlement 14 Administrator in this regard. Plaintiff and Settlement Class Members understand and agree that they 15 will be solely responsible for the payment of any taxes and penalties assessed on the payments 16 described herein. Each of the Participating Class Members and PAGA Employees agrees to 17 indemnify the Released Parties for any tax obligations arising out of payments to him or her of any 18 portion of an Individual Settlement Payment or Individual PAGA Payment.

19 6.6. Settlement Class Members shall not, on account of receiving any Individual 20 Settlement Payment or Individual PAGA Payment, be entitled to any other or additional 21 compensation, benefits, contributions, or matching employer funding of any kind under any 22 agreement or plan governing benefits or compensation (such as but not limited to any agreements 23 or plans for incentives, stock options, retirement, deferred compensation) regardless of any contrary 24 language or provisions in any such agreement or plan. The Individual Settlement Payment and/or 25 Individual PAGA Payment shall be the sole compensation and benefit to the Participating Class 26 Members and PAGA Employees under this Settlement Agreement.

27 6.7. <u>Settlement Approval and Implementation Procedures</u>. As part of this Settlement, the
28 Parties agree to the following procedures for obtaining the Court's preliminary approval of the

1 Settlement, certifying the Settlement Class, notifying Settlement Class Members of the Settlement, 2 obtaining the Court's final approval of the Settlement, and processing the Individual Settlement 3 Payments.

4 6.8. Preliminary Approval and Certification. As soon as practicable after execution of 5 this Settlement, the Parties will jointly submit this Settlement to the Court for its preliminary 6 approval. Such submission will include this Settlement, the proposed Notice Packet, the proposed 7 Preliminary Approval Order, and any, memoranda and evidence as may be necessary for the Court 8 to determine that this Settlement is fair, adequate, and reasonable. The Parties agree to request the 9 Court to enter an order conditionally certifying the Settlement Class after the preliminary approval 10 hearing, in accordance with California Rules of Court, Rule 3.769(c).

11 6.9. Notice by First Class U.S. Mail. Within fifteen (15) calendar days of the Court's 12 entry of an order granting preliminary approval, Defendants will provide to the Settlement 13 Administrator the Class Information. Thereafter, the Settlement Administrator will notify Class 14 Counsel that the list has been received and state the number of Settlement Class Members, PAGA 15 Employees, workweeks, and pay periods. Upon receipt of the Class Information, the Settlement 16 Administrator will perform a search on the National Change of Address database to update the 17 Settlement Class Members' addresses. No more than ten (10) calendar days after receiving the Class 18 Information from Defendants, as provided herein, the Settlement Administrator shall mail copies of 19 the Notice Packet to all Settlement Class Members by regular First-Class U.S. Mail. If an updated 20 address is located via the National Change of Address database, then the Settlement Administrator 21 shall mail the Notice Packet to that address.

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6.10. Undeliverable Notices. Any Notice Packets returned to the Settlement Administrator 23 as undeliverable on or before the Response Deadline shall be re-mailed to the forwarding address 24 affixed thereto, if any.

25 6.11. For each Settlement Class Member whose Notice Packet is returned, there will be 26 one (1) skip trace performed by the Settlement Administrator. If an updated mailing address is 27 identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class 28 Such re-mailing shall be made within five (5) business days of the Settlement Member. 17

Administrator receiving notice that the respective Notice Packet was undeliverable. Reasonable
 requests by the Settlement Administrator for additional information in Defendants' possession must
 be responded to within a reasonable amount of time by counsel for Defendants. It is the intent of the
 Parties that reasonable means be used to locate the Settlement Class Members and apprise them of
 their rights.

6 6.12. Settlement Class Members to whom Notice Packets are re-sent after having been
7 returned undeliverable to the Settlement Administrator shall have an additional fourteen (14)
8 calendar days after the Response Deadline ("Extended Response Deadline"), to submit the Request
9 for Exclusion, Notice of Objection, or work weeks dispute. Notice Packets that are re-sent shall
10 inform the recipient of this adjusted deadline. It will be conclusively presumed that if an envelope
11 so mailed has not been returned within twenty (20) days of the mailing, that the Settlement Class
12 Member received the Notice Packet.

6.13. Compliance with the procedures specified in paragraphs 6.9 through 6.12 of this
section of this Settlement shall constitute due and sufficient notice to Settlement Class Members of
this Settlement and shall satisfy the requirement of due process. Nothing else shall be required of,
or done by, the Parties, Class Counsel, and/or Defense Counsel to provide notice of the proposed
Settlement.

18 6.14. Disputes. Settlement Class Members will have the opportunity during the Response 19 Deadline, should they disagree with Defendants' records regarding their days worked during the 20 Class Period, to provide documentation and/or an explanation to show contrary days worked. Absent 21 evidence to the contrary, Defendants' records will be presumed correct. The dispute shall be 22 submitted to the Settlement Administrator in writing by mail or fax on or before the Response 23 Deadline or Extended Response Deadline (if applicable) and include the Settlement Class Members 24 name, address, last four digits of Social Security number, and number of work weeks they contend 25 are correct as well as any evidence. If there is a dispute, the Settlement Administrator will notify 26 and consult with the Parties to determine whether an adjustment is warranted. The Settlement 27 Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement 28 Payments under the terms of this Settlement. The Settlement Administrator's determination of the 18

eligibility for and amount of any Individual Settlement Payment shall be binding upon the
 Settlement Class Member and the Parties. The Settlement Administrator shall inform Class Counsel
 in a timely fashion as to the submission and resolution of all disputes.

4 6.15. Exclusions (Opt-Outs). The Notice Packet shall state that Settlement Class Members 5 who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the 6 Response Deadline. The Request for Exclusion: (1) must contain the name, address, and the last 7 four (4) digits of the Social Security number of the Settlement Class Member requesting exclusion, 8 (2) must state in clear terms that they do not want to be included or wish to be excluded from the 9 Settlement, (3) must be signed by the Settlement Class Member; and (4) must be submitted by fax 10 or mail by the Response Deadline (or Extended Response Deadline, if applicable) and returned to 11 the Settlement Administrator at the specified address or fax number. The date of the postmark on 12 the return-mailing envelope or time on the fax-stamp shall be the exclusive means used to determine 13 whether a Request for Exclusion has been timely submitted. Any Settlement Class Member who 14 requests to be excluded from the Settlement will not be entitled to any recovery under the Settlement 15 and will not be bound by the terms of the Settlement. Settlement Class Members who receive a 16 Notice Packet, but fail to submit a valid and timely Request for Exclusion on or before the Response 17 Deadline shall be bound by all terms of the Settlement and any Final Judgment entered in this Action 18 if the Settlement is approved by the Court. At no time shall any of the Parties or their counsel seek 19 to solicit members of the Settlement Class to submit Requests for Exclusion from the Settlement. 20 Class Counsel shall not represent any Settlement Class Member with respect to any such Requests 21 for Exclusion. Settlement Class Members who submit a valid Request for Exclusion may not also 22 submit a Notice of Objection. No later than seven (7) calendar days after the Response Deadline, 23 the Settlement Administrator shall provide Defense Counsel with a final list of the Settlement Class 24 Members who have timely submitted a Request for Exclusion.

