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16 17				
18	Attorneys for Defendants, STRATUM GROUP INTERNATIONAL, dba AMERICA ONE SECURITY and GREG LABE			
19	SUPERIOR COURT OF THE STATE OF CALIFORNIA			
20	FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE			
21	ZEPHARAN HARRIS, on behalf of himself	CASE NO.: 21STCV01399		
22	and all others similarly situated and aggrieved,	[Assigned for all purposes to the Hon. Lawrence P. Riff in Dept. 7]		
23	Plaintiff,	JOINT STIPULATION RE: CLASS		
24	V.	ACTION AND REPRESENTATIVE ACTION SETTLEMENT		
25	AMERICA ONE SECURITY, INC., a Nevada corporation; STRATUM GROUP	ACTION FILED: January 13, 2021		
26	INTERNATIONAL, a California corporation; GREG LABE, an individual; and	TRIAL DATE: None set		
27	DOES 1 through 100, inclusive,			
28	Defendants.			

This Joint Stipulation re: Class Action and Representative Action Settlement ("Settlement" or "Agreement" or "Settlement Agreement") is made by and between plaintiff ZEPHARAN HARRIS ("Plaintiff"), on behalf of himself and all others similarly situated and aggrieved, on one hand; and defendants STRATUM GROUP INTERNATIONAL, dba AMERICA ONE SECURITY ("SGI"), and GREG LABE ("Mr. Labe," collectively with SGI, "Defendants"), on the other hand, in the lawsuit entitled *Harris v. America One Security, Inc., et al.*, filed in Los Angeles County Superior Court, Case No. 21STCV01399 (the "Action"). Plaintiff and Defendants shall be, at times, collectively referred to as the "Parties". This Agreement is intended by the Parties to fully, finally and forever resolve the claims as set forth herein, based upon and subject to the terms and conditions of this Agreement.

#### 1. <u>DEFINITIONS</u>

- A. "Action" or "Class Action" means the class action lawsuit, entitled as *Harris v. America One Security, Inc., et al.*, filed in Los Angeles County Superior Court, Case No. 21STCV01399.
- **B.** "Aggrieved Employees" means Class Members working during the PAGA Period as non-exempt, hourly-paid employees.
- C. "Class Counsel" means: David D. Bibiyan and Diego Aviles of Bibiyan Law Group, P.C. The term "Class Counsel" shall be used synonymously with the term "Plaintiff's Counsel."
- **D.** "Class Period" or "Settlement Period" means the period from January 13, 2017 through December 22, 2021.
- E. "Class Notice" means and refers to the notice sent to Class Members after preliminary approval of the Settlement in the manner described in Paragraph 9(A) of this Agreement.
- **F.** "Court" means the Superior Court of the State of California for the County of Los Angeles.
- **G.** "**Final Approval Date**" means the later of: (1) the date the Court signs an Order granting final approval of this Settlement ("Final Approval") and Judgment; (2) if there is an

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objector, 60 days from the date the Final Approval and Judgment; or (3) to the extent any appeals have been filed, the date on which they have been resolved or exhausted.

- **H.** "**Defendants**" means, collectively, Stratum Group International, dba America One Security ("SGI"), and Greg Labe ("Mr. Labe").
- I. "Employer Taxes" means employer-funded taxes and contributions imposed on the wage portions of the Individual Settlement Payments under the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, and any similar state and federal taxes and contributions required of employers, such as for unemployment insurance.
- **J.** "General Release" means the broader release of claims by Plaintiff, which is in addition to Plaintiff's limited release of claims as a Participating Class Member.
- K. "Gross Settlement Amount" means a non-reversionary fund in the sum of One Hundred Twenty-Nine Thousand Six Hundred Dollars and Zero Cents (\$129,600.00),¹ which shall be paid by Defendants, from which all payments for the Individual Settlement Payments to Participating Class Members, the Court-approved amounts for attorneys' fees and reimbursement of litigation costs and expenses to Class Counsel, Settlement Administration Costs, the Incentive Award, the PAGA Payment, and the LWDA Payment shall be paid. It expressly excludes Employer Taxes, which shall be paid by Defendants separate, apart, and in addition to the Gross Settlement Amount.
- L. "Incentive Award" means monetary amounts to be paid to Plaintiff of up to Seven Thousand, Five Hundred Dollars and Zero Cents (\$7,500.00), which, subject to Court approval, will be paid out of the Gross Settlement Amount.
- M. "Individual PAGA Payment" means a payment made to an Aggrieved Employee for his or her share of the PAGA Payment, which may be in addition to his or her Individual Settlement Share whether or not he or she is also a Participating Class Member.
- N. "Individual Settlement Payment" means a payment to a Participating Class Member of his or her net share of the Net Settlement Amount.

<sup>&</sup>lt;sup>1</sup> As the same may be increased in accordance with Paragraph 17, below.

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Workweeks that he or she worked as a Settlement Class Member during the Class Period, which shall be reflected in his or her Class Notice.

