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13

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15 COUNTY OF LOS ANGELES - CENTRAL DISTRICT
16

17 ELIAS MANRIQUEZ PEREZ aka PEDRO
LOPEZ, individually, and on behalf of all
18 others similarly situated,
Plaintiff,

19 v.
HANNIBAL INDUSTRIES, INC., a
20 California corporation, AFFILIATED
TEMPORARY HELP, a California
21 corporation; and DOES 1 through 10,
inclusive,
22 Defendants.

Case No. 21STCV34035

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

ASSIGNED FOR ALL PURPOSES TO
JUDGE STUART M. RICE, DEPT 1

Trial Date: Not Set
Complaint Filed: September 15, 2021

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**FIRST AMENDED JOINT STIPULATION OF CLASS ACTION AND PAGA
SETTLEMENT**

IT IS HEREBY STIPULATED, by and between Plaintiff ELIAS MANRIQUEZ PEREZ aka PEDRO LOPEZ (Plaintiff”), as an individual and on behalf of others similarly situated, Defendant AFFILIATED TEMPORARY HELP (“Affiliated”), and Defendant HANNIBAL INDUSTRIES, INC. (“Hannibal”) (collectively, the “Parties”) that the civil action entitled *Elias Manriquez Perez aka Pedro Lopez v. Hannibal Industries, Inc. et al.*, Case No. 21STCV34035, subject to the approval of the Court, that the Action (as defined below) is hereby compromised and settled pursuant to the terms and conditions set forth in this First Amended Joint Stipulation of Class Action and PAGA Settlement and Release (“Agreement,” “Settlement,” or “Stipulation”). The Parties further stipulate that the Court shall make and enter judgment, subject to the continuing jurisdiction of the Court as set forth below, and subject to the definitions, recitals, and terms set forth herein which by this reference become an integral part of this Stipulation.

DEFINITIONS

1. “Action” means the putative class action entitled *Elias Manriquez Perez aka Pedro Lopez v. Hannibal Industries, Inc. et al.*, Los Angeles County Superior Court Case No. 21STCV34035, (filed on or about September 15, 2021), and all pleadings filed therein, including the Complaint and the operative First Amended Class Action and PAGA Complaint (“FAC”).

2. “Agreement,” “Settlement,” or “Stipulation” means this First Amended Joint Stipulation of Class Action and PAGA Settlement.

3. “Class Counsel” means Moon & Yang, APC attorneys Kane Moon, Esq. and Lilit Ter-Astvatsatryan, Esq.

4. “Class Counsel Award” means the Court-approved attorneys’ fees for Class Counsel’s litigation and resolution of the Action (not to exceed one-third [33.33%] of the Gross Settlement Amount, or Five Hundred Thousand Dollars and No Cents (\$500,000.00)), and the Court approved costs incurred by Class Counsel in connection with this Action (in an amount anticipated not to exceed Twenty Five Thousand Dollars and No Cents (\$25,000.00)).

1 5. “Class Information” or “Class Lists” means information regarding Class Members
2 that Defendants shall respectively and in good faith compile from their records and shall be
3 authorized by the Court to transmit in a secured manner to the Settlement Administrator. Class
4 Information shall be transmitted by each Defendant in Microsoft Excel format and shall include
5 each Class Member’s: (i) full name; (ii) last known address; (iii) Social Security number; (iv) the
6 number of Workweeks (as defined herein) worked for Defendants as a Class Member; and (v) the
7 number of Workweeks (as defined herein) worked for Defendants as a PAGA Member.

8 6. “Class,” “Class Members” or “Settlement Class” means: All current and former
9 non-exempt employees of Defendants who work or worked for Defendants at any of Hannibal’s
10 locations in California during the Class Period and who do not request exclusion from the
11 settlement.

12 7. “Class Period” shall be September 15, 2017 through March 1, 2023.

13 8. “Class Representative Service Award” means the Court-approved amount to be
14 paid to Plaintiff in an amount of up to Ten Thousand Dollars and No Cents (\$10,000.00), from
15 which thirty three percent (33%) shall be deemed consideration for a general release and from
16 which sixty-seven percent (67%) shall be for assuming the risks associated with this litigation
17 (including for assuming the risks in the PAGA case). Defendants will not oppose such application.

18 9. “Court” shall mean the Los Angeles County Superior Court and such other court as
19 may be presiding over this Action.

20 10. “Defendants” means Defendants Hannibal Industries, Inc. (“Hannibal”) and
21 Affiliated Temporary Help (“Affiliated”).

22 11. “Defense Counsel” means, as to Hannibal, Sarah E. Ross and Ian G. Robertson of
23 Littler Mendelson P.C. and, as to Affiliated, Christopher Hook of the Law Offices of Christopher
24 Hook.

25 12. “Effective Date” means the date on which the Final Award becomes final. For
26 purposes of this Section, the Final Award “becomes final” only after the Court grants the Motion for
27 Final Approval and upon the latter of: (i) if no appeal is filed, the expiration date of the time for the
28 filing or noticing of any appeal from, or other challenge to, the Order Granting Final Approval (this

time period shall not be less than 60 calendar days after the Court's Order is entered); (ii) the date of affirmance of an appeal of the Order Granting Final Approval becomes final under the California Rules of Court; or (iii) the date of final dismissal of any appeal from the Order Granting Final Approval or the final dismissal of any proceeding on review of any court of appeal decision relating to the Order Granting Final Approval. If there are no objector(s) or intervenor(s), then the Parties agree that there is no right to appeal and therefore this Settlement shall be deemed final and the Effective Date shall be ten (10) days after the Court has entered a Final Approval Order and Judgment which approves the Settlement; provided, however, in the event an appeal is filed, Plaintiff will file the appropriate motion to dismiss and if such appeal is filed before the settlement payments are mailed, such mailing shall be stayed until the appeal has been dismissed. It is the intention of the Parties that the Settlement shall not become effective until the Court's Final Order approving the Settlement has become completely final, and no timely recourse remains for an appellant or objector to contest the Settlement.

13. "Employer's Share of Payroll Taxes" means Defendants' respective portions of payroll taxes, including, but not limited to FICA and FUTA, on the portion of each Individual Settlement Award that is designated as wages.

14. "Final Approval Hearing" means the hearing to be conducted by the Court after the filing by Plaintiff of an appropriate motion and following appropriate notice to Class Members giving Class Members an opportunity to request exclusion from the Settlement Classes and Settlement and to object to the Settlement, at which time Plaintiff shall request that the Court finally approve the Settlement, enter the Final Order and Judgment, and take other appropriate action.

15. "Final Order and Judgment" means the order and judgment to be entered by the Court upon granting final approval of the Settlement and this Stipulation of Settlement as binding upon the Parties and Participating Class Members. A proposed Final Order and Judgment shall be mutually agreed upon by the Parties and submitted to the Court concurrently with Plaintiff's Motion for Final Approval of the Settlement.

1 16. “Final Report” means the report to be prepared by the Settlement Administrator
2 (after the expiration of the 180-day period in which Participating Class Members must cash/deposit
3 their Individual Settlement Award payment checks) regarding the distribution of the Gross
4 Settlement Amount, including the total amount that was cashed/deposited by Participating Class
5 Members and the total amount of any unpaid residue or unclaimed or abandoned funds pursuant
6 to California Code of Civil Procedure section 384. This report must be provided to counsel for
7 Plaintiff and counsel for Defendants within 30 days after the Response Deadline.

8 17. “Gross Settlement Amount” or “GSA” means the total amount Defendants shall
9 have to pay in connection with this Settlement, by way of a common fund, which shall be inclusive
10 of all Individual Settlement Awards to Participating Class Members, the Class Counsel Award,
11 the Class Representative Service Award, PAGA Payment, and Settlement Administration Costs.
12 Subject to Court approval and the terms of this Stipulation of Settlement, the GSA shall be One
13 Million Five Hundred Thousand Dollars and No Cents (\$1,500,000.00). The Gross Settlement
14 Amount does not include Defendants’ respective shares of payroll taxes for the Individual
15 Settlement Award payments, which shall be paid separately from, and in addition to, the GSA.

16 18. “Individual PAGA Payment” means the amount payable from the PAGA Payment
17 to each PAGA Member.

18 19. “Individual Settlement Award” means the amount payable from the Net Settlement
19 Amount to each Participating Class Member.

20 20. “Net Settlement Amount” or “NSA” means the Gross Settlement Amount, less the
21 Class Counsel Award, Class Representative Service Award, PAGA Payment, and Settlement
22 Administration Costs.