6.16. <u>Objections</u>. The Notice Packet shall state that Participating Class Members who
wish to object to the Settlement must submit a written statement of objection ("Notice of Objection")
by the Response Deadline, or if applicable the Extended Response Deadline, to the Settlement
Administrator. The Notice of Objection must be signed by the Settlement Class Member and state:

1 (1) the full name of the Settlement Class Member; (2) the dates of employment of the Settlement 2 Class Member; (3) the last four (4) digits of the Settlement Class Member's Social Security number 3 and/or the Employee ID number; and (4) the basis for the objection. The Notice of Objection must 4 be postmarked or fax-stamped by the Response Deadline (or Extended Response Deadline) and 5 returned to the Settlement Administrator at the specified address or fax number. Within five (5) 6 days of receiving a Notice of Objection from a Settlement Class Member, the Settlement 7 Administrator shall forward the Notice of Objection to Class Counsel and Defense Counsel. 8 Participating Class Members may also appear at the Final Approval Hearing and orally present their 9 objections. Participating Class Members are not required to submit a Notice of Objection in order 10 to be heard at the Final Approval Hearing. Class Counsel will thereafter lodge the Settlement Class 11 Member's Notice of Objection with the Court. Settlement Class Members who submit a Request 12 for Exclusion are not entitled to object to the Settlement.

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No Solicitation of Settlement Objections or Exclusions. The Parties and their 6.17. 14 counsel agree to use their best efforts to carry out the terms of this Settlement. At no time shall any 15 of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to 16 submit either written objections to the Settlement or Requests for Exclusion from the Settlement, or 17 to appeal from the Court's Final Judgment. Class Counsel shall not represent any Settlement Class 18 Members with respect to any such objections.

19 Plaintiff's Participation. By executing this Settlement, Plaintiff hereby stipulates he 6.18. 20 will not object to or exclude himself from the Settlement in anyway.

21 6.19. Participating Class Members and PAGA Employees will have one hundred eighty 22 (180) calendar days from the date of issuance of the check to cash or otherwise deposit their 23 check. For any check not cashed after 180 calendar days, the Settlement Administrator shall cancel 24 the check and remit the funds to The Salvation Army Ray & Joan Kroc Corps Community Centers. 25 The Settlement Administrator shall inform the Parties regarding the status of any uncashed checks 26 at the conclusion of the 180-calendar day check cashing period, including the amount at issue.

27 Funding of the Gross Settlement Amount. This is a non-reversionary Settlement in 6.20. 28 which Defendants are required to pay the entire Maximum Settlement Amount. No portion of the

1 Maximum Settlement Amount will revert to Defendants. Defendants are separately and solely 2 responsible for any employer payroll taxes owed as a result of the Settlement. By no later than 3 fifteen (15) calendar days after the Effective Date, Defendants shall provide to the Settlement 4 Administrator the Maximum Settlement Amount and an amount sufficient to pay the Employer's 5 Taxes. No payments from the Maximum Settlement Amount shall be made before the Maximum 6 Settlement Amount is fully funded. No release in this Settlement shall be effective until the 7 Maximum Settlement Amount is fully funded. The Settlement Administrator shall place the funds 8 in an interest-bearing account, and any interest earned shall be paid to the Individual Settlement 9 Payments for Participating Class Members. The Settlement Administrator shall make each of the 10 payments set forth above (including, Individual Settlement Payments to Participating Class 11 Members, Individual PAGA Payments to PAGA Employees, Court-approved Class Counsel Award 12 to Class Counsel, the Court-approved Class Representative Enhancement Award to Plaintiff, the 13 LWDA Payment to the LWDA, and the Court-approved Settlement Administration Costs to itself) 14 within ten (10) business days after Defendants fully fund the Maximum Settlement Amount. The 15 Settlement Administrator shall mail payments to the LWDA and simultaneously advise Class 16 Counsel regarding their tender of the payment.

17 Accounting by Settlement Administrator. No more than five (5) business days after 6.21. 18 the Maximum Settlement Amount is fully funded, the Settlement Administrator will provide the 19 Parties with an accounting of all anticipated payments from the Maximum Settlement Amount. The 20 Net Settlement Amount shall be calculated by deducting from the Maximum Settlement Amount 21 payments for (1) Class Representative Enhancement Awards, as specified in this Settlement and 22 approved by the Court; (2) Class Counsel Award, as specified in this Settlement and approved by 23 the Court; (3) Class Counsel Costs, as specified in this Settlement and approved by the Court; (4) 24 Settlement Administration Costs, as specified in this Settlement and approved by the Court; and (5) 25 the PAGA Allocation, as specified in this Settlement and approved by the Court. The Net Settlement 26 Amount shall be distributed in Individual Settlement Payments in accordance with Paragraphs 6.22 27 and 6.23.

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1 Individual Settlement Payments. Each Participating Class Member shall receive an 6.22. 2 Individual Settlement Payment, which is a share of the Net Settlement Amount, based on the number 3 of Compensable Work Weeks worked by the Participating Class Member during the Class Period 4 and, for PAGA Employees to receive a portion from the PAGA Allocation (i.e., the Individual 5 PAGA Payment), based on the number of Pay Periods. Individual Settlement Payments and 6 Individual PAGA Payments shall be paid pursuant to the formula set forth in Paragraph 6.23 below. 7 Individual Settlement Payments shall be mailed by regular First-Class U.S. Mail to Participating 8 Class Members' last known mailing address no later than ten (10) business days after the Maximum 9 Settlement Amount is fully funded. Individual Settlement Payments and Individual PAGA 10 Payments will specifically indicate that they are void if not negotiated within one hundred eight 11 (180) days of their issuance. Individual Settlement Payments reflect settlement of a dispute 12 regarding wages, interest, and penalties. Individual Settlement Payments will be allocated as 13 follows: 20% wages ("wage portion"), 40% penalties, and 40% interest ("non-wage portion"). Each 14 Individual PAGA Payment shall be treated as 100% penalties. The Settlement Administrator shall 15 calculate and deduct from the wage portion of each Participating Class Member's Individual 16 Settlement Payment the employee's share of required state, federal, and local tax, and other wage 17 obligations or withholdings. These shall include, without limitation, all federal, state, and local 18 employment taxes (such as Social Security Taxes, Federal Unemployment Taxes, and California 19 Unemployment and Training Taxes) and all state and federal income taxes\. The "wage" portion of 20 each Individual Settlement Payment will be reduced by any Employee Taxes. The Settlement 21 Administrator shall issue the appropriate tax documents associated with the Individual Settlement 22 Payments, including an IRS Form W-2 for the amounts allocated as "wages" and an IRS Form 1099 23 for the amounts allocated as "interest" or "penalties."