P. "LWDA Payment" means the payment to the State of California Labor and

Amount that a Participating Class Member is projected to receive based on the number of

"Individual Settlement Share" means the gross amount of the Net Settlement

- Workforce Development Agency ("LWDA") for its seventy-five percent (75%) share of the total amount allocated toward penalties under the PAGA all of which is to be paid from the Gross Settlement Amount. The Parties have agreed that Ten Thousand Dollars and Zero Cents (\$10,000.00) shall be allocated toward PAGA penalties, of which Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) will be paid to the LWDA (*i.e.*, the LWDA Payment) and Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) will be paid to Aggrieved Employees on a *pro rata* basis based on the Workweeks worked for Defendants as a non-exempt, hourly-paid employee in California in the PAGA Period (*i.e.* the PAGA Payment).
- Q. "Net Settlement Amount" means the portion of the Gross Settlement Amount that is available for distribution to the Participating Class Members after deductions for the Courtapproved allocations for Settlement Administration Costs, an Incentive Award to Plaintiff, an award of attorneys' fees, reimbursement of litigation costs and expenses to Class Counsel, the LWDA Payment, and the PAGA Payment.
- **R.** "Operative Complaint" or "Complaint" means the First Amended Complaint to be filed with the Court.
- S. "PAGA Payment is the 25% portion of the Ten Thousand Dollars and Zero Cents (\$10,000.00) that is allocated toward PAGA penalties (Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00)) that will be paid to Aggrieved Employees on a *pro rata* basis based on the Workweeks worked as non-exempt, hourly-paid employees in California in the PAGA Period, which would be in addition to their Individual Settlement Payment if they are Participating Class Members, as well.
- T. "PAGA Period" means the period from July 28, 2019 through the end of the Class Period.

- T. "Participating Class Members" means all Settlement Class Members who do not submit a timely and valid Request for Exclusion.
- U. "Participating Individual Settlement Share" means the gross amount of the Net Settlement Amount that a Participating Class Member is eligible to receive based on the number of Workweeks that he or she worked as a Settlement Class Member during the Class Period once all opt-outs have been factored in, excluding any Individual PAGA Payment to which he or she may be entitled if he or she is also an Aggrieved Employee.
- V. "Plaintiff," "Named Plaintiff" or "Class Representative" shall refer to Plaintiff Zepharan Harris.
- W. "Preliminary Approval Date" means the date on which the Court enters an Order granting preliminary approval of the Settlement.
- X. "Released Parties" shall mean Defendants, its affiliates, parents, subsidiaries, officers, directors, shareholders, employees and managing agents.
- X. "Response Deadline" means the deadline for Settlement Class Members to mail any Requests for Exclusion, Objections or Workweek Disputes to the Settlement Administrator, which is forty-five (45) calendar days from the date that the Class Notice is first mailed in English and Spanish by the Settlement Administrator, unless a Class Member's notice is re-mailed. In such an instance, the Response Deadline shall be fifteen (15) calendar days from the re-mailing, or forty-five (45) calendar days from the date of the initial mailing, whichever is later, in which to postmark a Request for Exclusion, Workweek Dispute or Objection. The date of the postmark shall be the exclusive means for determining whether a Request for Exclusion, Objection or Workweek Dispute was submitted by the Response Deadline.
- Y. "Request for Exclusion" means a written request to be excluded from the Settlement Class pursuant to Paragraph 9(C) below.
- Z. "Settlement Administration Costs" means all costs incurred by the Settlement Administrator in administration of the Settlement, including, but not limited to, translating the Class Notice to Spanish, distribution of the Class Notice to the Settlement Class in English and Spanish, calculating Individual Settlement Shares, Individual Settlement Payments, Individual

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PAGA Payments and Participating Individual Settlement Shares, as well as associated taxes and withholdings, providing declarations, generating Individual Settlement Payment checks and related tax reporting forms, doing administrative work related to unclaimed checks, transmitting payment to Class Counsel for the Court-approved amounts for attorneys' fees and reimbursement of litigation costs and expenses, to Plaintiff for his Incentive Award, and to the LWDA for the LWDA Payment, providing weekly reports of opt-outs, objections and related information, and any other actions of the Settlement Administrator as set forth in this Agreement, all pursuant to the terms of this Agreement. The Settlement Administration Costs are estimated not to exceed \$8,250.00. If the actual amount of the Settlement Administration Costs is less than \$8,250.00, the difference between \$8,250.00 and the actual Settlement Administration Costs shall be a part of the Net Settlement Amount. If the Settlement Administration Costs exceed \$8,250.00, then such excess will be paid solely from the Gross Settlement Amount and Defendants will not be responsible for paying any additional funds in order to pay these additional costs.

AA. "Settlement Administrator" means the Third-Party Administrator mutually agreed upon by the Parties that will be responsible for the administration of the Settlement including, without limitation, translating the Class Notice in Spanish, the distribution of the Individual Settlement Payments to be made by Defendants from the Gross Settlement Amount and related matters under this Agreement.

- BB. "Settlement Class," "Settlement Class Members" or "Class Members" means all persons currently or formerly employed by Defendants as non-exempt, hourly-paid employees in the State of California during the Settlement Period or Class Period.
- CC. "Workweeks" means the number of weeks that a Settlement Class Member was employed by the Defendants in a non-exempt, hourly position during the Class Period in California, based on hire dates, re-hire dates (as applicable), and termination dates (as applicable), maintained by Defendants and provided by Defendants to the Settlement Administrator.