23 21. “Notice of Objection” means a Class Member’s valid and timely submission of a
24 written objection to the Settlement. An objection should include: (a) the objector’s full name,
25 signature, address, telephone number, and the last four digits of his/her Social Security number, (b) a
26 written statement of all grounds for the objection accompanied by any legal support for such
27 objection, and (c) copies of any papers, briefs, or other documents upon which the objection is based.
28 At no time shall any of the Parties, Class Counsel, or Defense Counsel seek to solicit or otherwise

1 encourage or discourage Class Members from submitting a Notice of Objection or filing an appeal
2 from the Final Order and Judgment. Non-Participating Class Members (*i.e.*, Class Members who
3 submit valid Requests for Exclusion) may not submit an Objection to the Settlement. If a Class
4 Member submits both a Request for Exclusion and an Objection, the Objection shall be ignored
5 and the Request for Exclusion will be deemed controlling.

6 22. "PAGA Members" or "PAGA Class" means: All current and former non-exempt
7 employees of Defendants who work or worked for Defendants at any of Hannibal's locations in
8 California during the PAGA Period.

9 23. "PAGA Notice" means the September 13, 2021 letter that Class Counsel sent to the
10 California Labor Workforce Development Agency ("LWDA") pursuant to Labor Code
11 §2699.3(a)/(c) seeking to exhaust Plaintiff's administrative remedies under the Labor Code Private
12 Attorneys General Act of 2004 ("PAGA"), Cal. Lab. Code §§2698, *et seq.*

13 24. "PAGA Payment" means the amount of Two Hundred Thousand Dollars and No
14 Cents (\$200,000.00), subject to Court approval, to be paid from the Gross Settlement Amount for
15 satisfaction of Plaintiff's and Class Members' claims under the California Private Attorneys'
16 General Act of 2004, California Labor Code sections 2698, *et seq.* ("PAGA"). Pursuant to the
17 PAGA, seventy five percent (75%) of the PAGA Payment, or One Hundred Fifty Thousand
18 Hundred Dollars and No Cents (\$150,000.00), will be paid to the LWDA and twenty five percent
19 (25%), or Fifty Thousand Dollars and No Cents (\$50,000.00), will be distributed as the Individual
20 PAGA Payments to Class Members.

21 25. "PAGA Period" shall be September 13, 2020 through March 1, 2023.

22 26. "PAGA Release" or "PAGA Released Claims" means the release by all PAGA
23 Members for all claims for PAGA that arise out of or relate to California Labor Code sections 201-
24 204, 210, 223, 226, 226.3, 226.7, 256, 510, 512, 558, 1174, 1174.5, 1185, 1194, 1194.2, 1197,
25 1197.1, 1198, 1198.5, 1199, 2802, and 2804 as pled in the PAGA Notice and Class Action and
26 PAGA Complaint, during the PAGA Period. In light of the binding nature of a PAGA judgment
27 on non-party employees pursuant to *Arias v. Superior Ct. (Dairy)*, 46 Cal. 4th 969 (2009), Class
28 Members employed by Defendants who exclude themselves from this Settlement shall still receive

1 an Individual PAGA Payment directly from the Settlement Administrator for the amount of each
2 such individual's estimated share of the PAGA Payment as calculated by the Settlement
3 Administrator, and shall not be able to object to or exclude themselves from releasing the PAGA
4 Released Claims against Defendants (*i.e.*, PAGA Members, as defined below).

5 27. "Participating Class Members" means Plaintiff and all other Class Members who
6 do not submit a valid and timely Request for Exclusion, as well as Settlement Aggrieved
7 Employees.

8 28. "Parties" means Plaintiff, individually and on behalf of all Participating Class
9 Members, and Defendants collectively.

10 29. "Plaintiff" means Plaintiff Elias Manriquez Perez aka Pedro Lopez.

11 30. "Preliminary Approval Order" means the order to be issued by the Court approving
12 and authorizing the mailing of the Settlement Notice by the Settlement Administrator, setting the
13 date of the Final Approval Hearing and granting preliminary approval of the Settlement set forth
14 in this Stipulation of Settlement, among other things. A proposed Preliminary Approval Order
15 shall be mutually agreed upon by the Parties and submitted to the Court concurrently with
16 Plaintiff's Motion for Preliminary Approval of the Settlement.

17 31. "Released Claims" includes all claims under state or local law, whether statutory,
18 common law, or administrative law, whether in law or equity, for the claims that were pled in the
19 First Amended Class Action and PAGA Complaint, based on or arising out of the factual
20 allegations therein, during the Class Period, including: (a) all claims for failure to pay minimum
21 wages under Cal. Labor Code §§ 204, 1194, 1194.2, 1197, 1197.1, and 1198; (b) all claims for
22 failure to pay overtime wages under Cal. Labor Code §§ 204, 510, 1194, and 1199; (c) all claims
23 for failure to provide required rest breaks under Cal. Labor Code §§ 226.7 and 512 and the
24 applicable IWC Wage Orders; (d) all claims for failure to provide required meal periods under Cal.
25 Labor Code §§ 226.7 and 512 and the applicable IWC Wage Order; (e) all claims for failure to
26 maintain accurate employment records under Cal. Labor Code §§ 1174 and 1174.5; (f) failure to
27 timely pay wages during employment under Cal. Labor Code §§ 204, 210(a), and 216; (g) failure
28 to pay all wages earned and unpaid at separation under Cal. Labor Code §§ 201-203; (h) failure to

1 furnish accurate itemized wage statements under Cal. Labor Code §§ 226; (i) violation of
2 California's Unfair Competition Law, Cal. Bus. & Professions Code §§ 17200, *et seq.*;
3 (j) liquidated damages; (k) interest; (l) attorneys' fees; and (m) attorneys' costs.

4 32. "Released Parties" means Defendants and their affiliated companies, owners,
5 parents, members, subsidiaries, related companies and business concerns, past and present,
6 including successors and predecessors, and each of them, as well as each of their insurers, partners,
7 trustees, directors, shareholders, officers, agents, attorneys, servants and employees, past and
8 present, and each of them.

9 33. "Request for Exclusion" means a written statement submitted by a Class Member
10 indicating a request to be excluded from the Settlement. The Request for Exclusion must be in
11 writing and should: (i) be signed by the Class Member; (ii) contain the name, address, telephone
12 number, and the last four digits of the Social Security number of the Class Member requesting
13 exclusion; (iii) clearly state that the Class Member does not wish to be included in the Settlement;
14 (iv) be returned by e-mail, fax, or mail to the Settlement Administrator at the specific address and/or
15 facsimile number; and (v) be e-mailed, faxed, or postmarked on or before the Response Deadline.
16 The date of the e-mail, fax, or postmark on the return mailing envelope will be the exclusive means
17 to determine whether a Request for Exclusion has been timely submitted. A Class Member who
18 does not request exclusion from the Settlement will be deemed a Participating Class Member and
19 will be bound by all terms of the Settlement, if the Settlement is granted final approval by the Court.
20 Any Class Member who validly requests to be excluded from the Settlement will no longer be a
21 member of the Settlement Class and will not have any right to object, appeal, or comment on the
22 Settlement, but will remain as PAGA Member(s), and will receive an Individual PAGA Payment for
23 the PAGA Released Claims if he or she is a PAGA Member. No later than twenty (20) calendar days
24 after the Response Deadline, the Settlement Administrator shall provide Class Counsel and Defense
25 Counsel with a complete list of all Class Members who submitted a timely and valid Request for
26 Exclusion.

27 34. "Response Deadline" means the deadline by which Class Members must e-mail,
28 fax, or mail to the Settlement Administrator a valid Request for Exclusion, Notice of Objection,

1 or Workweek Dispute. The Response Deadline will be sixty (60) calendar days from the initial
2 mailing of the Settlement Notices by the Settlement Administrator unless the 60th day falls on a
3 Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day
4 on which the U.S. Postal Service is open. The Response Deadline will also be extended by express
5 agreement between Class Counsel and Defense Counsel. Under no circumstances, however, will
6 the Administrator have the unilateral authority to extend the deadline for Class Members to submit
7 a Request for Exclusion, Notice of Objection, or Workweek Dispute to the settlement. Class
8 Members to whom Notice Packets are re-sent after having been returned undeliverable to the
9 Administrator shall have an additional ten (10) calendar days to respond after the Response
10 Deadline has expired.

11 35. "Settlement" means the final and complete disposition of the Action pursuant to
12 this Stipulation of Settlement.

13 36. "Settlement Administrator" or "Administrator" means Phoenix Class Action
14 Settlement Administrators, the third-party settlement administrator agreed to by the Parties, to be
15 approved by the Court for purposes of administering this settlement. The Parties each represent
16 that they will not have any financial interest in the Settlement Administrator or otherwise have a
17 relationship with the Settlement Administrator that could create a conflict of interest.