6.23. <u>Individual Settlement Payment Formula</u>. Defendants will calculate the Compensable
Work Weeks for each Settlement Class Member. The Settlement Administrator will calculate a
Payment Ratio from the Net Settlement Amount for each Settlement Class Member by dividing the
respective Compensable Work Weeks by the total Compensable Work Weeks for all Settlement
Class Members. Each Settlement Class Member's Payment Ratio will then be multiplied by the Net

1 Settlement Amount to determine each Individual Settlement Payment. The Settlement 2 Administrator will calculate a divide the respective PAGA Employee's Pay Periods by the total Pay 3 Periods for all PAGA Employees, the result will multiplied by the 25% share of the PAGA 4 Allocation designated to PAGA Employees to determine each Individual PAGA Payment. 5 Defendants will calculate the Pay Periods for PAGA Employees who are eligible for a portion of 6 the PAGA Allocation. The Settlement Administrator will reduce each Individual Settlement 7 Payment by Employee Taxes, which will be based on the most recent W-4 form on record for 8 Participating Class Members. Individual PAGA Payments will be deemed 100% penalties. The 9 Settlement Administrator will be responsible for issuing to Plaintiff, Participating Class Members, 10 and Class Counsel W-2's, 1099's, or other tax forms as may be required by law for all amounts paid 11 pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding 12 all payroll taxes and penalties to the appropriate government authorities. Defendants shall be 13 responsible for Employer Taxes. Other than Plaintiff, Class Members are not eligible to receive any 14 compensation other than an Individual Settlement Payment. Defendants shall have no responsibility 15 for deciding the validity of any Individual Settlement Payment or any other payments made pursuant 16 to this Settlement, shall have no involvement in or responsibility for the determination or payment 17 of Employee Taxes, and shall have no liability for any errors made with respect to such Employee 18 Taxes.

19 6.24. Settlement Class Members are not eligible to receive any compensation other than the 20 Individual Settlement Payment, and they may only receive an Individual Settlement Payment if they 21 do not submit a valid and timely Request for Exclusion to opt out of the Settlement. Plaintiff, 22 however, is also eligible to receive the Class Representative Enhancement Award.

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6.25. No benefit, including but not limited to pension benefits, shall increase or accrue as 24 a result of any payment made pursuant to this Settlement.

25 6.26. If a check for an Individual Settlement Payment is returned to the Settlement 26 Administrator as undeliverable, the Claims Administrator shall promptly attempt to obtain a valid 27 mailing address by performing a skip trace search. If another address is identified, the Settlement 28 Administrator shall mail the check to the newly identified address. If an Individual Settlement Payment check is returned to the Settlement Administrator a second time as undeliverable, the
 Settlement Administrator shall not attempt any further re-mailing of that check.

3 6.27. Class Representative Enhancement Awards. Plaintiff will apply to the Superior Court 4 for approval of a Class Representative Enhancement Award in the amount of no more than Nine 5 Thousand Nine Hundred Dollars and No Cents (\$9,900.00) which will be paid to Plaintiff. 6 Defendants will not oppose Plaintiff's request. The Settlement Administrator will pay Plaintiff 7 (from the Maximum Settlement Amount) the Class Representative Enhancement Award awarded 8 by the Superior Court. Plaintiff understands and agrees that the Superior Court may in its discretion 9 award a lesser amount, and Plaintiff agrees that he will accept whatever amount, if any, the Superior 10 Court awards. Any such reduction shall constitute part of the amount to be distributed as part of the 11 Net Settlement Amount to be distributed to Participating Class Members. Plaintiff and Defendants 12 agree that the Class Representative Enhancement Award awarded to Plaintiff is not a wage payment. 13 The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff for his Class Representative 14 Enhancement Award. Plaintiff shall be solely and legally responsible to pay any and all applicable 15 taxes on his Class Representative Enhancement Award. The Class Representative Enhancement 16 Award is in addition to the Individual Settlement Payment to be paid to Plaintiff. The Class 17 Representative Enhancement Award represents payment for the time incurred and services rendered 18 by Plaintiff on behalf of the Settlement Class in obtaining this Settlement.

19 6.28. Class Counsel Award and Costs. Class Counsel will apply to the Superior Court for 20 approval of reasonable attorneys' fees incurred for representing Plaintiff and the Settlement Class 21 in the Action in an amount not to exceed one-third of the Maximum Settlement Amount, or a 22 maximum total of Eighty-Six Thousand and Six Hundred Sixty-Six Dollars and No Cents 23 (\$86,666.00). Class Counsel will also apply to the Superior Court for an award of actual costs in an 24 amount of not to exceed Nineteen Thousand Dollars (\$19,000). Defendants will not oppose Class 25 Counsel's request for an award of Attorneys' Fees and Costs up to the specified amounts, and the 26 Settlement Administrator will pay Class Counsel (from the Maximum Settlement Amount) the fees 27 and costs awarded by the Superior Court up to the specified amounts. In the event that the escalator 28 clause is triggered and the Maximum Settlement Amount is increased, Class Counsel may, in its

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1 discretion, increase its Attorneys' Fees in order to remain one-third of the Maximum Settlement 2 Amount. Class Counsel and Plaintiff understand and agree that the Superior Court may in its 3 discretion award lesser amounts in Attorneys' Fees and Costs than requested by Class Counsel. If 4 Class Counsel receive Attorneys' Fees or Costs less than the specified amounts, any such reduction 5 shall not revert to Defendants but shall instead constitute part of the amount to be distributed as part 6 of the Net Settlement Amount to be distributed to Participating Class Members. The amounts so 7 awarded shall be for and in complete satisfaction of all attorneys' fees and costs incurred to date by 8 Plaintiff and/or Class Counsel on behalf of Plaintiff and the Settlement Class, and of all such future 9 fees and costs including, but not limited to, fees and costs incurred in documenting this Settlement, 10 securing Superior Court approval of this Settlement, monitoring this Settlement, reviewing and 11 participating in the settlement administration process, and obtaining the Final Class Judgment.

6.26. The Settlement Administrator will give Class Counsel an IRS Form 1099 for the
Attorneys' Fees and Costs awarded. Class Counsel understand and agree that they shall be solely
responsible for any and all taxes and/or penalties arising from payment of the costs and attorneys'
fees provided herein. Not later than the Effective Date, Class Counsel shall provide a fully and
properly executed IRS Form W-9 for purposes of the payments which the Settlement Administrator
will electronically wire to Class Counsel.

18 6.30. Defendants' Option to Terminate Settlement. If, after the Response Deadline and 19 before the Final Approval Hearing, ten (10) or more of the number of Settlement Class Members 20 submit timely and valid Requests for Exclusion from the Settlement, Defendants shall have, in its 21 sole discretion, the option to terminate this Settlement. Defendants shall exercise this option to 22 terminate, if they wish, prior to the Final Approval Hearing. If Defendants decide to void the 23 Settlement, then the Settlement and conditional class certification shall be considered void, and 24 neither the Settlement, conditional class certification, nor any of the related negotiations or 25 proceedings, shall be of any force or effect, and the Parties shall stand in the same position, without 26 prejudice, as if this Settlement had been neither entered into nor filed with the Court. Should 27 Defendants void the Settlement under this paragraph, it shall be solely responsible for all Settlement 28 Administration Costs.