2. <u>BACKGROUND</u>

- A. On July 28, 2020, Plaintiff filed with the State of California Labor and Workforce Development Agency ("LWDA") and served on Defendants a notice under Labor Code section 2699.3, stating Plaintiff intended to serve as a proxy of the LWDA to recover civil penalties, on behalf of Aggrieved Employees, for alleged Labor Code violations ("PAGA Notice").
- **B.** On January 12, 2021, after sixty-five (65) days passed without any communication from the LWDA, Plaintiff filed a representative action under PAGA in the Superior Court of California for the County of Los Angeles, entitled as *Harris v. America One Security, et al.*, Case Number 21STCV01251, for civil penalties under Labor Code sections 210, 226.3, 558, 1197.1 and 2699 in connection with the allegations made in the PAGA Notice (the "PAGA Action").
- C. On January 13, 2021, Plaintiff filed a separate class action complaint in the Los Angeles Superior Court, entitled as *Harris v. America One Security, et al.*, Case Number 21STCV01399, against Defendants alleging, among other things, claims for: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide compliant meal periods or compensation in lieu thereof; (4) failure to provide compliant rest periods or compensation in lieu thereof; (5) failure to timely pay all wages due upon separation from employment; (6) failure to provide accurate wage statements; (8) failure to indemnify necessary expenditures or losses; and (9) engaging in unfair competition (the "Class Action").
- D. Thereafter, the Parties agreed to exchange informal discovery and attend an early mediation, in which Defendants agreed to provide Plaintiff with, among other things: (1) time and payroll records for 25% of the estimated 200 Class Members; (2) class data points, including rates of pay, hire dates, and termination dates; (3) all policy documents, including any applicable handbooks; (4) purported arbitration agreements executed by Class Members; and (5) all documents concerning Plaintiff in Defendants' custody, possession, or control.
- **E.** On December 22, 2021, Plaintiff and Defendants (collectively the "Parties") attended in a full-day mediation before Nikki Tolt, Esquire, a well-regarded mediator experienced in mediating complex labor and employment matters, to see if the matter could be resolved. However, the mediation was unsuccessful. Thereafter, the Parties continued

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negotiations for months through Ms. Tolt and were able to reach this Agreement. As part and parcel to the Agreement, the Parties agreed to stipulate to Plaintiff filing a First Amended Complaint in the Class Action, and dismiss the PAGA Action, without prejudice, thereby effectively consolidating the PAGA Action into the Class Action (hereinafter, the "Action."

- F. Class Counsel has conducted significant investigation of the law and facts relating to the claims asserted in the Wage Actions and the PAGA Notice, and have concluded that the Settlement set forth herein is fair, reasonable, adequate and in the best interests of the Settlement Class, taking into account the sharply contested issues involved, the expense and time necessary to litigate the Action through trial and any appeals, the risks and costs of further litigation of the Action, the risk of an adverse outcome, the uncertainties of complex litigation, the information learned through informal discovery regarding Plaintiff's allegations, and the substantial benefits to be received by Settlement Class Members. As part of the Agreement, Plaintiff agrees to file a First Amended Complaint, and dismiss the PAGA Action without prejudice, thereby effectively consolidating the Class Action and PAGA Action, as further set out below (hereinafter, the "Action").
- G. Defendants have concluded that, because of the substantial expense of defending against the Action, the length of time necessary to resolve the issues presented herein, the inconvenience involved and the concomitant disruption to its business operations, it is in its best interest to accept the terms of this Agreement. Defendants deny each of the allegations and claims asserted against it in the Action and the PAGA Notice. However, Defendants nevertheless desire to settle the Action for the purpose of avoiding the burden, expense and uncertainty of continuing litigation, and for the purpose of putting to rest the controversies engendered by the Action.
- **H.** This Agreement is intended to and does effectuate the full, final and complete resolution of all Class Released Claims of Plaintiff and Participating Class Members, and all PAGA Released Claims of Plaintiffs and, to the extent permitted by law, of the State of California and Aggrieved Employees.

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#### 3. <u>JURISDICTION</u>

The Court has jurisdiction over the Parties and the subject matter of the Action. The Action includes claims that, if proven, would authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted Final Approval of the Settlement and entered judgment, the Court shall retain jurisdiction over the Parties to enforce the terms of the judgment pursuant to California Rule of Court, rule 3.769, subdivision (h).

### 4. <u>STIPULATION OF CLASS CERTIFICATION</u>

The Parties stipulate to the certification of the Settlement Class under this Agreement for purposes of settlement only. If the Court does not grant both Preliminary and Final Approval of the Class Action Settlement, the parties will not stipulate to Class Certification and this settlement stipulation will have no legal effect.

# 5. <u>AMENDMENT OF PLEADING AND MOTIONS FOR APPROVAL</u> <u>OF SETTLEMENT</u>

The Parties hereby stipulate to the filing of a First Amended Complaint in the Class Action that includes all of the allegations in the PAGA Action. If and when the First Amended Complaint is filed, Plaintiff will dismiss the PAGA Action without prejudice, thereby effectively consolidating all allegations in the PAGA Action into the Class Action.

After full execution of this Agreement, Plaintiff will move for an order granting preliminary approval of the Settlement, approving and directing the mailing of the proposed Notice of Class Action Settlement ("Class Notice") attached hereto as **Exhibit** "A," conditionally certifying the Settlement Class for settlement purposes only, and approving the deadlines proposed by the Parties for the submission of Requests for Exclusion, Workweek Disputes and Objections. If and when the Court preliminarily approves the Settlement, and after administration of the Class Notice in a manner consistent with the Court's Preliminary Approval Order, Plaintiffs will move for an order finally approving the Settlement and seek entry of a Judgment in line with this Settlement. The Parties may both respond to any Objections lodged to final approval of the Settlement up to five (5) court days before the Final Approval Hearing.

The Parties hereby expressly agree that whether or not the Court finally approves the Settlement, Plaintiff's allegations from the PAGA Action will be effectively consolidated into the Class Action, will relate back to the date on which Plaintiff filed the PAGA Notice and Defendants will be estopped from making any argument that there is any adverse effect on the statute of limitations caused by Plaintiff's dismissal of the PAGA Action without prejudice to effectuate this consolidation.