18 37. "Settlement Administration Costs" means the reasonable costs and fees of
19 administering the Settlement to be paid from the Gross Settlement Amount, not to exceed
20 \$25,000.00, including, but not limited to: (i) maintaining a website with information about the
21 Settlement and relevant documents (including, but not limited to, the Settlement Agreement, the
22 operative complaints in the Action, and the Court's Preliminary Approval Order); (ii) printing,
23 mailing and re-mailing (if necessary) of Settlement Notices to Class Members; (iii) preparing and
24 submitting to Class Members and government entities all appropriate tax filings and forms;
25 (iv) computing the amount of and distributing Individual Settlement Awards, the Class
26 Representative Service Award, and the Class Counsel Award; (v) processing and validating Requests
27 for Exclusion; (vi) establishing a Qualified Settlement Fund, as defined by the Internal Revenue
28 Code; (vii) calculating and remitting to the appropriate government agencies all employer and

1 employee payroll tax obligations arising from the Settlement and preparing and submitting filings
2 required by law in connection with the payments required by the Settlement; and (viii) transmitting
3 uncashed Individual Settlement Award payments to the designated and Court-approved *cy pres*
4 beneficiary California CASA (Court Appointed Special Advocates).

5 38. "Settlement Notice" means the Notice of Class Action Settlement, substantially in
6 the form attached as **Exhibit 1**, which shall be subject to Court approval and which the Settlement
7 Administrator shall mail to each Class Member containing: (i) information regarding the nature of
8 the Action; (ii) a summary of the Settlement's principal terms; (iii) the Class definitions; (iv) the
9 total number of Workweeks the respective Class Member worked for Defendants during the Class
10 Period and PAGA Period (according to Defendants' best available records, and as further set forth
11 in the definition of "Workweeks" herein); (v) the Class Member's estimated Individual Settlement
12 Award and the formula for calculating Individual Settlement Awards; (vi) the dates which comprise
13 the Class Periods; (vii) instructions on how to submit disputes regarding Workweeks, Requests for
14 Exclusion, and/or Notices of Objection; (viii) the Response Deadline; and (ix) the claims to be
15 released pursuant to the Settlement of the Action.

16 39. "Settlement Aggrieved Employees" means all current and former non-exempt
17 employees of Defendants who work or worked for Defendants at any of Hannibal's locations in
18 California during the PAGA Period.

19 40. "**Workweeks**" means the number of Workweeks worked by each Class Member
20 for Defendants as a non-exempt employee during the Class Period (or, where used as part of the
21 PAGA Payment calculation, during the PAGA Period). For purposes of payment, a Workweek
22 shall be defined as any workweek in which the Class Member worked at least one shift. To the
23 extent Defendants do not have information about weeks worked readily available due to gaps in
24 their electronic or paper time records, Defendants shall use their best available information,
25 including extrapolations where necessary, to compute actual Workweeks, and shall provide that
26 information to the Settlement Administrator.

27 41. "Workweek Dispute" means a written statement that a Class Member disputes the
28 number of Workweeks, as defined herein, listed on his/her Settlement Notice. Any such

1 Workweek Dispute must be e-mailed, faxed or mailed to the Settlement Administrator by the
2 Response Deadline. The date of the e-mail, fax, or postmark on the mailing envelope will be the
3 exclusive means to determine whether a Workweek Dispute has been timely submitted. A valid
4 Workweek Dispute must be in writing and should contain: (i) the Class Member's full name,
5 signature, address, telephone number, and the last four digits of his/her Social Security number;
6 (ii) the number of Workweeks the Class Member contends is correct; and (iii) any evidence
7 supporting his/her contention. The dates of employment identified for each Class Member in the
8 applicable Class Lists and the number of Workweeks for each Class Member as defined herein will
9 be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement
10 Administrator by credible evidence. All Workweek Disputes will be resolved and decided by the
11 Settlement Administrator, with consultation with Defense Counsel and/or Class Counsel as
12 appropriate. If the Workweek Dispute cannot be resolved by the Settlement Administrator, then it
13 shall be resolved by the Court.

14 42. "Workweek Value" means the value of each compensable Workweek, as
15 determined by the formula set forth herein.

16 **RECITALS**

17 43. This Settlement is made and entered into by and between Plaintiff and Defendants,
18 and is subject to the terms and conditions hereof, and to the Court's approval. The Parties expressly
19 acknowledge that this Agreement is entered into solely for the purpose of compromising
20 significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by
21 Defendants or the other Released Parties. The Released Parties deny that they are liable to Plaintiff
22 or the Class Members and deny that they have violated any law.

23 44. Pleading History.

24 a. On September 13, 2021, Plaintiff filed a class action lawsuit in the Superior
25 Court for the State of California, County of Los Angeles.

26 b. On September 13, 2021, Plaintiff submitted the PAGA Notice to the LWDA
27 for the purpose of complying with California Labor Code § 2699.3's notice requirement.

28 c. For settlement purposes only, within one week of the execution of this

1 Agreement, the Parties will file a Stipulation for Leave for Plaintiff to File a FAC in the Action,
2 incorporating the PAGA claims identified in Plaintiff's LWDA Notice, seeking to represent the
3 Class Members and Settlement Aggrieved Employees, and seeking damages, penalties, interest,
4 attorney's fees, and costs. The Parties agree that the filing of the FAC is done for the sole purpose
5 of obtaining the Court's approval of this Settlement Agreement. In the event the Court denies
6 approval of the settlement, then Defendants do not agree to any amendment of the Complaint and
7 the FAC shall be stricken, withdrawn, and/or dismissed.

8 45. Investigation. Plaintiff's counsel diligently investigated the proposed Class
9 Members' claims against Defendants, including any and all applicable defenses and the applicable
10 law, through the exchange of informal discovery. After Plaintiff filed the initial Complaint, the
11 Parties agreed to participate in private mediation.

12 46. Data Production. In connection with the mediation, Defendants produced
13 documents for Plaintiff's review, including copies of wage statements to putative Class Members.
14 Defendants also produced data relating to the number of Class Members and number of wage
15 statements issued to each Class Member, which allowed Plaintiff to conduct a full damage
16 analysis.

17 47. Mediation. On December 1, 2022, Defendants and Plaintiff participated in a full-
18 day mediation with Jeffrey Ross, Esq. That evening, Mr. Ross issued a mediator's proposal. The
19 Parties accepted the mediator's proposal that evening, which resulted in a short-form
20 Memorandum of Understanding ("MOU"), executed on or about December 1, 2022, and now
21 confirmed in this long-form Stipulation of Settlement that fully supersedes and replaces the MOU.

22 48. Benefits of Settlement to Plaintiff and the Class Members. Plaintiff and Class
23 Counsel recognize the expense and length of continued proceedings necessary to litigate Plaintiff's
24 disputes in the Action through trial and through any possible appeals. Plaintiff also has taken into
25 account the uncertainty and risks of the outcome of further litigation, and the difficulties and delays
26 inherent in such litigation. Plaintiff and Class Counsel are also aware of the burdens of proof
27 necessary to establish liability for the claims asserted in the Action, both generally and in response
28 to Defendants' defenses thereto, and the difficulties in establishing damages, penalties, restitution,

1 and other relief sought in the Action. Plaintiff and Class Counsel also have taken into account
2 Defendants' agreement to enter into a settlement that confers substantial benefits upon the Class
3 Members. Based on the foregoing, Plaintiff and Class Counsel have determined that the Settlement
4 set forth in this Stipulation of Settlement is fair, adequate, and reasonable and is in the best interests
5 of all Class Members.

6 49. Defendants' Position. Defendants have concluded that further defense of the Action
7 would be protracted and expensive. Substantial amounts of Defendants' time, energy, and resources
8 have been, and unless this Settlement is completed, shall continue to be, devoted to the defense of the
9 claims asserted by Plaintiff. Defendants have also taken into account the risks of further litigation in
10 reaching its decision to enter into this Settlement. Defendants contend they are not liable for any of
11 the claims alleged by Plaintiff in the Action and deny any liability whatsoever. Further, Hannibal
12 contends that Plaintiff is not a suitable class representative or aggrieved employee to maintain claims
13 against Hannibal since he was at all relevant times employed by Affiliated. Defendants, nonetheless,
14 have agreed to settle in the manner and upon the terms set forth in this Stipulation of Settlement and
15 to fully and finally put to rest the claims alleged in this Action. Defendants have asserted and continue
16 to assert that the claims alleged by Plaintiff have no merit and do not give rise to any liability,
17 damages, restitution, penalties or other payments. This Stipulation of Settlement is a compromise of
18 disputed claims. Nothing contained in this Stipulation of Settlement, no documents referred to herein,
19 and no action taken to carry out this Stipulation of Settlement, shall be construed or used as an
20 admission by or against Defendants as to the merits or lack thereof of the claims asserted in the Action.
21 Defendants contend that they have complied with all applicable state, federal and local laws. In the
22 event this Settlement does not obtain final approval, Defendants retain all rights to defend themselves
23 in this matter and to take any actions in defense of itself that are available to them.