1 Settlement Administration Costs. The Settlement Administrator shall be paid for the 6.31. 2 costs of administration of the Settlement from the Maximum Settlement Amount. Such costs of 3 administration are not to exceed six thousand dollars and no cents (\$6,000.00), unless the court 4 approves a higher amount, which will be paid from the Maximum Settlement Amount ("Settlement 5 Administration Costs"). If the allocated Settlement Administration Costs exceed the actual costs 6 sought by the Settlement Administrator, the excess will remain part of the Net Settlement Amount. 7 The Parties have agreed to use Phoenix Settlement Administrators to administer the settlement. No 8 fewer than twenty (20) days prior to the Final Approval Hearing, the Settlement Administrator shall 9 provide the Parties with a statement detailing the costs of administration. The Settlement 10 Administrator, on Defendants' behalf, shall have the authority and obligation to make payments, 11 credits and disbursements, including payments and credits in the manner set forth in this Settlement, 12 to Participating Class Members, calculated in accordance with the methodology set out in this 13 Settlement and orders of the Court. The Parties agree to cooperate in the administration of the 14 Settlement and to make all reasonable efforts to control and minimize the costs and expenses 15 incurred in administration of the Settlement. The Parties each represent they do not have any 16 financial interest in the Settlement Administrator or otherwise have a relationship with the 17 Settlement Administrator that could create a conflict of interest. The Settlement Administrator shall 18 do the following: 19 a) Send the Notice Packet to Settlement Class Members; 20 b) Prepare and issue the checks to Participating Class Members and PAGA Employees 21 for their Individual Settlement and PAGA Payments; Class Counsel for Class

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California Labor Workforce Development Agency ("LWDA");

1.468B for purposes of distributing these amounts;

d) File all required tax returns for the Qualified Settlement Fund;

FIRST AMENDED JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

Counsel Award and Costs and Costs; Plaintiff for his Enhancement Award; and the

c) Establish a Qualified Settlement Fund, pursuant to Treasury Regulations section

1	e) Calculate, and then remit to appropriate taxing and other governmental authorities,
2	all amounts to be deducted or paid on account of the Individual Settlement Payments,
3	including Employees Taxes as more specifically described and defined below;
4	f) Provide appropriate indemnities against mistakes or inaccuracies in such tasks and
5	against any misuse or breach of confidentiality for Settlement Class Members' social
6	security numbers, telephone numbers, addresses, or other private information;
7	g) Perform all other tasks necessary to administer the Settlement.
8	All disputes relating to the Settlement Administrator's performance of its duties shall be
9	referred to the Superior Court for a final and binding determination, not subject to further review
10	or appeal of any kind.
11	6.32. <u>Entry of Final Judgment</u> . If the Court approves this Settlement at the Final
12	Approval Hearing, the Parties shall request that the Court enter the Final Judgment, with the Court
13	retaining jurisdiction over the Parties to enforce the terms of the judgment.
14	6.33. <u>Nullification of Settlement</u> . In the event: (i) the Court does not enter the
15	Preliminary Approval Order as specified herein; (ii) the Court does not grant final approval of the
16	Settlement as provided herein; (iii) the Court does not enter a Final Judgment as provided herein;
17	or (iv) the Settlement does not become final for any other reason, this Settlement shall be null and
18	void and any order or judgment entered by the Court in furtherance of this Settlement shall be
19	treated as void from the beginning. In such a case, the Parties and any funds to be awarded under
20	this Settlement shall be returned to their respective statuses as of the date and time immediately
21	prior to the execution of this Settlement, and the Parties shall proceed in all respects as if this
22	Settlement had not been executed, except that any costs and fees already incurred by the
23	Settlement Administrator shall be paid by Defendants. In the event an appeal is filed from the
24	Court's Final Judgment, or any other appellate review is sought, administration of the Settlement
25	shall be stayed pending final resolution of the appeal or other appellate review, but any fees
26	incurred by the Settlement Administrator prior to it being notified of the filing of an appeal from
27	the Court's Final Judgment, or any other appellate review, shall be paid to the Settlement
28	Administrator by Defendants within thirty (30) days of said notification.
	27 FIRST AMENDED JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

6.34. <u>No Other Payments.</u> Except for the payments and obligations provided above, all of
 which shall be satisfied from the Maximum Settlement Amount, no Released Party shall have any
 obligation to make any payment to any Plaintiff, to the Settlement Class, or to any other person or
 entity because of the Action or this Joint Stipulation of Settlement. Except as set forth above, the
 Parties shall bear all their own costs and attorneys' fees in connection with this Joint Stipulation of
 Settlement and the Action.

7 6.35. <u>Release</u>. As of the Effective Date and full funding of the Maximum Settlement 8 Amount by Defendants to the Settlement Administrator, each Participating Class Member hereby 9 fully, finally, and forever releases and discharges each and every one of the Released Parties from 10 all claims, demands, rights, liabilities, and causes of action: (a) arising in whole or in part, during 11 the Class Period, for any of the following: failure to pay employees for all hours worked at the 12 minimum wage and/or applicable overtime rates of pay; failure to provide legally complaint meal 13 periods and/or pay meal period premium wages; failure to indemnify employees for employment-14 related losses/expenditures; failure to timely pay earned wages during employment; failure to 15 provide accurate wage statements; failure to timely pay employee all earned and unpaid wages due 16 upon separation of employment; applicable civil penalties; or any alleged or actual failure to pay 17 any interest or penalties owed as a result of any of the foregoing; or (b) all claims that were alleged, 18 or reasonably could have been alleged, based on the Class Period facts stated in the Operative 19 Complaint (collectively, the "Released Class Claims"). These claims include but are not limited to, 20 all claims that arose during the class period under Labor Code sections 201, 202, 203, 204, 226, 21 226.3, 226.7, 510, 512, 1194, 1197, 1197.1, 1198, and 2802, as well as the IWC Wage Order, and 22 section 17200 et. seq of. the California Business and Professions Code, based on the foregoing. 23 Participating Class Members do not release claims for vested benefits, wrongful termination, 24 violation of the Fair Employment and Housing Act, unemployment insurance, disability, social 25 security, workers' compensation, or claims based on facts occurring outside the Class Period.

6.35.1. As of the Effective Date and full funding of the Maximum Settlement
Amount by Defendants to the Settlement Administrator, each PAGA Employee and the State of
California hereby fully, finally, and forever releases and discharges each and every one of the

1 Released Parties from all claims, demands, rights, liabilities, and causes of action: (a) arising in 2 whole or in part, during the PAGA Period, for any of the following: any alleged or actual unfair 3 business practices or any alleged or actual violations of the Private Attorneys General Act, Labor 4 Code section 2699 et seq. ("PAGA") which derive from the foregoing Released Class Claims; or 5 (b) in any manner arising out of any of the other facts or legal theories alleged or asserted in the 6 Action, as described in the operative complaint in this Action or the July 12, 2021, letter to the 7 LWDA (collectively, the "Released PAGA Claims") (together the Released Class Claims and 8 Released PAGA Claims are the "Released Claims"). In the event that a Class Member requests 9 exclusion from the Settlement, if the Class Member is also a PAGA Employee, the PAGA Employee 10 will still release the Released PAGA Claims as described above.

6.35.2. The Released Claims include without limitation, but in each case only
to the extent described in the preceding paragraph, claims: (a) arising under or out of any unfair
competition laws as defined in California Business and Professions Code Section 17200 *et seq.*; and
(b) for declaratory or injunctive relief or for monetary compensation, whether in the form of wages,
damages, liquidated damages, penalties, restitution, costs, attorneys' fees, interest, or otherwise.