#### 6. STATEMENT OF NO ADMISSION

Defendants deny any wrongdoing of any sort and further deny any liability to Plaintiff and the Settlement Class with respect to any claims or allegations asserted in the Action and the PAGA Notice. This Agreement shall not be deemed an admission by Defendants of any claims or allegations asserted in the Action or the PAGA Notice. Except as set forth elsewhere herein, in the event that this Agreement is not approved by the Court or any appellate court, is terminated, or otherwise fails to be enforceable, Plaintiff will not be deemed to have waived, limited or affected in any way any claims, rights or remedies, or defenses in the Action or the PAGA Notice, and Defendants will not be deemed to have waived, limited or affected in any way any of their objections or defenses in the Action and the PAGA Notice. Payment of wages does not extend or alter the Class Member's period of employment for any purpose. The Parties shall be restored to their respective positions in the Action prior to the entry of this Settlement.

#### 7. RELEASE OF CLAIMS

#### A. Release by All Participating Class Members.

Effective only upon the entry of an Order granting Final Approval of the Settlement, entry of Judgment and payment by Defendants to the Settlement Administrator of the full Gross Settlement Amount and Employers' Taxes necessary to effectuate the Settlement, Plaintiff and all Participating Class Members release all claims, rights, demands, damages, liabilities and causes of action, contingent or vested, in law or in equity, arising at any time during the Settlement Period for the claims against the Released Parties asserted in the Operative Complaint filed in the Action, or any and all claims that may be asserted against the Released Parties based on the factual allegations in the Operative Complaint, as follows: For the duration of the Class

Period, the release includes, for Participating Class Members: (1) all claims for failure to pay overtime wages; (2) all claims for failure to pay minimum wages; (3) all claims for failure to provide compliant meal periods or compensation in lieu thereof; (4) all claims for failure to provide compliant rest periods or compensation in lieu thereof; (5) all claims for failure to pay all wages due upon separation from employment; (6) all claims for failure to provide accurate wage statements; (7) all claims for failure to indemnify necessary expenditures or losses and (8) all claims asserted through California Business & Professions Code section 17200, *et seq.* arising out of the Labor Code violations referenced in the Operative Complaint (the "Class Released Claims").

## B. Release by All Aggrieved Employees

For Aggrieved Employees, whether or not they opt-out, and, to the extent permitted by law, the State of California, the release includes for the duration of the PAGA Period, all claims for PAGA civil penalties asserted in the PAGA Notice and the PAGA Action, and thereafter alleged in the Operative Complaint, or that reasonably could have been based on the factual allegations in the PAGA Notice and thereafter in the Operative Complaint, including civil penalties pursuant to Labor Code sections 210, 226.3, 558, 1197.1 and 2699 in connection with alleged violations of Labor Code sections 200, 201, 202, 203, 204, 226, 226.3, 210, 246, 432, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198.5, 2802, 2699 and 2810.5, among others (the "PAGA Released Claims"). The Class Released Claims and PAGA Released Claims shall be referred to herein as the "Released Claims".

The releases above expressly exclude all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and any other claims outside of the Class Released Claims of Participating Class Members arising during the Class Period and the PAGA Released Claims of Aggrieved Employees (and, to the extent permitted by law, the State of California) arising outside of the PAGA Period.

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#### C. General Release.

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Effective only upon the entry of an Order granting Final Approval of the Settlement, entry of Judgment and payment by Defendants to the Settlement Administrator selected of the full Gross Settlement Amount and Employers' Taxes necessary to effectuate the Settlement, in addition to the Released Claims, Plaintiff makes the additional following General Release: Plaintiff releases the Released Parties from all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule, law or regulation arising out of, relating to, or in connection with any act or omission of the Released Parties through the date of full execution of this Agreement in connection with Plaintiff's employment with Defendants or termination thereof, except for any and all other claims that may not be released as a matter of law through this Agreement. To the extent of the General Release provided herein, Plaintiff stipulates and agrees that, upon entry of an Order granting Final Approval of the Settlement, entry of Judgment and payment by Defendants to the Settlement Administrator selected of the full Gross Settlement Amount and Employers' Taxes necessary to effectuate the Settlement, they shall 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 or state law, which provides:

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.

#### 8. <u>SETTLEMENT ADMINISTRATOR</u>

A. Plaintiff and Defendants, through their respective counsel, have selected Phoenix Administration Solutions to administer the Settlement, which includes, but is not limited to, translating the Class Notice to Spanish, distributing and responding to inquiries about the Class Notice, and calculating all amounts to be paid from the Gross Settlement Amount. Charges and expenses of the Settlement Administrator, currently estimated to be \$8,250.00, will be paid from the Gross Settlement Amount. If the actual amount of the Settlement Administration Costs is less

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than \$8,250.00, the difference between \$8,250.00 and the actual Settlement Administration Costs shall be a part of the Net Settlement Amount. If the Settlement Administration Costs exceed \$8,250.00, then such excess will be paid solely from the Gross Settlement Amount and Defendants will not be responsible for paying any additional funds in order to pay these additional costs.