24 CLASS CERTIFICATION

25 50. Solely for purposes of settling the Action, and not for purposes of class certification
26 should the Settlement not be approved or for any other reason, the Parties stipulate and agree that
27 the requisites for establishing class certification with respect to the Settlement Class have been met
28

1 and are met. More specifically, for purposes of settlement only, the Parties stipulate and agree
2 that:

3 a. The Settlement Class is ascertainable and so numerous as to make it
4 impracticable to join all Class Members;

5 b. There are common questions of law and fact;

6 c. Plaintiff's claims are typical of the claims of the Class Members;

7 d. Plaintiff and Class Counsel will fairly and adequately protect the interests
8 of the Class Members;

9 e. The prosecution of separate actions by individual Class Members would
10 create the risk of inconsistent or varying adjudications, which would establish incompatible
11 standards of conduct; and

12 f. Questions of law and fact common to the Class Members predominate
13 over any questions affecting any individual Class Member, and a class action is superior to other
14 available means for the fair and efficient adjudication of the controversy.

15 51. Should this Settlement not be approved or be terminated, all stipulations set forth
16 in the immediately preceding Paragraph shall be null and void and shall not be admissible for any
17 purpose whatsoever.

18 **TERMS OF SETTLEMENT**

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

21 52. Binding Settlement. This Settlement shall bind the Parties, all Participating Class
22 Members, and PAGA Members, subject to the terms and conditions hereof and the Court's
23 approval.

24 53. Settlement Consideration. Defendants shall pay the sum of the Gross Settlement
25 Amount of One Million Five Hundred Thousand Dollars (\$1,500,000.00) as specified in this
26 Agreement in full satisfaction of all claims arising from the Action, which shall be used to pay: (1)
27 Individual Settlement Payments; (2) Class Counsel Award; (3) Class Representative Service
28 Award; (4) Settlement Administration Costs to the Settlement Administrator; and (5) the PAGA

1 Settlement Amount (including LWDA payment). The Parties agree that this is a non-reversionary
2 Settlement and that no portion of the Gross Settlement Amount shall revert to Defendants. With
3 the express exception of employer-side payroll taxes to be paid by Defendants, in no event will
4 Defendants, or any of the Released Parties be required to pay more than the Gross Settlement
5 Amount, unless one or both of the escalator clauses in Paragraph 69 are activated.

6 54. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the
7 amount of Two Hundred Thousand Dollars (\$200,000.00) of the Gross Settlement Amount shall
8 be designated for satisfaction of claims for civil penalties under the PAGA. The Settlement
9 Administration shall pay seventy-five percent (75%) of the PAGA Settlement Amount, i.e., the
10 sum of One Hundred Fifty Thousand Dollars (\$150,000.00), to the LWDA. The remaining twenty-
11 five percent (25%), i.e., the sum of Fifty Thousand Dollars (\$50,000.00), shall be part of the Net
12 Settlement Amount to be distributed to Settlement Aggrieved Employees— as per this Agreement.

13 55. Tax Liability. The Parties make no representations as to the tax treatment or legal
14 effect of the payments specified herein, and Participating Class Members and PAGA Members are
15 not relying on any statement or representation by the Parties, Class Counsel or Defense Counsel in
16 this regard. Participating Class Members and PAGA Members, as well as Class Counsel,
17 understand and agree that they shall be solely and legally responsible for the payment of all
18 applicable taxes and penalties assessed on the payments specified herein.

19 56. Circular 230 Disclaimer. The Parties acknowledge and agree that (i) no provision
20 of this Stipulation of Settlement, and no written communication or disclosure between or among
21 the Parties, Class Counsel or Defense Counsel and other advisers, is or was intended to be, nor
22 shall any such communication or disclosure constitute or be construed or be relied upon as, tax
23 advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10,
24 as amended); (ii) the acknowledging party (a) has relied exclusively upon his, her, or its own,
25 independent legal and tax counsel for advice (including tax advice) in connection with this
26 Stipulation of Settlement, (b) has not entered into this Stipulation of Settlement based upon the
27 recommendation of any other party or any attorney or advisor to any other party, and (c) is not
28 entitled to rely upon any communication or disclosure by any attorney or advisor to any other party

1 to avoid any tax penalty that may be imposed on the acknowledging party; and (3) no attorney or
2 adviser to any other party has imposed any limitation that protects the confidentiality of any such
3 attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon
4 disclosure by the acknowledging party of the tax treatment or tax structure of any transaction,
5 including any transaction contemplated by this Stipulation of Settlement.

6 57. Preliminary Approval of Settlement. Class Counsel will reserve a date for a hearing
7 on Plaintiff's Motion for Preliminary Approval to take place at a time mutually agreed to by the
8 Parties so that the Parties may request provisional certification of the Settlement Classes for
9 settlement purposes only and the setting of a Final Approval Hearing date. The Parties agree to work
10 diligently and cooperatively to have this Settlement presented to the Court for preliminary approval.
11 Plaintiff shall provide Defense Counsel with a reasonable opportunity (at least 10 days) to review
12 and provide comments on the draft Preliminary Approval pleadings, including the proposed Order,
13 prior to Plaintiff submitting the Motion for Preliminary Approval to the Court.

14 58. Release by All Participating Class Members. All Participating Class Members,
15 including Plaintiff, shall be deemed to have released their respective Released Claims against the
16 Released Parties upon the date on which the payment of the Gross Settlement Amount is made by
17 Defendants. Plaintiff and Class Members who do not submit a valid Request for Exclusion will be
18 deemed to have fully, finally and forever released, settled, compromised, relinquished, and
19 discharged with respect to all of the Released Parties for any and all Released Claims that accrued
20 during the Class Period. Each Participating Class Member (*i.e.*, each Class Member who has not
21 submitted a valid Request for Exclusion) fully releases and discharges the Released Parties as to all
22 Released Claims during the Class Period.

23 59. PAGA Release by LWDA and All PAGA Members. All PAGA Members,
24 including Plaintiff, and the LWDA, shall be deemed to have released their respective PAGA
25 Released Claims against the Released Parties upon the date on which the payment of the Gross
26 Settlement Amount is made by Defendants. It is understood that Class Members and PAGA
27 Members will not have the opportunity to request exclusion from, or object to, the PAGA Release.

Further, all Class Members, the LWDA, and PAGA Members are bound by the PAGA Release regardless of whether they cash and/or otherwise negotiate an Individual PAGA Payment.

60. Additional Release and Waiver of Claims by Plaintiff. In addition to the release of Released Claims and PAGA Released Claims against the Released Parties, as set forth above, Plaintiff, in his individual capacity, agrees to release the Released Parties from any and all claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, arising as of the date of execution of this Agreement including but not limited to claims arising from or related to his employment with Affiliated and his compensation while an employee of Affiliated and/or related to his alleged employment with Hannibal and his compensation while allegedly an employee of Hannibal ("Plaintiff's Released Claims"). Plaintiff enters into this general release of any and all claims against Defendants and the Released Parties. Plaintiff's Released Claims include all claims, whether known or unknown. Even if Plaintiff discovers facts in addition to or different from those that he now knows or believes to be true with respect to the subject matter of Plaintiff's Released Claims, those claims will remain released and forever barred. To effect a full and complete general release as described above, Plaintiff expressly waives and relinquishes all rights and benefits of section 1542 of the Civil Code of the State of California, and does so understanding and acknowledging the significance and consequence of specifically waiving section 1542. Section 1542 of the Civil Code of the State of California states as follows:

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.

Thus, notwithstanding the provisions of Section 1542, and to implement a full and complete release and discharge of the Released Parties, Plaintiff expressly acknowledges this Stipulation of Settlement is intended to include in its effect, without limitation, all claims Plaintiff does not know or suspect to exist in Plaintiff's favor at the time of signing this Stipulation of Settlement, and that this

Stipulation of Settlement contemplates the extinguishment of any such claims. Plaintiff warrants that he has read this Stipulation of Settlement, including this waiver of California Civil Code section 1542, and that Plaintiff has consulted with or had the opportunity to consult with counsel of Plaintiff's choosing about this Stipulation of Settlement and specifically about the waiver of section 1542, and that Plaintiff understands this Stipulation of Settlement and the section 1542 waiver, and so Plaintiff freely and knowingly enters into this Stipulation of Settlement. Plaintiff further acknowledges that Plaintiff later may discover facts different from or in addition to those Plaintiff now know or believe to be true regarding the matters released or described in this Stipulation of Settlement, and even so Plaintiff agrees that the releases and agreements contained in this Stipulation of Settlement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. Plaintiff expressly assumes any and all risk of any mistake in connection with the true facts involved in the matters, disputes, or controversies released or described in this Stipulation of Settlement or with regard to any facts now unknown to Plaintiff relating thereto.

