

1 **JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT**

2 This Joint Stipulation of Class Action and PAGA Settlement (“Settlement,” “Agreement,” or
3 “Settlement Agreement”) is made and entered into by and between Plaintiff Rita Ray (“Plaintiff” or
4 “Class Representative”), individually, and on behalf of all others similarly situated and on behalf of
5 the State of California with respect to aggrieved employees, and Defendant Families Together of
6 Orange County (“Defendant”) (together, Plaintiff and Defendant are referred to as “Parties” and
7 individually as “Party”).

8 This Settlement Agreement shall be binding on Plaintiff, Settlement Class Members (as
9 defined herein), the State of California with respect to the aggrieved employees (as defined herein),
10 and Defendant, subject to the terms and conditions hereof and the approval of the Court.

11 **RECITALS**

12 1. On May 8, 2023, Plaintiff provided written notice to the Labor and Workforce
13 Development Agency (“LWDA”) by online submission and to Defendant by U.S. Certified Mail,
14 pursuant to California Labor Code Section 2699.3, of the specific provisions of the California Labor
15 Code alleged to have been violated by Defendant (“PAGA Letter”). On May 8, 2023, Plaintiff filed a
16 Class Action Complaint for Damages (“Class Action Complaint”) in the action entitled *Rita Ray v.*
17 *Families Together of Orange County*, Orange County Superior Court Case No. 30-2023-01324555-
18 CU-OE-CXC, thereby commencing a putative class action against Defendant. The Class Action
19 Complaint alleges nine (9) causes of action for violations of the California Labor Code for failure to
20 pay minimum and overtime wages, failure to provide compliant meal periods or premium payments
21 in lieu thereof, failure to provide compliant rest periods or premiums payments in lieu thereof, failure
22 to timely pay wages during employment and upon termination, failure to provide compliant wage
23 statements, failure to reimburse necessary business expenses, and for violations of California Business
24 & Professions Code Section 17200, *et seq.* based on the aforementioned California Labor Code
25 violations. On July 12, 2023, Plaintiff filed a complaint for Enforcement Action Under the Private
26 Attorneys General Act, California Labor Code §§ 2698, *Et Seq.* (“PAGA Complaint”) in the action
27 entitled *Rita Ray v. Families Together of Orange County*, Orange County Superior Court Case No.
28 30-2023-01336054-CU-OE-CJC, thereby commencing a representative PAGA action against

1 Defendant. The PAGA Complaint alleges a single cause of action for civil penalties under the Private
2 Attorneys General Act of 2004 pursuant to California Labor Code Section 2698 *et seq.* (“PAGA”)
3 based on the aforementioned California Labor Code violations. The Class Action Complaint, the
4 PAGA Complaint, and the PAGA Letter shall be referred to collectively as the “Action.”

5 2. Defendant denies all materials allegations set forth in the Action and has asserted
6 numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation,
7 Defendant desires to fully and finally settle the Action, Released Class Claims (as defined herein), and
8 Released PAGA Claims (as defined herein).

9 3. Class Counsel diligently investigated the class and PAGA claims against Defendant,
10 including any and all applicable defenses and the applicable law. The investigation included, *inter*
11 *alia*, the exchange of information, data, and documents, and review of corporate policies and practices.
12 The Parties have engaged in sufficient informal discovery and investigation to assess the relative
13 merits of the claims and contentions of the Parties.

14 4. On February 9, 2024, the Parties participated in mediation with Tripper Ortman (the
15 “Mediator”), a respected mediator of complex wage and hour actions, and with the assistance of the
16 Mediator’s evaluations, the Parties reached the settlement that is memorialized herein. The Parties’
17 settlement discussions were conducted at arms’ length, and the Settlement is the result of an informed
18 and detailed analysis of Defendant’s potential liability and exposure in relation to the costs and risks
19 associated with continued litigation. Based on Class Counsel’s investigation and evaluation, Class
20 Counsel believes that the settlement with Defendant for the consideration and on the terms set forth in
21 this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class
22 Members, State of California, and PAGA Employees in light of all known facts and circumstances,
23 including the risk of significant delay and uncertainty associated with litigation and various defenses
24 asserted by Defendant.