## 9. NOTICE, WORKWEEK DISPUTE, OBJECTION AND EXCLUSION PROCESS

#### A. Notice to the Settlement Class Members

- (1) Within seven (7) calendar days after the Preliminary Approval Date, Defendants' Counsel shall provide the Settlement Administrator with information with respect to each Settlement Class Member, including his or her: (1) name; (2) last known address(es) currently in Defendants' possession, custody or control; (3) last known telephone number(s) currently in Defendants' possession, custody or control; (4) last known Social Security Number(s) in Defendants' possession, custody or control; and (5) the dates of employment (i.e., hire dates, and, if applicable, re-hire date(s) and/or separation date(s)) for each Settlement Class Member ("Class List"). The Settlement Administrator shall perform an address search using the United States Postal Service National Change of Address ("NCOA") database and update the addresses contained on the Class List with the newly-found addresses, if any. Within seven (7) calendar days or soon thereafter of receiving the Class List from Defendants, the Settlement Administrator shall mail the Class Notice in English and Spanish to the Settlement Class Members via first-class regular U.S. Mail using the most current mailing address information available. The Settlement Administrator shall maintain the Class List and digital copies of all the Settlement Administrator's records evidencing the giving of notice to any Settlement Class Member, for at least four (4) years from the Final Approval Date.
  - (2) The Class Notice will set forth:
    - (a) the Settlement Class Member's estimated Individual Settlement Payment and Individual PAGA Payment, and the basis for each;

objection

Settlement Class Member to whom the returned Class Notice had been mailed, within five (5)

calendar days of receipt of the returned Class Notice, by: (1) contacting the Settlement Class Member by phone, if possible, and (2) undertaking skip tracing. If the Settlement Administrator is successful in obtaining a new address, it will re-mail the Class Notice to the Settlement Class Member within three (3) business days. Further, any Class Notices that are returned to the Settlement Administrator with a forwarding address before the Response Deadline shall be promptly re-mailed to the forwarding address affixed thereto.

(4) No later than seven (7) calendar days from the Response Deadline, the Settlement Administrator shall provide counsel for the Parties with a declaration attesting to the completion of the notice process, including the number of attempts to obtain valid mailing addresses for and re-sending of any returned Class Notices, as well as the identities, number of, and copies of all Requests for Exclusion and Objections received by the Settlement Administrator.

B. Objections.

Only Participating Class Members may object to the Settlement. In order for any Settlement Class Member to object to this Settlement in writing, or any term of it, he or she must

Only Participating Class Members may object to the Settlement. In order for any Settlement Class Member to object to this Settlement in writing, or any term of it, he or she must do so by mailing a written objection to the Settlement Administrator at the address or phone number provided on the Class Notice no later than the Response Deadline. The Settlement Administrator shall email a copy of the Objection forthwith to Class Counsel and Defendants' counsel and attach copies of all Objections to the Declaration it provides Class Counsel, which Class Counsel shall file in support of Plaintiff's Motion for Final Approval. The Objection should set forth in writing: (1) the Objector's name; (2) the Objector's address; (3) the last four digits of the Objector's Social Security Number; (4) the Objector's signature; (5) a statement of whether the Objector plans to appear at the Final Approval Hearing; and (6) the reason(s) for the Objection, along with whatever legal authority, if any, the Objector asserts in support of the Objection. If a Settlement Class Member objects to the Settlement, the Settlement Class Member will remain a member of the Settlement Class and if the Court approves this Agreement, the Settlement Class Member will be bound by the terms of the Settlement in the same way and to the same extent as a Settlement Class Member who does not object. The date of mailing of the

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Class Notice to the objecting Settlement Class Member shall be conclusively determined according to the records of the Settlement Administrator. Settlement Class Members need not object in writing to be heard at the Final Approval Hearing; they may object or comment in person at the hearing at their own expense. Class Counsel and Defendants' Counsel may respond to any objection lodged with the Court up to five (5) court days before the Final Approval Hearing.

#### C. Requesting Exclusion

Any Settlement Class Member may request exclusion from (i.e., "opt out" of) the Settlement by mailing a written request to be excluded from the Settlement ("Request for Exclusion") to the Settlement Administrator, postmarked on or before the Response Deadline. To be valid, a Request for Exclusion must include: (1) the Class Member's name; (2) the last four (4) digits of the Class Member's Social Security Number; (3) the Class Member's signature; and (4) the following statement: "Please exclude me from the Settlement Class in the Harris v. America One Security, Inc., et al., matter" or any statement standing for the proposition that the Class Member does not wish to participate in the Settlement. The Settlement Administrator shall immediately provide copies of all Requests for Exclusion to Class Counsel and Defendants' Counsel and shall report the Requests for Exclusions that it receives, to the Court, in its declaration to be provided in advance of the Final Approval Hearing. Any Settlement Class Member who requests exclusion using this procedure will not be entitled to receive any payment from the Settlement and will not be bound by the Settlement Agreement or have any right to object to, appeal, or comment on the Settlement. Any Settlement Class Member who does not opt out of the Settlement by submitting a timely and valid Request for Exclusion will be bound by all terms of the Settlement, including those pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if Final Approval of the Settlement is granted. A Settlement Class Member cannot submit both a Request for Exclusion and an objection. If a Settlement Class Member submits an Objection and a Request for Exclusion, the Request for Exclusion will control and the Objection will be overruled. Settlement Class Members who worked during the PAGA Period as Aggrieved Employees that submit a valid Request for

Exclusion will still be deemed Aggrieved Employees, will still receive their Individual PAGA Payments, and will be bound by the release of the PAGA Released Claims.

## D. Disputes Regarding Settlement Class Members' Workweek Data.

Each Settlement Class Member may dispute the number of Workweeks attributed to him or her on his or her Class Notice ("Workweek Dispute"). Any such disputes must be mailed to the Settlement Administrator by the Settlement Class Member, postmarked on or before the Response Deadline. The Settlement Administrator shall immediately provide copies of all disputes to Class Counsel and counsel for Defendants and shall immediately attempt to resolve all such disputes directly with relevant Settlement Class Member(s) with the assistance of Defendants and Class Counsel. If the dispute cannot be resolved in this manner, the Court shall adjudicate the dispute.