61. Settlement Administration.

The following table summarizes key dates and events as set forth more fully herein:

Date	Event
[Set by Court]	Preliminary Approval granted via Court order
30 days after Preliminary Approval	Company to provide class data to settlement administrator
15 days after class data is sent	Settlement administrator to mail out Class Notice
60 days after Class Notice is Sent	Response Deadline (could be 10 days longer if re-mailings are done)
20 days after Response Deadline	Notice report from settlement administrator showing list of requests for exclusion
60 days after Response Deadline	Deadline for Defendants to revoke settlement if more than 5% of the putative class requests exclusion
[Set by Court]	Final Approval granted via Court order
Date Final Approval is no longer appealable	Effective Date
10 days after Effective Date	Settlement administrator will provide accounting of payments and funding instructions
30 days after Effective Date	Defendants will each submit funding (e.g., wire transfer)
10 days after receipt of funding	Settlement administrator will issue checks to Participating Class Members

180 days after payments

Uncashed checks will be paid to the California State
Controller's Office Unclaimed Property Fund

a. Within thirty (30) calendar days of entry of the Preliminary Approval Order, Defendants shall provide the Settlement Administrator with the Class List for purposes of mailing the Settlement Notices to Class Members. The Settlement Administrator shall not be permitted to share any Class Information included in the Class List with Plaintiff or Class Counsel absent express written approval by Defense Counsel.

i. Notice by First Class U.S. Mail. Upon receipt of the Class List, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes. Within fifteen (15) calendar days after receiving the Class List from Defendants as provided herein, the Settlement Administrator shall mail copies of the Settlement Notice to all Class Members via regular First-Class U.S. Mail in English and Spanish. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Class Member. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the most current mailing address for each Class Member. The Parties agree that this procedure for notice provides the best notice practicable to Class Members and fully complies with due process.

ii. Undeliverable Settlement Notices. Any Settlement Notice returned to the Settlement Administrator as non-deliverable on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto within five (5) calendar days of receipt of the returned Settlement Notice by the Settlement Administrator. If no forwarding address is provided, the Settlement Administrator shall attempt to determine a correct address by the use of skip-tracing, or other type of automated search, using the name, address and/or Social Security number of the Class Member involved, and shall then perform a re-mailing to the Class Member whose Settlement Notice was returned as non-deliverable within five (5) calendar days of receipt of the returned Settlement Notice by the Settlement Administrator, assuming another mailing address is identified by the Settlement Administrator. Class Members who are sent a re-mailed Settlement Notice shall have their Response Deadline extended by ten (10) calendar days from the date the Settlement

1 Administrator re-mails the Settlement Notice. If these procedures are followed, notice to Class
2 Members shall be deemed to have been fully satisfied, and if the intended recipient of the Settlement
3 Notice does not receive the Settlement Notice, the intended recipient shall nevertheless remain a
4 Class Member and shall be bound by all terms of the Settlement and the Final Order and Judgment.

5 iii. Determination of Individual Settlement Awards and Individual
6 PAGA Payments. The Settlement Administrator shall determine the eligibility for, and the amounts
7 of, each Individual Settlement Award and Individual PAGA Payment under the terms of this
8 Stipulation of Settlement, based on the Workweek and Pay Period information as provided by
9 Defendants and defined above. The Settlement Administrator's determination of the eligibility for
10 and amount of each Individual Settlement Award and Individual PAGA Payment shall be binding
11 upon the Class Members and the Parties; however, it is subject to Court review as appropriate.

12 iv. Disputes Regarding Administration of Settlement. Any dispute not
13 resolved by the Settlement Administrator concerning the administration of the Settlement, in
14 consultation with Class Counsel and Defense Counsel, shall be resolved by the Court.

15 b. Certification Reports Regarding Individual Settlement Award Calculations.
16 The Settlement Administrator will provide Defense counsel and Class Counsel a weekly report
17 which certifies: (i) the number of Class Members who have submitted valid Requests for Exclusion
18 or Notices of Objections; and (ii) whether any Class Member has submitted a challenge to any
19 information contained in their Settlement Notice, including but not limited to the number of Class
20 Members from the Settlement Classes who have submitted a Workweek Dispute.

21 c. Best Efforts. The Parties agree to use their best efforts to carry out the terms
22 of this Settlement.

23 62. Funding and Allocation of Gross Settlement Amount. Within ten (10) calendar days
24 after the Effective Date, the Settlement Administrator shall provide Defendants with final funding
25 calculations, including employer-sided taxes to be paid separately to the Gross Settlement Amount,
26 as well as instructions for remitting payment. The Gross Settlement Amount and employer-sided
27 taxes shall be paid by Defendants in one lump-sum payment (per Defendant) within thirty (30)
28 calendar days after the Effective Date. Defendants shall provide the Gross Settlement Amount and

1 employer-sided taxes to the Settlement Administrator in any feasible manner, including, but not
2 limited to, by way of a wire transfer. If this Settlement is not finally approved by the Court in full, or
3 is terminated, rescinded, canceled or fails to become effective for any reason, or if the Effective Date
4 does not occur, then no portion of the Gross Settlement Amount shall be paid.

5 d. Payments to the Class Members. Class Members shall not be required to
6 submit a claim in order to receive a share of the Net Settlement Amount, and no portion of the
7 Gross Settlement Amount shall revert to Defendants or result in an unpaid residue. The Settlement
8 Administrator shall first compute the Net Settlement Amount by deducting from the Gross
9 Settlement Amount approved by the Court for the Class Counsel Award, Class Representative
10 Service Award, PAGA Payment, and Settlement Administration Costs. To the extent the Court
11 does not approve the full requested attorneys' fees, litigation costs, enhancement payments or
12 settlement administration costs, the Net Settlement Amount will increase accordingly, by the
13 difference between the requested amount and the amount awarded by the Court.

14 i. Individual Settlement Award: From the Net Settlement Amount, the
15 Settlement Administrator will calculate each Individual Settlement Award by dividing the Net
16 Settlement Amount by the total number of Workweeks, resulting in the Workweek Value; and then
17 multiplying the Workweek Value by the number of Workweeks worked by each Class Member,
18 as defined above. The Settlement Administrator will also calculate the amount to be paid per
19 Workweek, and the Individual Settlement Awards to eligible Class Members. All Workweek
20 Disputes will be resolved and decided by the Settlement Administrator, in consultation with Class
21 Counsel and/or Defense Counsel, as appropriate, and subject to review by the Court as needed.

22 ii. Individual PAGA Payment: The Settlement Administrator will
23 calculate each PAGA Member's Individual PAGA Payment by dividing the 25% of the PAGA
24 Payment to be distributed to Class Members by the total number of Workweeks during the PAGA
25 Period for all PAGA Members, resulting in the PAGA Workweek Value; and then multiplying the
26 PAGA Workweek Value by the number of Workweeks for each PAGA Member during the PAGA
27 Period, as defined above.

1 iii. Individual Settlement Award and Individual PAGA Payments shall
2 be mailed by the Settlement Administrator by regular First Class U.S. Mail to each Participating
3 Class Member and/or PAGA Member's last known mailing address within ten (10) calendar days
4 after Defendants provide the Settlement Administrator with the Gross Settlement Amount. Prior
5 to mailing the Individual Settlement Awards and the Individual PAGA Payments, the Settlement
6 Administrator shall perform a search based on the National Change of Address Database
7 maintained by the United States Postal Service to update and correct any known or identifiable
8 address changes.

9 iv. Should any of the following occur, the Settlement Administrator
10 will proportionately increase the estimated Individual Settlement Award of each Participating
11 Class Member to ensure that the entire Net Settlement Amount is distributed to Participating Class
12 Members: (i) any Class Members submit timely and valid, or otherwise accepted, Requests for
13 Exclusion following the provision of Settlement Notices and expiration of the Response Deadline;
14 (ii) the Court approves the Class Representative Service Award in amounts less than those
15 requested by Plaintiff, as detailed herein; (iii) the Court approves a Class Counsel Award in an
16 amount less than that requested by Plaintiff, as detailed herein; and/or (iv) the Court approves
17 Settlement Administration Costs in an amount less than that requested by Plaintiff, as detailed
18 herein.