16 6.35.3. In partial consideration for the Enhancement Payment and other 17 benefits under this Joint Stipulation of Settlement, Plaintiff provides the following additional 18 releases: as of the Effective Date, Plaintiff shall fully, finally, and forever release and discharge each 19 and every one of the Released Parties from all claims, demands, rights, liabilities, and causes of 20 action of every nature and description whatsoever, whether known or unknown, whether sounding 21 in tort, in contract, in law, in equity or otherwise, and including but not limited to all claims for 22 violation of any local, state, or federal statute, rule, or regulation, which plaintiff now has, owns, or 23 holds, or claims to have, own, or hold, or which he ever had, owned or held, whether known or 24 unknown, suspected or unsuspected, at any time prior to the date he executes this Joint Stipulation 25 of Settlement (collectively "Plaintiff's Released Claims"). Plaintiff's Released Claims include, 26 without limitation, any claims under Title VII of the Civil Rights Act of 1964, any claims for fraud, 27 promises without the intent to perform, intentional or negligent misrepresentation, breach of 28 contract, breach of the implied covenant of good faith and fair dealing, wrongful termination in

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violation of public policy, retaliatory discharge, violations of the California Labor Code, violations
 of the Fair Labor Standards Act, accounting, intentional or negligent infliction of emotional distress,
 violations of California Business and Professions Code section 17200 *et seq.*, or violations of the
 California Fair Employment and Housing Act.

6.35.4. With respect to Plaintiff's Released Claims, Plaintiff stipulates and
agrees that, upon the Effective Date, he shall be deemed to have expressly waived and relinquished
to the fullest extent permitted by law, the provisions, rights, and benefits of Section 1542 of the
California Civil Code or any other similar provision under federal, state, or local law. Section 1542
provides:

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- 12 13

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

14 Plaintiff may hereafter discover facts in addition to or different from those which they now 15 know or believe to be true with respect to the subject matter of Plaintiff's Released Claims, but 16 Plaintiff, upon the Effective Date, shall be deemed to have fully, finally, and forever settled and 17 released any and all of Plaintiffs' Released Claims, known or unknown, suspected or unsuspected, 18 contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore 19 have existed, upon any theory of law or equity now existing or coming into existence in the future, 20 including, without limitation, conduct which is negligent, intentional, with or without malice, or a 21 breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such 22 different or additional facts.

6.35.5. Plaintiff represents, covenants, and warrants that he is the owner of
all of Plaintiff's Released Claims, and that he has not directly or indirectly assigned, transferred, or
encumbered, or purported to assign, transfer or encumber to any person or entity, whether by
operation of law or otherwise, any portion of Plaintiff's Released Claims.

6.35.6. Plaintiff shall not be permitted to seek any further payment or any
personal relief of any kind, including any payment for damages, wages, fees, costs, penalties, or

1 interest, other than the consideration he is receiving under this Joint Stipulation of Settlement, on 2 account of Plaintiff's Released Claims. Exempted from this release shall be the amount Plaintiff is 3 paid as the Enhancement Payment and as an Individual Settlement Payment and Individual PAGA 4 Payment, and any claims that are currently subject to any workers' compensation claim; except, 5 however, these releases shall include and extend to claims under California Labor Code Section 6 132a. This release shall become null and void in the event that Defendants fail to electronically wire 7 the Maximum Settlement Amount and an amount sufficient to pay the employer's share of taxes on 8 the wage portion of the Individual Settlement Payments to the Settlement Administrator.

6.36. <u>Covenant Not to Sue or Seek Recovery.</u> Plaintiff hereby warrants and represents that
he has not filed any complaint, lawsuit, grievance, demand for arbitration, charge, and/or other claim
against any of the Released Parties, with any court, governmental or administrative agency or entity
asserting any claim or claims based on any of Plaintiff's Released Claims, other than the Action and
the letters to the LWDA concerning the allegations in the Action.

6.37. <u>Headings.</u> The descriptive headings of any paragraphs or sections of this Joint
Stipulation of Settlement are inserted for convenience of reference only and do not constitute a part
of this Joint Stipulation of Settlement.

6.38. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings
in the Action, except such proceedings necessary to implement and complete this Settlement,
pending final approval of this Joint Stipulation of Settlement. In the event an appeal is filed from
the Final Class Judgment, or any other appellate review is sought prior to the Effective Date,
administration of this Joint Stipulation of Settlement shall be stayed pending final resolution of the
appeal or other appellate review.

6.39. <u>Amendment or Modification</u>. No waiver of any term or provision of this Joint
Stipulation of Settlement shall be binding unless in writing and signed by the Party waiving the
breach. This Joint Stipulation of Settlement may be amended or modified only by a written
instrument signed by counsel for all Parties or their successors-in-interest.

27 6.40. <u>Entire Settlement</u>. This Joint Stipulation of Settlement constitutes the entire
28 agreement among the Parties with respect to the subject matter hereof, and fully supersede all prior

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agreements and understandings between the Parties with respect thereto. No oral representations,
 warranties, or inducements have been made to any Party concerning this Joint Stipulation of
 Settlement other than the representations, warranties, and covenants contained and memorialized in
 such documents.

6.41. <u>Binding on Successors and Assigns</u>. In addition to the Parties, this Joint Stipulation
of Settlement shall be binding upon, and shall inure to the benefit of, the Parties' respective heirs,
representatives, executors, administrators, successors, and assigns.

6.42. <u>California Law Governs</u>. This Joint Stipulation of Settlement is made and entered
into in the State of California and shall in all respects be interpreted, enforced, and governed under
the laws of said state as applied to transactions or events with contacts exclusively within California,
and without applying California's conflict of laws rules. The Parties agree that this Joint Stipulation
may be enforced under Civil Code section 664.6 and that any action arising out of or to enforce this
Joint Stipulation of Settlement shall be brought exclusively within Los Angeles County, California.

6.43. <u>Authorization to Enter into Settlement</u>. Counsel for all Parties warrant and represent
that they are expressly authorized by the Parties whom they represent to enter into this Joint
Stipulation of Settlement, to take all appropriate action required or permitted to be taken by such
Parties pursuant to this Joint Stipulation of Settlement to effectuate its terms, and to execute any
other documents required to effectuate the terms of this Joint Stipulation of Settlement. The Parties
and their counsel will cooperate with each other and use their best efforts to effect the
implementation of this Joint Stipulation of Settlement.