25 5. The Parties expressly acknowledge that this Settlement Agreement is entered into
26 solely for the purpose of compromising significantly disputed claims and that nothing herein is an
27 admission of liability or wrongdoing by Defendant. If for any reason this Settlement Agreement is
28 not approved, it will be of no force or effect, and the Parties shall be returned to their original respective

1 positions.

2 **DEFINITIONS**

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

5 a. “Attorneys’ Fees and Costs” means attorneys’ fees approved by the Court for
6 Class Counsel’s litigation and resolution of the Action and all actual costs and expenses incurred and
7 to be incurred by Class Counsel in connection with the Action, as set forth in Paragraph 9.

8 b. “Class” or “Class Member(s)” means all current and former hourly-paid or non-
9 exempt employees who worked for Defendant within the State of California at any time during the
10 Class Period.

11 c. “Class Counsel” means Jonathan M. Genish, Barbara DuVan-Clarke,
12 Alexander K. Spellman, P.J. Van Ert, and Annabel Blanchard of Blackstone Law, APC, who will seek
13 to be appointed counsel for the Class.

14 d. “Class List” means a complete list of all Class Members that Defendant will
15 diligently and in good faith compile from its records and provide to the Settlement Administrator. The
16 Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the following
17 information for each Class Member: (1) full name; (2) last known mailing address; (3) last known
18 telephone number; (4) Social Security number; (5) dates worked for Defendant during the Class
19 Period; (6) dates worked for Defendant during the PAGA Period; (7) the number of Workweeks and
20 PAGA Pay Periods during the Class Period and PAGA Period based on Defendant’s payroll data,
21 where feasible¹; and (8) such other information as is necessary for the Settlement Administrator to
22 confirm Workweeks and Pay Periods.

23 e. “Class Notice” means the Notice of Class Action Settlement, substantially in
24 the form attached hereto as “**Exhibit A**.”

25
26 _____
27 ¹ If it is not feasible for Defendant to calculate the Workweeks and Pay Periods using Defendant’s payroll data, then the
28 Settlement Administrator shall calculate those Workweeks using the start and end dates during which time the Class
Members were employed and classified as non-exempt during the Class Period, and the Settlement Administrator shall
calculate those Pay Periods using the start and end dates during which time the PAGA Employees were employed and
classified as non-exempt during the PAGA Period.

1 f. "Class Period" means the period from May 8, 2019, through the date of
2 Preliminary Approval of the Settlement.

3 g. "Class Settlement" means the settlement and resolution of all Released Class
4 Claims.

5 h. "Court" means the Superior Court of the State of California for the County of
6 Orange.

7 i. "Defendant's Counsel" means P. Dustin Bodaghi of Littler Mendelson, P.C.

8 j. "Effective Date" means the date when all of the following events have occurred:
9 (1) the Settlement Agreement has been executed by all Parties, Class Counsel, and Defendant's
10 Counsel; (2) the Court has given preliminary approval to the Settlement; (3) the Class Notice has been
11 mailed to the Class Members, providing them with an opportunity to object to the terms of the Class
12 Settlement or opt out of the Class Settlement; (4) the Court has had a Final Approval Hearing and
13 entered a Final Approval Order and Judgment; (5) sixty-five calendar days have passed since the Court
14 entered a Final Approval Order and Judgment; and (6) in the event there are written objections to the
15 Class Settlement filed prior to the Final Approval Hearing which are not later withdrawn or denied,
16 the later of the following events: (i) five business days after the period for filing any appeal, writ, or
17 other appellate proceeding opposing the Court's Final Approval Order and Judgment has elapsed
18 without any appeal, writ, or other appellate proceeding having been filed, or, (ii) if any appeal, writ,
19 or other appellate proceeding opposing the Court's Final Approval Order and Judgment has been filed,
20 five business days after any appeal, writ, or other appellate proceedings opposing the Court's Final
21 Approval Order and Judgment has been finally and conclusively dismissed with no right to pursue
22 further remedies or relief.