# 10. <u>INDIVIDUAL SETTLEMENT PAYMENTS AND INDIVIDUAL</u> <u>PAGA PAYMENTS</u>

Individual Settlement Payments will be calculated and distributed to Participating Class Members from the Net Settlement Amount on a *pro rata* basis, based on the Participating Class Members' respective number of Workweeks during the Class Period. Individual PAGA Payments to Aggrieved Employees will be calculated and distributed to Aggrieved Employees from the PAGA Payment on a *pro rata* basis based on Aggrieved Employees' respective number of Workweeks during the PAGA Period. Specific calculations of the Individual Settlement Shares and Individual PAGA Payments to Aggrieved Employees will be made as follows:

A. The Settlement Administrator will determine the total number of Workweeks worked by each Settlement Class Member during the Class Period ("Class Member's Workweeks"), as well as the aggregate number of Workweeks worked by all Settlement Class Members during the Class Period ("Class Workweeks"). Additionally, the Settlement Administrator will determine the total number of Workweeks worked by each Aggrieved Employee during the PAGA Period ("Aggrieved Employee's Workweeks"), as well as the

aggregate number of Workweeks worked by all Aggrieved Employees during the PAGA Period ("PAGA Workweeks").

- **B.** To determine each Settlement Class Member's Individual Settlement Share, the Settlement Administrator will use the following formula: Individual Settlement Share = (Settlement Class Member's Workweeks ÷ Class Workweeks) × Net Settlement Amount.
- C. To determine each Participating Class Member's Participating Individual Settlement Share, the Settlement Administrator will determine the aggregate number of Workweeks worked by all Participating Class Members during the Class Period ("Participating Class Workweeks") and use the following formula: Individual Settlement Share = (Participating Class Member's Workweeks ÷ Participating Class Workweeks) × Net Settlement Amount.
- **D.** The net amount of the Participating Individual Settlement Share is to be paid out to Participating Class Members by way of check and is referred to as "Individual Settlement Payment(s)".
- **E.** To determine each Aggrieved Employee's Individual PAGA Payment, the Settlement Administrator will use the following formula: Aggrieved Employee's Individual PAGA Payment = (Aggrieved Employee's Workweeks ÷ PAGA Workweeks) x \$2,500.00 (the PAGA Payment).
- F. Individual Settlement Payments and Individual PAGA Payments shall be paid to Participating Class Members and/or Aggrieved Employees by way of check. When a Participating Class Member is also an Aggrieved Employee, one check may be issued that aggregates both the Individual Settlement Payment and the Individual PAGA Payment

#### 11. <u>DISTRIBUTION OF PAYMENTS</u>

## A. Distribution of Individual Settlement Payments.

Participating Class Members will receive an Individual Settlement Payment and Aggrieved Employees will receive an Individual PAGA Payment. Individual Settlement Payment and Individual PAGA Payment checks shall remain valid and negotiable for one hundred and eighty (180) calendar days after the date of their issuance. Within seven (7)

calendar days after expiration of the 180-day period, checks for such payments shall be canceled and funds associated with such checks shall be considered unpaid, unclaimed or abandoned cash residue pursuant to Code of Civil Procedure section 384 ("Unpaid Residue"). The Unpaid Residue plus accrued interest, if any, as provided in Code of Civil Procedure section 384, shall be transmitted to Legal Aid at Work, 180 Montgomery Street, Suite 600, San Francisco, California 94104, the *cy pres* recipient, for use in Los Angeles County. The Settlement Administrator shall prepare a report regarding the distribution plan pursuant to Code of Civil Procedure section 384 and the report shall be presented to the Court by Class Counsel along with a proposed amended judgment that is consistent with the provisions of Code of Civil Procedure section 384.

#### B. Funding of Settlement.

Defendants shall, within fourteen (14) calendar days of Final Approval Date, make payment of the Gross Settlement Amount (as the same may be escalated pursuant to Paragraph 17 of this Agreement) and Employer Taxes to the Settlement Administrator pursuant to Internal Revenue Code section 1.468B-1 for deposit in an interest-bearing qualified settlement account ("QSA") with an FDIC insured banking institution, for distribution in accordance with this Agreement and the Court's Orders, and subject to the conditions described herein.

#### C. Time for Distribution.

Within seven (7) calendar days after payment of the full Gross Settlement Amount and Employer Taxes by Defendants or as soon thereafter as practicable, the Settlement Administrator shall distribute all payments due from the QSA for: (1) the Incentive Award to Plaintiff as specified in this Agreement and approved by the Court; (2) the Attorneys' Fees and Cost Award to be paid to Class Counsel, as specified in this Agreement and approved by the Court; (3) the Settlement Administrator Costs, as specified in this Agreement and approved the Court; (4) the LWDA Payment, as specified in this Agreement and approved by the Court; (5) Individual PAGA Payments as specified in this Agreement and approved by the Court; and (6) Individual Settlement Payments to Participating Class Members, less applicable taxes and withholdings, as specified in this Agreement and approved by the Court. All interest accrued shall be for the

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benefit of the Class Members and distributed on a *pro rata* basis to Participating Class Members based on the number of Workweeks worked by them in the Class Period.