19 v. Individual Settlement Award payments and Individual PAGA
20 Payments shall be made by check and shall be made payable to each Participating Class Member
21 as set forth in this Stipulation of Settlement.

22 vi. Individual Settlement Awards shall be allocated as follows: twenty
23 percent (20%) as alleged unpaid wages subject to all applicable tax withholdings; forty percent
24 (40%) as alleged unpaid interest; and forty percent (40%) as alleged unpaid penalties. The
25 Settlement Administrator shall issue an IRS Form W-2 to each Participating Class Member for the
26 portion of each Individual Settlement Award payment allocated as alleged unpaid wages and
27 subject to all applicable tax withholdings. The Settlement Administrator shall issue an IRS Form
28 1099 to each Participating Class Member and PAGA Member for the portion of each Individual

1 Settlement Award and for the Individual PAGA Payment allocated as alleged unpaid non-wage
2 penalties and interest and not subject to payroll tax withholdings. The Settlement Administrator
3 shall calculate the amount of the Employer's Share of Payroll Taxes and shall remit and report the
4 applicable portions of the payroll tax payment to the appropriate taxing authorities in a timely
5 manner. Defendants will be responsible for paying their respective shares of the Payroll Taxes and
6 this amount will not be deducted from the GSA.

7 vii. Participating Class Members will have 180 days to cash the
8 settlement checks sent by the Settlement Administrator. After the expiration of the 180-day period,
9 the Settlement Administrator will prepare the Final Report regarding the distribution of the Gross
10 Settlement Amount, including the total amount that was cashed/deposited by Participating Class
11 Members and the total amount of any uncashed settlement checks pursuant to California Code of
12 Civil Procedure section 384. After the Final Report is filed, the total amount of any uncashed
13 settlement checks will be transmitted by the Settlement Administrator to a Court-approved *cy pres*
14 beneficiary California CASA (Court Appointed Special Advocates).

15 viii. In the event a Participating Class Member and/or PAGA Member
16 fails to cash/deposit his or her Individual Settlement Award check and/or Individual PAGA
17 Payment check, the Participating Class Member and/or PAGA Member shall nevertheless remain
18 bound by the Settlement.

19 ix. All monies received by Class Members under the Settlement which
20 are attributable to wages shall constitute income to such Class Members solely in the year in which
21 such monies actually are received by the Class Members. It is expressly understood and agreed that
22 the receipt of Individual Settlement Awards shall not entitle any Class Member to additional
23 compensation or benefits under any collective bargaining agreement or under any bonus, contest or
24 other compensation or benefit plan or agreement in place during the periods covered by the
25 Settlement, nor shall it entitle any Class Member to any increased pension and/or retirement, or other
26 deferred compensation benefits. It is the intent of the Parties that the Individual Settlement Awards
27 and Individual PAGA Payments provided for in this Stipulation of Settlement are the sole payments
28 to be made by Defendants to Class Members in connection with this Settlement, with the exception

1 of Plaintiff, and that the Class Members are not entitled to any new or additional compensation or
2 benefits as a result of having received the Individual Settlement Awards and/or and Individual PAGA
3 Payments. Furthermore, the receipt of Individual Settlement Awards and Individual PAGA Payments
4 by Class Members shall not, and does not by itself establish any general, special, or joint employment
5 relationship between and among the Class Member(s) and Defendants, or between Affiliated and
6 Hannibal.

7 b. Class Representative Service Award. For the purposes of this Settlement
8 only, the Parties agree to the designation of Plaintiff as the class representative. In recognition of
9 his time and effort in bringing and presenting the Action and for releasing his Released Claims,
10 Plaintiff shall request a Class Representative Service Award not to exceed Ten Thousand Dollars
11 and No Cents (\$10,000.00). Plaintiff's request for such Class Representative Service Award shall
12 be subject to approval from the Court. Defendants agree not to oppose or object to Plaintiff's
13 request for a Class Representative Service Award in an amount not to exceed this amount. The
14 Class Representative Service Award will be in addition to Plaintiff's Individual Settlement
15 Payment paid pursuant to the Settlement. The Settlement Administrator shall issue an IRS
16 Form 1099 to Plaintiff for his Class Representative Service Award. Plaintiff shall be solely and
17 legally responsible to pay any and all applicable taxes on his Class Representative Service Award.
18 Any amount requested by Plaintiff for the Class Representative Service Award and not awarded
19 by the Court shall become part of the Net Settlement Amount and shall be distributed to
20 Participating Class Members as part of their Individual Settlement Awards.

21 c. Class Counsel Award. Defendants agree not to oppose or impede any
22 application or motion by Class Counsel for attorneys' fees in an amount up to one-third (33.33%)
23 of the Gross Settlement Amount, which amounts to Five Hundred Thousand Dollars and No Cents
24 (\$500,000.00). In addition, Defendants agree not to oppose or impede any application or motion by
25 Class Counsel to request an award of costs associated with Class Counsel's prosecution of the Action
26 up to Twenty-Five Thousand Dollars and No Cents (\$25,000.00). Class Counsel's request for such
27 attorneys' fees and costs shall be subject to approval from the Court. In the event the Court awards
28 Class Counsel less than the requested amount of attorneys' fees and/or costs, the difference shall

1 become part of the Net Settlement Amount and shall be distributed to Participating Class Members
2 as part of their Individual Settlement Awards. Class Counsel shall be solely and legally responsible
3 to pay all applicable taxes on the Class Counsel Award. Class Counsel shall provide the Settlement
4 Administrator with properly completed and signed copies of IRS Form W-9 in order for the
5 Settlement Administrator to process the Class Counsel Award approved by the Court. The
6 Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the Class Counsel
7 Award.

8 63. Settlement Administration Costs. The Settlement Administration fees and
9 expenses, which are estimated not to exceed \$25,000.00, shall be paid from the Gross Settlement
10 Amount. Prior to Plaintiff filing a Motion for Final Approval of the Settlement, the Settlement
11 Administrator shall provide the Parties with a statement detailing the Settlement Administration
12 Costs to date. The Parties agree to cooperate in the Settlement Administration process and to make
13 all reasonable efforts to control and minimize Settlement Administration Costs.

14 i. The Parties each represent they do not have any financial interest in
15 the Settlement Administrator or otherwise have a relationship with the Settlement Administrator
16 that could create a conflict of interest.

17 ii. The Settlement Administrator shall keep the Parties timely apprised
18 of the performance of all Settlement Administrator responsibilities required by the Settlement.
19 The Settlement Administrator shall be authorized to establish a Qualified Settlement Fund ("QSF")
20 pursuant to IRS rules and regulations in which the Gross Settlement Amount shall be placed and
21 from which payments required by the Settlement shall be made.

22 64. Payroll Taxes. In accordance with this Settlement and to the fullest extent
23 possible, the Gross Settlement Amount shall resolve, satisfy and completely extinguish all of
24 Defendants' liability with respect to the Class Members and PAGA Members, except that
25 Defendants shall solely be responsible for the employer portion of the payroll taxes on the portion
26 of the Individual Settlement Awards that constitutes wages and these taxes shall be paid by
27 Defendants in addition to the GSA. Upon the transfer of the Gross Settlement Amount and the
28 employer portion of payroll taxes on the portion of the Individual Settlement Awards that

constitutes wages, Defendants shall have no further payment or defense obligation whatsoever with respect to any claims covered by this Settlement made or asserted by any person or entity anywhere in the world in connection with the Class Members.

65. Final Settlement Approval Hearing and Entry of Final Order and Judgment.

Following expiration of the Response Deadline, a Final Approval Hearing shall be conducted by the Court for the Court to determine whether to grant final approval of the Settlement, including determining the amounts properly payable for: (i) the Class Counsel Award; and (ii) the Class Representative Service Award. Prior to the Final Approval Hearing, the Settlement Administrator shall provide a written report or declaration to the Parties describing the process and results of the administration of the Settlement to date, which report or declaration shall be filed by Plaintiff with the Court prior to the Final Approval Hearing. The Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for final approval. Plaintiff will present the moving papers for any motion for final settlement approval to counsel for Defendants no fewer than ten (10) calendar days before filing any such motion.