23 k. "Employer Taxes" means the employer's share of taxes and contributions in
24 connection with the wages portion of Individual Settlement Shares, which shall be paid by Defendant
25 in addition to the Gross Settlement Amount.

26 l. "Enhancement Payment" means the amount to be paid to Plaintiff, in
27 recognition of her effort and work in prosecuting the Action on behalf of Class Members and PAGA
28 Employees, and general release of claims, as set forth in Paragraph 10.

1 m. “Final Approval” means the determination by the Court that the Settlement is
2 fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

3 n. “Final Approval Hearing” means the hearing at which the Court will consider
4 and determine whether the Settlement should be granted Final Approval.

5 o. “Final Approval Order and Judgment” means the order granting final approval
6 of the Settlement and entering judgment thereon, mutually agreed to by the Parties in form and content,
7 and subject to approval by the Court.

8 p. “Gross Settlement Amount” means the amount of eight hundred thousand
9 dollars and zero cents (\$800,000.00) which is the total amount to be paid by Defendant (with the
10 exception of Employer Taxes which will be paid separately, and in addition to the Gross Settlement
11 Amount) in full satisfaction of the Action, Released Class Claims, and Released PAGA Claims, which
12 includes all Attorneys’ Fees and Costs, the Enhancement Payment, the PAGA Amount, Settlement
13 Administration Costs, and the Net Settlement Amount to be paid to the Settlement Class Members.
14 Defendant shall pay the Employer Taxes separately and in addition to the Gross Settlement Amount.
15 The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Payment will
16 return to Defendant. The Gross Settlement Amount is subject to increase, as provided in Paragraph
17 13.

18 q. “Individual PAGA Payment” means the *pro rata* share of the PAGA Employee
19 Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be
20 calculated in accordance with Paragraph 15.

21 r. “Individual Settlement Payment” means the net payment of each Settlement
22 Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and
23 withholdings with respect to the wages portion of the Individual Settlement Share, as provided in
24 Paragraph 16.

25 s. “Individual Settlement Share” means the *pro rata* share of the Net Settlement
26 Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated
27 in accordance with Paragraph 14.

28 t. “LWDA Payment” means the amount of fifty-six thousand two hundred and

1 fifty dollars and zero cents (\$56,250.00), i.e., 75% of the PAGA Amount, that the Parties have agreed
2 to pay to the LWDA under the PAGA Settlement, as set forth in Paragraph 11.

3 u. “Net Settlement Amount” means the portion of the Gross Settlement Amount
4 that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount
5 less the Court-approved Attorneys’ Fees and Costs, Enhancement Payment, PAGA Amount, and
6 Settlement Administration Costs.

7 v. “Notice of Objection” means a Settlement Class Member’s written objection to
8 the Class Settlement, which must: (a) contain the case name and number of the Class Action; (b)
9 contain the objector’s full name, signature, address, telephone number, and the last four (4) digits of
10 the objector’s Social Security number; (c) contain a written statement of all grounds for the objection
11 accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other
12 documents upon which the objection is based; and (e) be returned by mail to the Settlement
13 Administrator at the specified address, postmarked on or before the Response Deadline.

14 w. “PAGA Amount” means the allocation of seventy-five thousand dollars and
15 zero cents (\$75,000.00) from the Gross Settlement Amount for the PAGA Settlement. Seventy-five
16 percent (75%) of the PAGA Amount, or \$56,250.00, will be paid to the LWDA (i.e., the LWDA
17 Payment) and the remaining twenty-five percent (25%), or \$18,750.00, will be distributed to the
18 PAGA Employees (i.e., the PAGA Employee Amount).

19 x. “PAGA Employees” means all current and former hourly-paid or non-exempt
20 employees who worked for Defendant within the State of California at any time during the PAGA
21 Period.

22 y. “PAGA Employee Amount” means the amount of eighteen thousand seven
23 hundred fifty dollars and zero cents (\$18,750.00), i.e., 25% of the PAGA Amount, to be distributed to
24 PAGA Employees on a *pro rata* basis based on their Pay Periods.