## 12. <u>ATTORNEYS' FEES AND LITIGATION COSTS</u>

Class Counsel shall apply for, and Defendants shall not oppose, an award of attorneys' fees of up to 35% of the Gross Settlement Amount, which, unless escalated pursuant to Paragraph 17 of this Agreement, amounts to Forty-Five Thousand Three Hundred Sixty Dollars and Zero Cents (\$45,360.00). Class Counsel shall further apply for, and Defendants shall not oppose, an application or motion by Class Counsel for reimbursement of actual costs associated with Class Counsel's prosecution of this matter as set forth by declaration testimony in an amount up to Twenty Thousand Dollars and Zero Cents (\$20,000.00). Awards of attorneys' fees and costs shall be paid out of the Gross Settlement Amount, for all past and future attorneys' fees and costs necessary to prosecute, settle and obtain Final Approval of the settlement in Action. The "future" aspect of the amounts stated herein includes, without limitation, all time and expenses expended by Class Counsel (including any appeals therein). There will be no additional charge of any kind to either the Settlement Class Members or request for additional consideration from Defendants for such work unless, Defendants materially breach this Agreement, including any term regarding funding, and further efforts are necessary from Class Counsel to remedy said breach, including, without limitation, moving the Court to enforce the Agreement. Should the Court approve attorneys' fees and/or litigation costs and expenses in amounts that are less than the amounts provided for herein, then the unapproved portion(s) shall be a part of the Net Settlement Amount.

## 13. <u>INCENTIVE AWARD TO PLAINTIFF</u>

Named Plaintiff shall seek, and Defendants shall not oppose, an Incentive Award in an amount not to exceed Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) to Plaintiff, for participation in and assistance with the Action. Any Incentive Award awarded to Plaintiff shall be paid from the Gross Settlement Amount and shall be reported on an IRS Form 1099. If the Court approves the Incentive Award to Plaintiff in less than the amounts sought herein, then the unapproved portion(s) shall be a part of the Net Settlement Amount.

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a. Each Individual Settlement Share shall be allocated as follows: 33% as wages (to be reported on an IRS Form W2); and 67% as interest and penalties (to be reported on an IRS Form 1099). Each Individual PAGA Payment shall be allocated entirely as penalties. The Parties agree that the employees' share of taxes and withholdings with respect to the wage-portion of the Individual Settlement Share will be withheld from the Individual Settlement Share in order to yield the Individual Settlement Payment. The amount of federal income tax withholding will be based upon a flat withholding rate for supplemental wage payments in accordance with Treasury Regulation § 31.3402(g)-1(a)(2) as amended or supplemented. Income tax withholding will also be made pursuant to applicable state and/or local withholding codes or regulations.

b. Forms W-2 and/or Forms 1099 will be distributed by the Settlement Administrator at times and in the manner required by the Internal Revenue Code of 1986 (the "Code") and consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax law, is changed after the date of this Agreement, the processes set forth in this Section may be modified in a manner to bring Defendants into compliance with any such changes.

- c. All Employer Taxes shall be paid by Defendants separate, apart, and in addition to the Gross Settlement Amount. Defendants shall remain liable to pay the employer's share of payroll taxes as described above.
- d. Neither Counsel for Plaintiff nor Defendants intend anything contained in this Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Agreement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended) or otherwise.
- e. Any Incentive Award approved by the Court will result in the issuance of a Form 1099 to Plaintiff as a class representative, who shall assume full responsibility and liability for the payment of taxes due on such award.

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### 15. PRIVATE ATTORNEYS' GENERAL ACT ALLOCATION

The Parties agree to allocate Ten Thousand Dollars and Zero Cents (\$10,000.00) of the Gross Settlement Amount toward PAGA penalties. Pursuant to the PAGA, seventy-five percent (75%) of the amount allocated toward PAGA (\$7,500,.00) will be paid to the LWDA and twenty-five percent (25%) (\$2,500.00) will be distributed to Aggrieved Employees on a *pro rata* basis based upon their respective Workweeks worked as Aggrieved Employees during the PAGA Period.

## 16. <u>COURT APPROVAL</u>

This Agreement is contingent upon an order by the Court granting Final Approval of the Settlement, and that the LWDA does not intervene and object to the Settlement. In the event it becomes impossible to secure approval of the Settlement by the Court and the LWDA, the Parties shall be restored to their respective positions in the Action prior to entry of this Settlement. If this Settlement Agreement is voided, not approved by the Court or approval is reversed on appeal, it shall have no force or effect and no Party shall be bound by its terms except to the extent: (a) the Court reserves any authority to issue any appropriate orders when denying approval; and/or (b) there are any terms and conditions in this Settlement Agreement specifically stated to survive the Settlement Agreement being voided or not approved, and which control in such an event.

## 17. <u>INCREASE IN WORKWEEKS</u>

Defendants represent that there are no more than 4,457 Workweeks worked during the Class Period. In the event the number of Workweeks worked increases by more than 5%, then the Gross Settlement Amount shall be increased proportionally by the Workweeks in excess of 4,457 Workweeks multiplied by the Workweek Value. The Workweek Value shall be calculated by dividing the originally agreed-upon Gross Settlement Amount (\$129,600.00) by 4,457, which amounts to a Workweek Value of \$29.08. Thus, for example, should there be 6,000 Workweeks in the Class Period, then the Gross Settlement Amount shall be increased by \$44,870.44. ((6,000 Workweeks – 4,457 Workweeks) x \$29.08 Workweek Value.).

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### 18. NOTICE OF JUDGMENT

In addition to any duties set out herein, the Settlement Administrator shall provide notice of the Final Judgment entered in the Action by posting the same on its website for a period of no less than four (4) years.