66. Duties of the Parties Prior to Court Approval. The Parties shall promptly submit this Settlement Agreement to the Court in support of Plaintiff's Motion for Preliminary Approval and determination by the Court as to its fairness, adequacy, and reasonableness. Promptly upon execution of this Settlement Agreement, the Parties shall apply to the Court for the entry of an order scheduling a fairness hearing on the question of whether the proposed Settlement, including payment of Class Counsel's attorneys' fees and costs, the Class Representative's Service Award payment, and the PAGA Payment, should be finally approved as fair, reasonable and adequate as to the members of the Settlement Classes. As part of Plaintiff's Motion for Preliminary Approval, Plaintiff shall also apply to the Court for the entry of an Order as follows:

- a. Certifying the Settlement Classes for settlement purposes only;
- b. Approving, as to form and content, the proposed Settlement Notice;
- c. Approving the manner and method for Class Members to object or request exclusion from the Settlement, as contained herein and within the Settlement Notice;

1 d. Directing the mailing of the Settlement Notices to Class Members, by first
2 class mail;

3 e. Preliminarily approving the Settlement subject only to the objections of
4 Class Members and final review by the Court; and

5 f. Setting a Final Approval Hearing.

6 67. Duties of the Parties Following Final Approval. Following final approval by the
7 Court of the Settlement provided for in this Settlement Agreement, Class Counsel will submit a
8 proposed Final Order of Approval and Judgment:

9 a. Approving the Settlement, adjudging the terms thereof to be fair,
10 reasonable and adequate, and directing consummation of its terms and provisions;

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

13 c. Approving the Class Representative Service Award payment to Plaintiff;

14 d. Setting a date when the Parties shall submit the Final Report regarding the
15 distribution of the Gross Settlement Amount pursuant to California Code of Civil Procedure section
16 384, and, if necessary a date for a final accounting hearing following its receipt of the Final Report;

17 e. Entering judgment in this Action barring and enjoining all members of the
18 Settlement Classes from prosecuting against any of the Released Parties, any individual or class, or
19 representative claims released herein pursuant to the Settlement Agreement, upon satisfaction of all
20 payments and obligations hereunder.

21 68. Revocation of Settlement by Defendants. Defendants may, at their option and only
22 if both Affiliated and Hannibal jointly agree, withdraw from the settlement if five percent (5%) or
23 more of the Settlement Class Members request exclusion from the settlement. Defendants have 60
24 calendar days following the Settlement Administrator's final report summarizing the notice process,
25 including the number of requests for exclusions received, to revoke the agreement pursuant to this
26 Paragraph. If Defendants choose to withdraw from the settlement, they shall be responsible for all
27 costs incurred by the Settlement Administrator to date, and the Parties shall revert to their respective
28 procedural positions in the Action as if no settlement had occurred.

69. Escalator Clauses. As set forth in this paragraph, Hannibal and Affiliated have two distinct escalator clauses relevant to this Settlement:

a. Escalator Clause – Affiliated. For purposes of this settlement, Affiliated estimated that there were 64,000 Workweeks worked by Affiliated Settlement Class Members through the December 1, 2022 mediation. Should the actual number of Workweeks for Affiliated Settlement Class Members through the mediation date exceed 64,000 by more than ten percent (10%), then the GSA shall be increased on a pro rata basis at \$13.34 per Affiliated Settlement Class Member Workweek by any increase after that 10% triggered threshold. For example, if the Affiliated Settlement Class Member Workweeks through the mediation exceed 70,400, Affiliated will owe an additional \$13.34 per each Affiliated Settlement Class Member Workweek over 70,400. Affiliated shall be solely responsible for any increase in the GSA that may occur as a result of this “Escalator Clause – Affiliated” provision being triggered.

b. Escalator Clause – Hannibal. For purposes of this settlement, Hannibal estimated that there were 48,473 Workweeks worked by Hannibal Settlement Class Members through the December 1, 2022 mediation. Should the actual number of Workweeks for Hannibal Settlement Class Members through the mediation date exceed 48,473 by more than ten percent (10%), then the GSA shall be increased on a pro rata basis at \$13.34 per Hannibal Settlement Class Member Workweek by any increase after that 10% triggered threshold. For example, if the Hannibal Settlement Class Member Workweeks through the mediation exceed 53,320, Hannibal will owe an additional \$13.34 per each Hannibal Settlement Class Member Workweek over 53,320. Hannibal shall be solely responsible for any increase in the GSA that may occur as a result of this “Escalator Clause – Hannibal” provision being triggered.

70. Nullification of Settlement. In the event: (i) the Court does not enter the Preliminary Approval Order; (ii) the Court does not grant final approval of the Settlement; (iii) the Court does not enter the Final Order and Judgment; or (iv) the Settlement does not become final for any other reason, this Stipulation of Settlement shall be rendered null and void, any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void from the beginning and this Stipulation of Settlement and any documents related to it shall not be used by

1 any Class Member or Class Counsel to support any claim or request for class certification in the
2 Action, and shall not be used in any other civil, criminal or administrative action against
3 Defendants or any of the other Released Parties. Additionally, should the Settlement not become
4 final for any reason, the Parties will request that the Court reopen proceedings within thirty (30)
5 calendar days, and any Settlement Administration Costs already incurred by the Settlement
6 Administrator shall be split evenly between the Parties. If Defendants elect to revoke the
7 Settlement, as specified in Paragraph 68, the Parties and any monies required to be paid under this
8 Settlement shall be returned to their respective statuses as of the date and time immediately prior
9 to the execution of this Stipulation of Settlement, and the Parties shall proceed in all respects as if
10 this Stipulation of Settlement had not been executed, except that any Settlement Administration
11 Costs already incurred by the Settlement Administrator shall be paid to the Settlement
12 Administrator by Defendants. In the event an appeal is filed from the Court's Final Order and
13 Judgment, or any other appellate review is sought, administration of the Settlement shall be stayed
14 pending final resolution of the appeal or other appellate review and the stay shall only be lifted if
15 the end result of the appeal or other proceeding is that the terms of this Settlement are upheld.

16 71. Plaintiff's Waiver of Right to Be Excluded. Plaintiff agrees that by signing this
17 Settlement Agreement, he will be bound by the terms herein. Plaintiff further agrees that, upon
18 signing this Settlement Agreement, he will submit a Request for Exclusion from this Settlement
19 and that any such Request for Exclusion by Plaintiff will be void and of no force or effect.

20 72. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to
21 class certification for purposes of this Settlement only; and either party may appeal any Court order
22 that materially alters the Settlement Agreement's terms. Nothing in this Settlement Agreement
23 shall preclude Plaintiff from appealing from a Court order denying or failing to grant in full their
24 requests for attorneys' fees, costs, or service award.

25 73. No Admission by Defendants. Defendants deny all claims alleged in this Action and
26 deny all wrongdoing whatsoever by Defendants. Neither this Stipulation of Settlement, nor any of
27 its terms and conditions, nor any of the negotiations connected with it, is a concession or admission,
28 and none shall be used against Defendants as an admission or indication with respect to any claim

1 of any fault, concession, or omission by Defendants or that class certification is proper under the
2 standard applied to contested certification motions. The Parties stipulate and agree to the
3 certification of the proposed classes for settlement purposes only. The Parties further agree that this
4 Stipulation of Settlement will not be admissible in this or any other proceeding as evidence that either
5 (i) a class action should be certified or (ii) Defendants are liable to Plaintiff or any Class Member,
6 other than according to the terms of this Stipulation of Settlement.

7 74. Waiver. No waiver of any condition or covenant contained in this Settlement
8 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered
9 to imply or constitute a further waiver by such party of the same or any other condition, covenant,
10 right or remedy.

11 75. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by
12 the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the
13 Judgment to the Court for its approval, pursuant to Rule 3.770 of the California Rules of Court.
14 After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of
15 addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) Settlement
16 administration matters, and (iii) such post-Judgment matters as may be appropriate under court
17 rules or as set forth in this Agreement

18 76. Exhibits and Headings. The terms of this Stipulation of Settlement include the terms
19 set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
20 herein. The Exhibits to this Stipulation of Settlement are an integral part of the Settlement. The
21 descriptive headings of any paragraphs or sections of this Stipulation of Settlement are inserted for
22 convenience of reference only.

23 77. Amendment or Modification. This Stipulation of Settlement may be amended or
24 modified only by a written instrument signed by counsel for all Parties or their successors-in-
25 interest.

26 78. Entire Agreement. This Stipulation of Settlement and any attached Exhibits
27 constitute the entire agreement between the Parties, and no oral or written representations,
28 warranties, or inducements have been made to Plaintiff or Defendants concerning this Stipulation

1 of Settlement or its Exhibits other than the representations, warranties, and covenants contained
2 and memorialized in this Stipulation of Settlement and its Exhibits. No other prior or
3 contemporaneous written or oral agreements, including but not limited to the MOU, may be
4 deemed binding on the Parties.