25 z. “PAGA Period” means the period from May 8, 2022, through the date of
26 Preliminary Approval of the Settlement.

27 aa. “PAGA Settlement” means the settlement and resolution of all Released PAGA
28 Claims.

1 bb. “Pay Periods” means the number of pay periods each PAGA Employee worked
2 for Defendant as an hourly-paid or non-exempt employee in California during the PAGA Period,
3 which Defendant will provide in the Class List. The PAGA Employees’ pay periods will be calculated
4 by Defendant from its payroll records. PAGA Employees must have worked and been paid for a pay
5 period during the PAGA Period for it to be counted (i.e., the PAGA Employees must have at least one
6 shift worked during that pay period). Where actual pay data may not be available, the Settlement
7 Administrator will calculate those Pay Periods using the start and end dates during which time the
8 PAGA Employees were classified as non-exempt during the PAGA Period.

9 cc. “Preliminary Approval” means the date on which the Court enters the
10 Preliminary Approval Order.

11 dd. “Preliminary Approval Order” means the order granting preliminary approval
12 of the Settlement, mutually agreed to by the Parties in form and content, and subject to approval by
13 the Court.

14 ee. “Released Class Claims” means any and all claims, debts, liabilities, demands,
15 obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action which were
16 alleged or which could have been alleged based on the factual allegations in the Class Action
17 Complaint, arising during the Class Period, under any federal, state, or local law, and shall specifically
18 include claims for the Released Parties’ alleged failure to pay overtime and minimum wages, provide
19 compliant meal and rest periods and associated premium payments, timely pay wages during
20 employment and upon termination, provide complaint wage statements, and reimburse necessary
21 business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 210,
22 226(a), 226.7, 510, 512(a), 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare
23 Commission Wage Orders, including *inter alia*, Wage Order 4-2001, and all claims for attorneys’ fees
24 and costs and statutory interest in connection therewith, California Business and Professions Code
25 sections 17200, *et seq.*, and any other claims, including claims for statutory penalties, pertaining to the
26 Class Members. This further includes any and all other claims under California common law, the
27 California Labor Code, California Industrial Welfare Commission Wage Orders, and the California
28 Business and Professions Code alleged in or that could have been alleged under the facts, allegations

1 and/or claims pleaded in the Class Action Complaint.

2 ff. “Released PAGA Claims” means any and all claims arising from any of the
3 factual allegations in the PAGA Letter and/or in the PAGA Complaint, arising during the PAGA
4 Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code
5 Sections 2698 *et seq.*, including all claims for attorneys’ fees and costs related thereto, for Defendant’s
6 alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and
7 associated premium payments, timely pay wages during employment and upon termination, provide
8 complaint wage statements, and reimburse necessary business-related expenses in violation of
9 California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 1194, 1197,
10 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders, including *inter alia*,
11 Wage Order 4-2001.

12 gg. “Released Parties” means Defendant and all of Defendant’s past and present
13 subsidiaries, affiliates shareholders, members, agents, predecessors, successors, acquirers, parent,
14 officers, directors, shareholders, employees, agents, principals, representatives, accountants, auditors,
15 consultants, insurers and reinsurers and assigns.

16 hh. “Request for Exclusion” means a letter submitted by a Class Member indicating
17 a request to be excluded from the Class Settlement, which must: (a) contain the case name and number
18 of the Class Action; (b) contain the Class Member’s full name, signature, address, telephone number,
19 and last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class
20 Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the
21 Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

22 ii. “Response Deadline” means the deadline by which Class Members must submit
23 a Request for Exclusion, Notice of Objection, and/or Workweeks Dispute, which shall be the date that
24 is forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement
25 Administrator to Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which
26 case the Response Deadline will be extended to the next day on which the United States Postal service
27 is open. The Response Deadline may also be extended by express agreement between Class Counsel
28 and Defendant’s Counsel. Under no circumstances, however, will the Settlement Administrator have

1 the unilateral authority to extend the Response Deadline. In the event that a Class Notice is re-mailed
2 to a Class Member, the Response Deadline for that Class Member shall be extended fifteen (15)
3 calendar days from the original Response Deadline.