- 6.44. <u>Mutual Preparation</u>. The Parties have cooperated in the drafting and preparation of
 this Joint Stipulation of Settlement. This Joint Stipulation of Settlement shall not be construed
 against any Party on the basis that such Party was the drafter.
- 6.45 <u>Publicity.</u> Plaintiff and his counsel will not publicize or promote the fact, terms, or
 amount of this Joint Stipulation of Settlement or the claims being settled through press release, press
 conference, or postings on social media or websites until after final approval is granted. If asked for
 comment by the media or third parties, Plaintiff shall respond only with "no comment" or statements
 agreed to by Defendants. Class Counsel may refer to the settlement in adequacy of counsel

FIRST AMENDED JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

1 declarations, and following Preliminary Approval, may state on their websites that they settled a 2 wage and hour class action in the Superior Court and generally describe the claims at issue, provided 3 that they describe Defendants only as a "Defendants Employer." Further, the Parties understand and 4 agree that Class Counsel may disclose this Joint Stipulation of Settlement if ordered to do so by the 5 Court, e.g., post any settlement documents/orders on their respective websites and/or provide 6 information to Settlement Class Members about this Joint Stipulation of Settlement. This Joint 7 Stipulation of Settlement may also be used for purposes of resolving related or overlapping lawsuits 8 or claims by showing the scope of releases and the res judicata bar.

6.46. <u>Non-Disparagement.</u> To the fullest extent permitted by law, Plaintiff agrees to not
disparage or publish or disseminate information, whether oral or written, that is derogatory in any
manner or which may be harmful to any Released Party or their business or personal reputation,
whether such information was acquired before, during or after Plaintiff's employment with
Defendants.

6.47. <u>Counterparts.</u> This Joint Stipulation of Settlement may be executed in counterparts,
and when each Party has signed and delivered at least one such counterpart, each counterpart shall
be deemed an original, and, when taken together with other signed counterparts, shall constitute one
Joint Stipulation of Settlement, which shall be binding upon and effective as to all Parties. This Joint
Stipulation of Settlement may be signed through electronically exchanged documents (such as
PDFs) which shall be treated as original paper copy signatures.

6.48. <u>This Settlement is Fair, Adequate and Reasonable</u>. The Parties believe that this is a
fair, reasonable, and adequate Settlement and have arrived at this Settlement through arms-length
negotiations, taking into account all relevant factors, present and potential.

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6.49. <u>Invalidity of Any Provision</u>. Before declaring any provision of this Settlement invalid, the Court shall first attempt to construe the provision to be valid to the fullest extent possible, consistent with applicable precedents.

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

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1	action, cause of action or right herein released and discharged.	

2 6.51. Use and Return of Class Information. Information provided to Class Counsel 3 pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Information 4 provided to Class Counsel by Defendant in connection with the mediation, other settlement 5 negotiations, or in connection with the Settlement, may be used only with respect to this 6 Settlement, and no other purpose, and may not be used in any way that violates any existing 7 contractual agreement, statute, or rule of court. Not later than 90 days after the date when the 8 Court discharges the Administrator's obligation to provide a Declaration confirming the final pay 9 out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class 10 Information received from Defendant unless, prior to the Court's discharge of the Settlement 11 Administrator's obligation, Defendant makes a written request to Class Counsel for the return, 12 rather than the destructions, of Class Information.





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Exhibit C

NOTICE OF SETTLEMENT OF CLASS ACTION

(Oleg Korolov v. American Youth Soccer Organization, Inc., et al., Superior Court of the State of California, County of Los Angeles, Case No. 21STCV25615)

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:		
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything.	
	Your estimated Individual Settlement Payments is: \$<<>. See the explanation in Section 5 below.	
	After final approval by the Court, the payment will be mailed to you at the same address as this notice. In exchange for the settlement payment, you will release claims against the Defendants as detailed in Section 4 below. If your address has changed, you must notify the Settlement Administrator as explained in Section 6 below.	
Exclude Yourself from the Class Settlement but not the PAGA	To exclude yourself, you must send a written Request for Exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement and you will not be bound by the Settlement.	
Settlement	You cannot opt out of the PAGA potion of the proposed Settlement. You will still receive an Individual PAGA Payment and release the Released PAGA Claims if you are an PAGA Employee (described below).	
	Instructions are set forth in Section 7 below.	
Object to the Class Settlement but You cannot Object to the PAGA Settlement	If you do not exclude yourself from the settlement, you may write to the Court about why you do not agree with the settlement or appear at the Final Approval Hearing to make an oral objection. Directions are provided in Section 8 below.	
You Can Participate in the Final Approval Hearing	The Court's final Approval Hearing is scheduled to take place on [DATE]. You don't have to attend, but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone, or by using the Court's virtual appearance platform. Participating Class Members may verbally object to the Settlement at the Final Approval Hearing.	
You Can Challenge the Calculation of your Work Weeks	The Amount of your Individual Settlement Payment and Individual PAGA Payment (if any) depend on how many Work Weeks you worked during the Class Period and how many pay periods you worked during the PAGA Period, respectively. If you disagree with the information in section 5 below, you must challenge it by [Response Deadline].	

Your options are further explained in this Class Notice. To exclude yourself from, or object to, the Class Settlement you must take action by certain deadlines. If you want the Settlement as proposed, you don't need to do anything to obtain your share of the Settlement.

AMERICAN YOUTH SOCCER ORGANIZATION, INC. and AYSO SERVICES CORPORATION will not retaliate against you for any actions you take with respect to the proposed Settlement.

1. Why did I get this Notice?

A proposed class action settlement (the "Settlement") of the above-captioned action pending in the Superior Court of the State of California, in and for the County of Los Angeles (the "Court") has been reached between Plaintiff Oleg Korolov ("Plaintiff") and Defendants AMERICAN YOUTH SOCCER ORGANIZATION, INC. and AYSO SERVICES CORPORATION ("Defendants") and has been granted preliminary approval by the Court. You may be entitled to receive money from this Settlement.

You have received this Notice because you have been identified as a member of the Settlement Class, which is defined as:

any and all current and former hourly non-exempt employees of Defendant AYSO Services Inc. in California during Class Period.

The Class Period is the period of time from July 13, 2017 through June 6, 2021.

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On July 13, 2021, Plaintiff filed a class action complaint against Defendants for alleged violations of the California Labor Code in Los Angeles County Superior Court, Case No. 21STCV25615 ("Action").

On December 1, 2021, Plaintiff filed a First Amended Complaint in the Action which added the claims of the PAGA Action. The First Amended Complaint alleges that Defendants failed to pay employees for all hours worked at the minimum wage and/or applicable overtime rates of pay; failed to authorize or permit meal periods or pay meal period premium wages; failed to indemnify or reimburse employees for losses and expenditures incurred as part of their employment; failed to timely pay all earned wages; statutory penalties for failure to provide accurate wage statements; waiting time penalties in the form of continuation wages for failure to timely pay employee all earned and unpaid wages due upon separation of employment; applicable civil penalties; and civil penalties pursuant to the Private Attorneys General Act of 2004 (PAGA).

Thereafter, the Parties of the Action and PAGA Action attended a full-day private mediation on March 22, 2022, with Steve Rottman, Esq. where the Parties reached the Settlement described herein.

Defendants deny and dispute all of the claims asserted against them. Specifically, Defendants contend that the Settlement Class Members were properly and timely paid all wages owed,

including, but not limited to, all straight time and overtime, were properly reimbursed, and were provided meal and rest periods as required under California law. Defendants further contend that they are not liable for any of the penalties claimed or that could be claimed in the Action; and that the Action cannot be maintained as a class action.