## 19. <u>MISCELLANEOUS PROVISIONS</u>

#### A. Interpretation of the Agreement.

This Agreement constitutes the entire agreement between the Parties with respect to its subject matter. Except as expressly provided herein, this Agreement has not been executed in reliance upon any other written or oral representations or terms, and no such extrinsic oral or written representations or terms shall modify, vary or contradict its terms. In entering into this Agreement, the Parties agree that this Agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence. The Agreement will be interpreted and enforced under the laws of the State of California, both in its procedural and substantive aspects, without regard to its conflict of law provisions. Any claim arising out of or relating to the Agreement, or the subject matter hereof, will be resolved solely and exclusively in the Superior Court of the State of California for the County of Los Angeles, and Plaintiff and Defendants hereby consent to the personal jurisdiction of the Court in the Action over it solely in connection therewith. The foregoing is only limited to disputes concerning this Agreement. The Parties, and each of them, participated in the negotiation and drafting of this Agreement and had available to them the advice and assistance of independent counsel. As such, neither Plaintiff nor Defendants may claim that any ambiguity in this Agreement should be construed against the other. The Agreement may be modified only by a writing signed by counsel for the Parties and approved by the Court.

#### **B.** Further Cooperation.

The Parties and their respective attorneys shall proceed diligently to prepare and execute all documents, to seek the necessary approvals from the Court, and to do all things reasonably necessary to consummate the Settlement as expeditiously as possible. The Parties agree that they will not take any action inconsistent with this Agreement, including, without limitation,

encouraging Class Members to opt out of the Settlement. In the event the Court finds that any Party has taken actions inconsistent with the Settlement, including, without limitation, encouraging Class Members to opt out of the Settlement, the Court may take any corrective actions, including enjoining any Party from communicating regarding the Settlement on an *ex parte* basis, issuing (a) corrective notice(s), awarding monetary, issue, evidentiary and/or terminating sanctions against that Party, and/or enforcing this Agreement despite the presence of opt-outs and/or objections.

## C. Counterparts.

The Agreement may be executed in one or more actual or non-original counterparts, all of which will be considered one and the same instrument and all of which will be considered duplicate originals.

## D. Authority.

Each individual signing below warrants that he or she has the authority to execute this Agreement on behalf of the Party for whom or which that individual signs.

### E. No Third-Party Beneficiaries.

Plaintiffs, Participating Class Members, Aggrieved Employees, the State of California, Class Counsel, and Defendants are direct beneficiaries of this Agreement, but there are no third-party beneficiaries.

## F. Deadlines Falling on Weekends or Holidays.

To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or legal holiday, that deadline shall be continued until the following business day.

#### G. Jurisdiction of the Court

Pursuant to California Code of Civil Procedure section 664.6, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Settlement Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the settlement embodied in this Settlement Agreement and all orders and judgments entered in connection therewith.

1	H. Severab	oility.	
2	In the event that one or more of the provisions contained in this Agreement shall for any		
3	reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or		
4	unenforceability shall in no way effect any other provision if Defendants' Counsel and Class		
5	Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed		
6	as if such invalid, illegal, or unenforceable provision had never been included in this Agreement		
7	IT IS SO AGREED:		
8	Dated: Jan 27, 2023	2023	29/14-4- zepharan Harris (Jan 27, 2023 09:15 PST)
9	Batea.		ZEPHARAN HARRIS
10			Plaintiff and Class Representative
11	Dated:	2022	
12	Dated.	_, 2023	STRATUM GROUP INTERNATIONAL
13			Defendant By:
			Its:
14			
15	Dated:	_, 2023	GREG LABE
16			Defendant Defendant
17	AGREED AS TO FO	ORM:	
18	Dated: January 27	, 2023	
19	Dated.	_, 2023	vedangj. Patel
20			DAVID D. BIBIYAN VEDANG J. PATEL
21			Counsel for Plaintiff ZEPHARAN HARRIS
22	Dated:	_, 2023	
23			STELIOS A. CHRISOPOULOS CARMINE J. PEARL
24			JENIFER A. PEARL
25			Counsel for Defendants STRATUM GROUI INTERNATIONAL and GREG LABE
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1	H. Severability.		
2	In the event that one or more of the provisions contained in this Agreement shall for an		
3	reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or		
4	unenforceability shall in no way effect any other provision if Defendants' Counsel and Clas		
5	Counsel, on behalf of the Parties and the Sett	lement Class, mutually elect in writing to proceed	
6	as if such invalid, illegal, or unenforceable provision had never been included in this Agreement		
7	IT IS SO AGREED:		
8	Dated:, 2023		
9		ZEPHARAN HARRIS Plaintiff and Class Representative	
10	•	Traintiff and Class Representative	
11	Dated: 1/26, 2023		
12	, i	STRATUM GROUP INTERNATIONAL Defendant	
13		By: Greg Labe Its: President	
14			
15	Dated: 1/26, 2023		
16	,	GREG LABE Defendant	
17	AGREED AS TO FORM:		
18			
19	Dated:, 2023		
20		DAVID D. BIBIYAN VEDANG J. PATEL	
21		Counsel for Plaintiff ZEPHARAN HARRIS	
22	Dated: January 26, 2023	All CHINAGOROM OF	
23		STELIOS A. CHRISOPOULOS CARMINE J. PEARL	
24		JENIFER A. PEARL  Counsel for Defendants STRATUM GROU	
25		INTERNATIONAL and GREG LABE	
26			