4 jj. “Settlement Administrator” means Apex Class Action Administration, or any
5 other third-party class action settlement administrator agreed to by the Parties and approved by the
6 Court for purposes of administering the Settlement. The Parties and their counsel each represent that
7 they do not have any financial interest in the Settlement Administrator or otherwise have a relationship
8 with the Settlement Administrator that could create a conflict of interest.

9 kk. “Settlement Administration Costs” means the costs payable from the Gross
10 Settlement Amount to the Settlement Administrator for administering the Settlement, as set forth in
11 Paragraph 12.

12 ll. “Settlement Class” or “Settlement Class Member(s)” means all Class Members
13 who do not submit a timely and valid Request for Exclusion.

14 mm. “Workweeks” means the number of weeks each Class Member worked for
15 Defendant as an hourly-paid or non-exempt employee in California during the Class Period, which
16 Defendant will provide in the Class List. The Class Members’ Workweeks will be calculated by
17 Defendant from its payroll records. Class Members must have worked and been paid for a workweek
18 during the Class Period for it to be counted (i.e., the Class Member must have at least one shift worked
19 during that workweek). Where actual pay data may not be available, the Settlement Administrator will
20 calculate those Workweeks using the start and end dates during which time the Class Members were
21 classified as non-exempt during the Class Period.

22 nn. “Workweeks Dispute” means a letter submitted by a Class Member disputing
23 the number of Workweeks and/or Pay Periods to which they have been credited, which must: (a)
24 contain the case name and number of the Class Action; (b) contain the Class Member’s full name,
25 signature, address, telephone number, and the last four (4) digits of the Class Member’s Social Security
26 number; (c) clearly state that the Class Member disputes the number of Workweeks and/or Pay Periods
27 credited to the Class Member and what the Class Member contends is the correct number; and (d) be
28 returned by mail to the Settlement Administrator at the specified address, postmarked on or before the

1 Response Deadline.

2 **CLASS CERTIFICATION**

3 7. For the purposes of this Settlement only, the Parties stipulate to the certification of the
4 Class.

5 8. The Parties agree that certification for the purpose of settlement is not an admission
6 that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for
7 whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as
8 part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not
9 be admissible in connection with, the issue of whether or not certification would be inappropriate in a
10 non-settlement context.

11 **TERMS OF THE AGREEMENT**

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

14 9. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application
15 or motion by Class Counsel for attorneys' fees in the amount up to thirty-five percent (35%) of the
16 Gross Settlement Amount (i.e., \$280,000.00 if the Gross Settlement Amount is \$800,000.00) and
17 reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement
18 of the Action, in an amount not to exceed forty thousand dollars (\$40,000.00), both of which will be
19 paid from the Gross Settlement Amount. These amounts will cover any and all work performed and
20 any and all costs incurred by Class Counsel in connection with the litigation of the Action, including
21 without limitation all work performed and costs incurred to date, and all work to be performed and all
22 costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement,
23 including any objections raised and any appeals necessitated by those objections. Class Counsel shall
24 be solely and legally responsible for correctly characterizing this compensation for tax purposes and
25 for paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form
26 1099 to Class Counsel for the Attorneys' Fees and Costs. Any portion of the requested Attorneys'
27 Fees and Costs that is not awarded by the Court to Class Counsel shall be reallocated to the Net
28 Settlement Amount for the benefit of the Settlement Class Members.

1 10. Enhancement Payment. Defendant agrees not to oppose or impede any application or
2 motion by Plaintiff for an Enhancement Payment in the amount up to seven thousand five hundred
3 dollars (\$7,500.00). The Enhancement Payment, which will be paid from the Gross Settlement
4 Amount, subject to Court approval, will be in addition to her Individual Settlement Payment as a
5 Settlement Class Member and Individual PAGA Payment as a PAGA Employee. Plaintiff shall be
6 solely and legally responsible for correctly characterizing this compensation for tax purposes and for
7 paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form 1099
8 to Plaintiff for the Enhancement Payment. Any portion of the requested Enhancement Payment that is
9 not awarded by the Court to Plaintiff shall be reallocated to the Net Settlement Amount for the benefit
10 of the Settlement Class Members.