The Court granted preliminary approval of the Settlement on [PRELIMINARY APPROVAL DATE]. At that time, the Court also preliminarily approved Plaintiff to serve as the Class Representative, and for Joseph Lavi, Vincent Granberry, and Pooja Patel of Lavi & Ebrahimian, LLP to serve as Class Counsel.

3. What are the terms of the Settlement?

<u>Maximum Settlement Amount</u>. Defendants have agreed to pay Two Hundred Sixty Thousand Dollars (\$260,000) (the "Maximum Settlement Amount") with no reversion to Defendants. The Maximum Settlement Amount includes all payments of Individual Settlement Payments to Settlement Class Members contemplated by the Settlement, Individual PAGA Payments to PAGA Employees, the Settlement Administration Costs, attorneys' fees and costs to Class Counsel, and Enhancement Award to Class Representative, and payment to the Labor and Workforce Development Agency ("LWDA") for its share of the PAGA Allocation. Any employer-side payroll taxes on the portion of the Individual Settlement Payments allocated to wages shall be separately paid by Defendants.

If there are no objections, Individual Settlement Payments will be distributed approximately 30 calendar days after the Final Approval Hearing. If there are objections, Individual Settlement Payments will not be distributed for at least 90 days following the Final Approval Hearing, but potentially longer. If your address changes, you are responsible for updating it with the Settlement Administrator at the phone number below.

<u>Amounts to be Paid From the Maximum Settlement Amount</u>. The Settlement provides for certain payments to be made from the Maximum Settlement Amount as follows, which will be subject to final Court approval, and which will be deducted from the Maximum Settlement Amount before Individual Settlement Payments are paid to Settlement Class Members who do not request exclusion ("Participating Class Members"):

- <u>Settlement Administration Costs</u>. Payment to the Settlement Administrator, not to exceed \$6,000, for expenses, including without limitation expenses of notifying the Settlement Class Members of the Settlement, processing opt outs, and distributing Individual Settlement Payments and Individual PAGA Payments and tax forms, and handling inquiries and uncashed checks.
- <u>Class Counsel Fees and Class Counsel Costs to Class Counsel</u>. Payment to Class Counsel of reasonable attorneys' fees not to exceed one-third (1/3) of the Maximum Settlement Amount, which is presently \$86,666 and an additional amount to reimburse actual litigation costs incurred by the Plaintiff not to exceed \$19,000. Class Counsel have been prosecuting the Action on behalf of Plaintiff and the Settlement Class on a contingency fee basis (that is, without being paid any money) and has been paying all litigation costs and expenses.
- <u>Enhancement Award</u>. Plaintiff is requesting a Class Representative Enhancement Award in an amount not to exceed Nine Thousand Nine Hundred Dollars (\$9,900.00), or such

lesser amount as may be approved by the Court, to compensate him for services on behalf of the Settlement Class in initiating and prosecuting the Action, and for the risks he undertook.

• <u>PAGA Allocation</u>. A PAGA Allocation (or "PAGA Settlement Amount") of \$26,000 out of the Maximum Settlement Amount, which shall be allocated 75% (\$19,500) to the LWDA as the LWDA's share of the settlement of civil penalties paid under this Agreement pursuant to the PAGA and 25% (\$6,500) ("PAGA Employees Portion") will be distributed to the PAGA Employees on a pro rata basis based on their pay periods during the PAGA Period.

<u>Calculation of Payments to Participating Class Members</u>. After all of the payments of the courtapproved Enhancement Payments, the Class Counsel Fees, Class Counsel Costs, the PAGA Allocation, and the Settlement Administration Costs are deducted from the Maximum Settlement Amount, the remaining portion, called the "Net Settlement Amount", shall be distributed as Individual Settlement Payments to the Participating Class Members. The Net Settlement Amount is estimated to be approximately <u>\$_____</u>, based upon the above proposed deductions. The Settlement Administrator will pay an Individual Settlement Payment from the Net Settlement Amount to each Participating Class Member based on the number of work weeks each Participating Class Member during the Class Period ("Compensable Work Weeks"). The Settlement Administrator will calculate a Payment Ratio from the Net Settlement Amount for each Settlement Class Member by dividing the respective Compensable Work Weeks by the total Compensable Work Weeks for all Settlement Class Members. Each Settlement Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to determine each Individual Settlement Payment.

<u>Calculation of Payments to PAGA Employees</u>. The PAGA Employees Portion will be distributed to Settlement Class Members who were employed during the PAGA Period (i.e., PAGA Employees). The PAGA Period is from July 13, 2020 through June 6, 2021. The Settlement Administrator will determine how to allocate the PAGA Allocation based on Pay Periods for PAGA Employees. Defendants will calculate the Pay Periods for PAGA Employees who are eligible for a portion of the PAGA Allocation.

If the Settlement is approved by the Court and you do not exclude yourself, you will automatically be mailed a check for your Individual Settlement Payment to the same address as this Class Notice. You do not have to do anything to receive a payment. If you are a PAGA Employee you will receive an Individual PAGA Payment regardless of if you request exclusion from the Settlement. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to ensure you receive your payment.

<u>Tax Matters</u>. The Parties agree that the Individual Settlement Payments shall constitute 20% wages ("wage portion"), 40% penalties, and 40% interest ("non-wage portion"). Each Individual PAGA Payment shall be treated as 100% penalties. Neither Class Counsel nor Defendants' Counsel intend anything contained in this Class Notice to constitute advice regarding taxes or taxability. The tax issues for each individual are unique to him/her, and each individual may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

<u>Need to Promptly Cash Payment Checks</u>. The front of every check issued will show the date when the check expires: 180 calendar days after the date of issuance. If you don't cash the check within 180 days, your check will be automatically cancelled, and the funds will be remitted to The Salvation Army Ray & Joan Kroc Corps Community Centers.

<u>Conditions of Settlement</u>. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering the Judgment.

4. What Do I Release Under the Settlement?

Released Class Claims. As of the Effective Date and full funding of the Maximum Settlement Amount by Defendants to the Settlement Administrator, each Participating Class Member hereby fully, finally, and forever releases and discharges each and every one of the Released Parties from all claims, demands, rights, liabilities, and causes of action: (a) arising in whole or in part, during the Class Period, for any of the following: failure to pay employees for all hours worked at the minimum wage and/or applicable overtime rates of pay; failure to provide legally complaint meal periods and/or pay meal period premium wages; failure to indemnify employees for employmentrelated losses/expenditures; failure to timely pay earned wages during employment; failure to provide accurate wage statements; failure to timely pay employee all earned and unpaid wages due upon separation of employment; applicable civil penalties; or any alleged or actual failure to pay any interest or penalties owed as a result of any of the foregoing; or (b) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint (collectively, the "Released Class Claims"). These claims include but are not limited to, all claims that arose during the class period under Labor Code sections 201, 202, 203, 204, 226, 226.3, 226.7, 510, 512, 1194, 1197, 1197.1, 1198, and 2802, as well as the IWC Wage Order, and section 17200 et. seq of. the California Business and Professions Code, based on the foregoing. Participating Class Members do not release claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

As of the Effective Date and full funding of the Maximum Settlement Amount by Defendants to the Settlement Administrator, each PAGA Employee and the State of California hereby fully, finally, and forever releases and discharges each and every one of the Released Parties from all claims, demands, rights, liabilities, and causes of action: (a) arising in whole or in part, during the PAGA Period, for any of the following: any alleged or actual unfair business practices or any alleged or actual violations of the Private Attorneys General Act, Labor Code section 2699 *et seq.* ("PAGA") which derive from the foregoing Released Class Claims; or (b) in any manner arising out of any of the other facts or legal theories alleged or asserted in the Action, as described in the operative complaint in this Action or the July 12, 2021, letter to the LWDA (collectively, the "Released PAGA Claims") (together the Released Class Claims and Released PAGA Claims are the "Released Claims"). The release does not include claims that as a matter of law cannot be released and does not include claims for retaliation, discrimination, wrongful termination, and individual claims for recovery of workers' compensation benefits.