5 79. Authorization to Enter Into Settlement Agreement. Class Counsel and Defense
6 Counsel warrant and represent they are expressly authorized by the Parties whom they represent to
7 negotiate this Stipulation of Settlement and to take all appropriate actions required or permitted to
8 be taken by such Parties pursuant to this Stipulation of Settlement to effectuate its terms, and to
9 execute any other documents required to effectuate the terms of this Stipulation of Settlement. The
10 Parties, Class Counsel and Defense Counsel shall cooperate with each other and use their best efforts
11 to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement
12 on the form or content of any document needed to implement the Settlement, or on any supplemental
13 provisions that may become necessary to effectuate the terms of this Settlement, the Parties may
14 seek the assistance of the Court to resolve such disagreement. The persons signing this Stipulation
15 of Settlement on behalf of the Defendants represent and warrant that they are authorized to sign this
16 Stipulation of Settlement on behalf of Defendants. Plaintiff represents and warrants that he is
17 authorized to sign this Stipulation of Settlement and that he has not assigned any claim, or part of a
18 claim, covered by this Settlement of Settlement to a third party. The Parties have cooperated in the
19 drafting and preparation of this Stipulation of Settlement. Hence, in any construction made of this
20 Stipulation of Settlement, the same shall not be construed against any of the Parties.

21 80. Confidentiality. The Parties and their counsel agree that they will not issue any
22 press releases, initiate any contact with the press, respond to any press inquiry, or have any
23 communication with the press about the fact, amount, or terms of the Settlement prior to the
24 mailing of the Notice Packet. In addition, the Parties and their counsel agree that they will not
25 engage in any advertising or distribute any marketing materials relating to the Settlement,
26 including but not limited to any postings on any websites maintained by Class Counsel. Nothing
27 set forth herein, however, shall prohibit the Parties from providing this Stipulation to the Court in
28 connection with the Parties' efforts to seek Court approval of this Settlement.

1 81. Binding on Successors and Assigns. This Stipulation of Settlement shall be binding
2 upon, and inure to the benefit of, the successors and assigns of the Parties.

3 82. California Law Governs. All terms of this Stipulation of Settlement and the
4 Exhibits hereto shall be governed by and interpreted according to the laws of the State of
5 California, without giving effect to any law that would cause the laws of any jurisdiction other
6 than the State of California to be applied.

7 83. Counterparts. This Stipulation of Settlement may be executed in one or more
8 counterparts. All executed counterparts and each of them shall be deemed to be one and the same
9 instrument.

10 84. This Settlement is Fair, Adequate, and Reasonable. Plaintiff represents that this
11 Settlement is a fair, adequate, and reasonable settlement of the Action and he has arrived at this
12 Settlement after extensive arm's-length negotiations, taking into account all relevant factors,
13 present and potential.

14 85. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms
15 and conditions of this Agreement. Accordingly, this Agreement shall not be construed more strictly
16 against one Party than another merely by virtue of the fact that it may have been prepared by
17 counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations
18 between the Parties, all Parties have contributed to the preparation of this Agreement.

19 86. Representation by Counsel. The Parties acknowledge that they have been
20 represented by counsel throughout all negotiations that preceded the execution of this Agreement,
21 and that this Agreement has been executed with the consent and advice of counsel. Further,
22 Plaintiff and Class Counsel warrant and represent that there are no liens on the Agreement.

23 87. Enforcement Actions. In the event that one or more of the Parties institutes any
24 legal action or other proceeding against any other Party or Parties to enforce the provisions of this
25 Settlement, or to declare rights and/or obligations under this Settlement, the prevailing Party or
26 Parties shall be entitled to recover from the non-prevailing Party or Parties reasonable attorneys'
27 fees and costs, including expert witness fees incurred in connection with any enforcement actions.
28

1 88. Non-Admission of Liability. The Parties enter into this Agreement to resolve the
2 dispute that has arisen between them and to avoid the burden, expense, and risk of continued
3 litigation. By entering into this Agreement, Defendants do not admit, and specifically deny, they
4 have violated any federal, state, or local law; violated any regulations or guidelines promulgated
5 pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached
6 any contract; violated or breached any duty; engaged in any misrepresentation or deception; or
7 engaged in any other unlawful conduct with respect to its employees. Neither this Agreement, nor
8 any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as
9 an admission or concession by the Released Parties of any such violations or failures to comply
10 with any applicable law, regulation, or legal requirement. Except as necessary in a proceeding to
11 enforce the terms of this Agreement, this Agreement and its terms and provisions shall not be
12 offered or received as evidence in any action or proceeding to establish any liability or admission
13 of any nature on the part of the Released Parties, or to establish the existence of any condition
14 constituting a violation of, or a non-compliance with, federal, state, local, or other applicable law.

15 89. Jurisdiction of the Court. Following entry of the Final Order and Judgment, the
16 Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement
17 of the terms of this Stipulation of Settlement and all orders and judgments entered in connection
18 therewith.

19 90. Disputes Regarding Language of Final Settlement Agreement. If the Parties have a
20 dispute with regard to the language of the Agreement, the Parties agree to first informally resolve
21 the dispute by engaging Jeffrey Ross, Esq. to mediate such dispute. The Parties also intend this
22 Agreement to be binding and enforceable, pursuant to Code of Civil Procedure § 664.6.

23 91. Invalidity of Any Provision. Before declaring any term or provision of this
24 Stipulation of Settlement invalid, the Parties request that the Court first attempt to construe the
25 terms or provisions valid to the fullest extent possible consistent with applicable precedents so as
26 to define all provisions of this Stipulation of Settlement as valid and enforceable. In the event the
27 Court declares any material provision of this Stipulation of Settlement invalid, the Stipulation of
28

1 Settlement will be void and its terms will be of no force and effect, except as otherwise agreed to
2 by the Parties in writing.

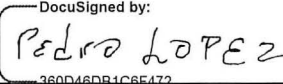
3 92. Binding Nature of Notice of Class Action Settlement. It is agreed that, because the
4 Class Members are so numerous, it is impossible or impractical to have each Class Member
5 execute the Stipulation of Settlement. The Class Notice shall advise all Class Members of the
6 binding nature of the Settlement, and the release of Released Claims and shall have the same force
7 and effect as if this Stipulation of Settlement were executed by each Participating Class Member.

8 93. Publicity. Neither Plaintiff nor Class Counsel shall engage in any publicity of any
9 type related to this settlement.

10 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this
11 Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff, on the one
12 hand, and Defendants, on the other hand, as of the date(s) set forth below.

13 **SIGNATURES ON FOLLOWING PAGE**
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27
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1 Dated: 6/29/2023

DocuSigned by:

360D46DB4C6F472

2 Plaintiff **Elias Manriquez Perez AKA Pedro Lopez**
3 (on his own behalf and on behalf of the Class
4 Members and aggrieved employees)

5 **Hannibal Industries, Inc.**

6 Dated: _____

By:
Its:

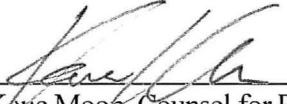
9 **Affiliated Temporary Help**

10 Dated: 6/28/2023

/s/ Chris Parker
By: _____
Its: President of Affiliated Temporary Help

14 **MOON & YANG, APC**

16 Dated: 6/29/2023


Karen Moon, Counsel for Plaintiff Elias Manriquez
Perez AKA Pedro Lopez (on his own behalf and on
behalf of the Class Members and aggrieved
employees)

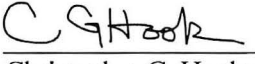
20 **LITTLER MENDELSON, P.C.**

22 Dated: _____

Ian G. Robertson, Counsel for Hannibal Industries,
Inc.

25 **LAW OFFICES OF CHRISTOPHER G. HOOK**

26 Dated: 6/28/2023


Christopher G. Hook, Counsel for Affiliated
Temporary Help

1 Dated: _____

2 Plaintiff **Elias Manriquez Perez AKA Pedro Lopez**
3 (on his own behalf and on behalf of the Class
4 Members and aggrieved employees)

5
6 Dated: June 29, 2023

7
8
9 **Hannibal Industries, Inc.**

10 By: _____

11 Its: _____

12 *Spurgeon Baker*
13 *Controller*

14 **Affiliated Temporary Help**

15 Dated: _____

16 By: _____

17 Its: _____

18 **MOON & YANG, APC**

19 Dated: _____

20 Kane Moon, Counsel for Plaintiff Elias Manriquez
21 Perez AKA Pedro Lopez (on his own behalf and on
22 behalf of the Class Members and aggrieved
23 employees)

24 **LITTLER MENDELSON, P.C.**

25 Dated: June 29, 2023

26 *[Signature]*
27 Ian G. Robertson, Counsel for Hannibal Industries,
28 Inc.

LAW OFFICES OF CHRISTOPHER G. HOOK

Dated: _____

Christopher G. Hook, Counsel for Affiliated
Temporary Help