11 11. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of
12 seventy-five thousand dollars (\$75,000.00) shall be allocated from the Gross Settlement Amount
13 toward penalties under the Private Attorneys General Act, California Labor Code Section 2698, *et seq.*
14 (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$56,250.00, will be paid to the
15 LWDA (i.e., the LWDA Payment) and twenty-five percent (25%), or \$18,750, will be distributed to
16 PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on the total number
17 of Pay Periods worked by each PAGA Employee during the PAGA Period (i.e., the Individual PAGA
18 Payments).

19 12. Settlement Administration Costs. The Settlement Administrator will be paid for the
20 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,
21 which is currently not to exceed eight thousand five hundred dollars (\$8,500.00). These costs, which
22 will be paid from the Gross Settlement Amount, subject to Court approval, will include, *inter alia*,
23 translating the Class Notice to Spanish, printing, distributing, and tracking Class Notices and other
24 documents for the Settlement, calculating and distributing payments due under the Settlement, issuing
25 of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances,
26 providing necessary reports and declarations, and other duties and responsibilities set forth herein to
27 process the Settlement, and as requested by the Parties. To the extent the actual Settlement
28 Administrator's costs are greater than the estimated amount stated herein, such excess amount will be

1 deducted from the Gross Settlement Amount, subject to approval by the Court. Any portion of the
2 estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required
3 to fulfill payment to the Settlement Administrator to undertake the required settlement administration
4 duties shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class
5 Members.

6 13. Escalator Clause. Defendant has represented that the Class Members worked a total of
7 23,173 Workweeks during the period from May 8, 2019, through February 9, 2024. If it is determined
8 by the Settlement Administrator that the total number of Workweeks worked by the Class Members
9 during the Class Period actually exceeds 23,173 by more than 10% (i.e., by more than 2,317 additional
10 Workweeks), then the Gross Settlement Amount will be increased on a *pro rata* basis equal to the
11 percentage increase in the number of Workweeks worked by the Class Members above the 10% buffer.
12 For example, if the number of Workweeks increases by 11% to 25,722 Workweeks, then the Gross
13 Settlement Amount will increase by 1%.

14 a. Alternative to Escalator. As an alternative to increasing the Gross Settlement Amount
15 pursuant to the Escalator Clause, Defendant in its sole discretion has the option to select
16 an earlier end date for the Class Period (and the release of Released Class Claims), by
17 selecting a Class Period end date which is one week prior to the date upon which the
18 Workweeks exceeds 25,490 (equivalent to 110% of 23,173).

19 14. Individual Settlement Share Calculations. Individual Settlement Shares will be
20 calculated and apportioned from the Net Settlement Amount based on the Class Members' number of
21 Workweeks, as follows:

22 a. After Preliminary Approval, the Settlement Administrator will divide the Net
23 Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek
24 Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value
25 to yield each Class Member's estimated Individual Settlement Share that each Class Member may be
26 entitled to receive under the Class Settlement.

27 b. After Final Approval, the Settlement Administrator will divide the final Net
28 Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Final Workweek

1 Value,” and multiply each Settlement Class Member’s individual Workweeks by the Final Workweek
2 Value to yield each Settlement Class Member’s final Individual Settlement Share.

3 15. Individual PAGA Payment Calculations. Individual PAGA Payments will be
4 calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees’
5 number of Pay Periods, as follows: The Settlement Administrator will divide the PAGA Employee
6 Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the
7 “Pay Period Value,” and multiply each PAGA Employee’s individual Pay Periods by the Pay Period
8 Value to yield each PAGA Employee’s Individual PAGA Payment.