<u>Released Parties</u>. (a) Defendants AMERICAN YOUTH SOCCER ORGANIZATION, INC. and AYSO SERVICES CORPORATION, and each and all past or present partners, parents, subsidiaries, or affiliates (regardless whether such partners, parents, subsidiaries, or affiliates are individuals, corporations, partnerships, limited partnerships, limited liability companies, or other forms of entity) of Defendants; (b) each and all of the predecessor or successor entities of any of

those entities identified in subparagraph (a); (c) any other individuals or entities of any kind, including but not limited to any payroll companies, which have been or could be alleged to be in any manner responsible (whether on an alter ego, joint employer, integrated enterprise, or any other theory) for any violations described in the releases below and occurring as a result of employment; and (d) all past and present directors, officers, representatives, insurers, agents, shareholders, partners, members, lawyers, and employees of any of the individuals or entities identified in subparagraphs (a), (b), or (c).

This means that, if you do not timely exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants and any other Released Party about the Released Claims resolved by this Settlement. It also means that all of the Court's orders in the Action will apply to you and legally bind you.

5. How much will my payment be and can I challenge my workweeks?

Defendants' records reflect that you worked <<____> Compensable Work Weeks for Defendants during the Class Period.

Based on this information, your estimated Individual Settlement Payment is <<_____>.

Defendants' records reflect that you [are/are not] a PAGA Employee. Defendants' records reflect that you have worked << _____> Pay Periods during the PAGA Period.

Based on this information your estimated Individual PAGA Payment is <<_____>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute which includes your name, address, last four digits of Social Security number, and number of work weeks you contend are correct as well as any evidence, to the Settlement Administrator at the address provided in this Notice no later than [Response Deadline]. You may submit your challenge via fax or mail to the Settlement Administrator at the contact information in section 7 below.

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your Individual Settlement Payment and if applicable Individual PAGA Payment will be mailed automatically to the same address as this Class Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: Phoenix Settlement Administrators (800)

The Court will hold a Final Approval Hearing on ______, at _____ to decide whether to approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed approximately one year after this hearing. If there are objections or appeals, resolving them can take time, usually more than a year. Please be patient.

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." If you opt out, you will not receive an Individual Settlement Payment from the Settlement, and you will not be bound by the Settlement which means you will retain the

right to sue Defendants for Released Class Claims. However, Aggrieved Employees who opt out will still be paid their allocation of the PAGA Payment and will remain subject to the release of the Released PAGA Claims regardless whether they submit a request for exclusion.

To opt out, you must mail, fax, or email to the Settlement Administrator, a written, signed and dated request to opt-out no later than [Response Deadline]. The request to opt-out must be received by the Settlement Administrator and must: : (1) must contain the name, address, and the last four (4) digits of the Social Security number of the Settlement Class Member requesting exclusion, (2) must state in clear terms that they do not want to be included or wish to be excluded from the Settlement, (3) must be signed by the Settlement Class Member and (4) be submitted by fax or mail by the [Response Deadline] and returned to the Settlement Administrator at the specified address or fax telephone number stated in the Class Notice.

The address for the Settlement Administrator is _

Written requests for exclusion that are postmarked or fax-stamped after [Response Deadline], or are incomplete or unsigned will be rejected, and those Settlement Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I don't agree with the Settlement?

Any Settlement Class Member who has not opted out (i.e., Participating Class Member) and believes that the Settlement should not be finally approved by the Court for any reason may object to the proposed Settlement, the attorneys' fees, the costs and/or the enhancement payments, either in writing or in person. Objections that are in writing should: (1) the full name of the Settlement Class Member; (2) the dates of employment of the Settlement Class Member; (3) the last four (4) digits of the Settlement Class Member's Social Security number and/or the Employee ID number; and (4) the basis for the objection. The Notice of Objection must be submitted by fax or mail by the [Response Deadline] and returned to the Settlement Administrator at the specified address or fax telephone number stated in the Class Notice.

Alternatively, a Participating Class Member may also appear at the Final Approval hearing (detailed below), either in person or through his or her own attorney, if he or she wishes to object to the Settlement.

All written objections must be received by the Settlement Administrator no later than [Response Deadline].

To object to the Settlement, you must not opt out, and if the Court approves the Settlement despite your objection, you will be bound by the terms of the Settlement in the same way as Participating Class Members who do not object and you will still be mailed a check for your Individual Settlement Payment and Individual PAGA Payment.

The addresses for Parties' counsel are as follows:

<u>Class Counsel</u>: Joseph Lavi, Esq. (SBN 209776) Vincent Granberry, Esq. (SBN 276483) Pooja Patel (SBN 317891) **LAVI & EBRAHIMIAN, LLP** 8889 W. Olympic Blvd., Suite 200 Beverly Hills, California 90211 Telephone: (310) 432-0000 Facsimile: (310) 432-0001

Counsel for Defendants: Mark Posard (SBN 208790) Tatiana Dupuy (SBN 246705) GORDON REES SCULLY MANSUKHANI LLP 101 W. Broadway, Suite 2000 San Diego, California 92101 Telephone: (619) 696-6700 Facsimile: (619) 696-7124

9. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at on , at the Los Angeles County Superior Court, Spring Street Courthouse, located at 312 N. Spring Street, Los Angeles, California 90012, in Department SSC11 before Judge David S. Cunningham. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. This hearing may be rescheduled by the Court without further notice to you. You are not required to attend the Final Approval Hearing, although any Settlement Class Member is welcome to attend the hearing remotely using the LA CourtConnect procedure at https://www.lacourt.org/lacc/. If the hearing is continued, notice will be posted on the Settlement Administrator's website at In addition, hearing dates are posted on the Internet via the Case Access page for the California Superior Court for the County of Los Angeles (http://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil) and entering the Case No. 20STCV04732. If you do intend to appear in person for the Final Approval Hearing, you are encouraged to review the Court's current social distancing procedures at https://www.lacourt.org/. Currently, the Court does not requires face masks to be worn in the courthouse and strongly

10. How do I get more information about the Settlement?

You may call the Settlement Administrator at

encourages those making appearances to do so remotely.

This Notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Judgment or other Settlement documents by going to the Settlement Administrator's website at _________. You may also get more details by examining the Court's file on the Internet via the Case Access page for the California Superior Court for the County of Los Angeles and entering the Case No. 21STCV25615. If you wish to view the Court files in person, you must make an appointment with the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

<u>IMPORTANT</u>: You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.