9 16. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each
10 Individual Settlement Share will be allocated as follows: thirty percent (30%) wages and seventy
11 percent (70%) penalties, interest, and non-wage damages. The portion allocated to wages will be
12 reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages
13 will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement
14 Administrator will withhold the employee’s share of taxes and withholdings with respect to the wages
15 portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their
16 Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes
17 and withholdings). The Employer Taxes will be paid separately and in addition to the Gross Settlement
18 Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties
19 and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

20 17. Administration of Taxes by the Settlement Administrator. The Settlement
21 Administrator will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA
22 Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be
23 required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement
24 Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll
25 taxes and other legally required withholdings to the appropriate government authorities.

26 18. Tax Liability. Plaintiff, Class Counsel, Defendant, and Defendant’s Counsel do not
27 intend anything contained in this Settlement Agreement to constitute advice regarding taxes or
28 taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiff, Settlement

1 Class Members, and PAGA Employees are not relying on any statement, representation, or calculation
2 by Defendant, the Settlement Administrator, or Class Counsel in this regard. Plaintiff, Settlement Class
3 Members, and PAGA Employees understand and agree that Plaintiff, Settlement Class Members, and
4 PAGA Employees will be solely responsible for the payment of any taxes and penalties assessed on
5 the payments described in this Settlement Agreement. Plaintiff, Settlement Class Members, and PAGA
6 Employees should consult with their tax advisors concerning the tax consequences of any payment
7 they receive under the Settlement.

8 19. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT
9 (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
10 TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN
11 “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
12 SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE
13 BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISORS, IS
14 OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
15 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
16 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART
17 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY
18 UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE
19 (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B)
20 HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE
21 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
22 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
23 DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY
24 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
25 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION
26 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISOR’S
27 TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY
28 BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX

1 TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY
2 TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

3 20. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the
4 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually
5 are issued to the payee. It is expressly understood and agreed that payments made under this Settlement
6 shall not in any way entitle Plaintiff, Settlement Class Members, or any PAGA Employee to additional
7 compensation or benefits under any new or additional compensation or benefits, or any bonus, contest,
8 or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle
9 Plaintiff, Settlement Class Members, or any PAGA Employee to any increased retirement, 401K
10 benefits or matching benefits, or deferred compensation benefits (notwithstanding any contrary
11 language or agreement in any benefit or compensation plan document that might have been in effect
12 during the Class Period).

13 21. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.
14 Within a reasonable timeframe after execution of this Settlement Agreement, Plaintiff will obtain a
15 hearing date from the Court for Plaintiff's motion for preliminary approval of the Settlement, which
16 Plaintiff and Class Counsel will be responsible for drafting, and submit this Settlement Agreement to
17 the Court in support of said motion. Class Counsel will provide Defendant's Counsel a draft of the
18 preliminary approval motion before filing it with the Court. Defendant agrees not to oppose the motion
19 for preliminary approval of the Settlement consistent with this Settlement Agreement. By way of said
20 motion, Plaintiff will apply for the entry of the Preliminary Approval Order seeking the following:

- 21 a. Conditionally certifying the Class for settlement purposes only;
- 22 b. Granting Preliminary Approval of the Settlement;
- 23 c. Preliminarily appointing Plaintiff as the representative of the Class;
- 24 d. Preliminarily appointing Class Counsel as counsel for the Class;
- 25 e. Approving as to form and content, the mutually-agreed upon and proposed
26 Class Notice and directing its mailing by First Class U.S. Mail;
- 27 f. Approving the manner and method for Class Members to request exclusion
28 from or object to the Class Settlement as contained herein and within the Class Notice;

1 g. Scheduling a Final Approval Hearing at which the Court will determine whether
2 Final Approval of the Settlement should be granted.

3 22. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(1)(2),
4 Class Counsel shall notify the LWDA of the Settlement upon filing the motion for preliminary
5 approval of the Settlement.

6 23. Delivery of Class List. Within thirty (30) calendar days of Preliminary Approval,
7 Defendant will provide the Class List to the Settlement Administrator.

8 24. Notice by First-Class U.S. Mail.

9 a. Within seven (7) calendar days after receiving the Class List from Defendant,
10 the Settlement Administrator will perform a search based on the National Change of Address Database
11 or any other similar services available, such as provided by Experian, for information to update and
12 correct for any known or identifiable address changes, and will mail a Class Notice in English and
13 Spanish (in the form attached as **Exhibit A** to this Settlement Agreement) to all Class Members via
14 First-Class U.S. Mail, using the most current, known mailing addresses identified by the Settlement
15 Administrator.

16 b. Any Class Notice returned to the Settlement Administrator as undeliverable on
17 or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding
18 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on
19 the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly
20 attempt to determine the correct address using a skip-trace or other search, using the name, address,
21 and/or Social Security number of the Class Member, and perform a single re-mailing within five (5)
22 calendar days.

23 c. Compliance with the procedures described herein above shall constitute due and
24 sufficient notice to Class Members of the Settlement and shall satisfy the requirements of due process.
25 Nothing else shall be required of or done by the Parties, Class Counsel, or Defendant's Counsel to
26 provide notice of the Settlement.

27 25. Disputes Regarding Workweeks and/or Pay Periods. Class Members will have an
28 opportunity to dispute the number of Workweeks and/or Pay Periods which have been credited to

1 them, as reflected in their respective Class Notices, by submitting a timely and valid Workweeks
2 Dispute to the Settlement Administrator, by mail, postmarked on or before the Response Deadline.
3 The date of the postmark on the return mailing envelope will be the exclusive means to determine
4 whether a Workweeks Dispute has been timely submitted. Absent evidence rebutting the accuracy of
5 Defendant's records and data as they pertain to the number of Workweeks and/or Pay Periods to be
6 credited to a disputing Class Member, Defendant's records will be presumed to be correct and
7 determinative of the dispute. However, if a Class Member produces information and/or documents to
8 the contrary, the Settlement Administrator will evaluate the materials submitted by the Class Member
9 and the Settlement Administrator will resolve and determine the number of eligible Workweeks and/or
10 Pay Periods that the disputing Class Member should be credited with under the Settlement. The
11 Settlement Administrator's decision on such disputes will be final and non-appealable.

12 26. Requesting Exclusion from the Class Settlement. Any Class Member wishing to be
13 excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the
14 Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the
15 postmark on the return mailing envelope will be the exclusive means to determine whether a Request
16 for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class
17 Counsel and Defendant's Counsel the number of timely and valid Requests for Exclusion that are
18 submitted, and also identify the individuals who have submitted a timely and valid Request for
19 Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing.
20 At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members
21 to request exclusion from the Class Settlement. Any Class Member who submits a Request for
22 Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who
23 submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will
24 not be issued an Individual Settlement Payment. Any Class Member who does not affirmatively
25 request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion
26 will be bound by all of the terms of the Class Settlement, including and not limited to those pertaining
27 to the Released Class Claims, as well as any judgment that may be entered by the Court if it grants
28 Final Approval to the Settlement. Notwithstanding the above, all PAGA Employees will be bound to

1 the PAGA Settlement and will be issued their Individual PAGA Payment, irrespective of whether they
2 submit a Request for Exclusion.

3 27. Objecting to the Class Settlement. To object to the Class Settlement, Settlement Class
4 Members must submit a timely and complete Notice of Objection to the Settlement Administrator, by
5 mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing
6 envelope will be the exclusive means to determine whether a Notice of Objection has been timely
7 submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's
8 Counsel the number of Notices of Objection that are submitted (specifying which ones were timely
9 and complete and which were not), and also attach them to a declaration that is to be filed with the
10 Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel
11 seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or
12 appeal from the Final Approval Order and Judgment. Settlement Class Members, individually or
13 through counsel, may also present their objection orally at the Final Approval Hearing, regardless of
14 whether they have submitted a Notice of Objection.

15 28. Reports by the Settlement Administrator. The Settlement Administrator shall provide
16 weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed
17 Class Notices; (ii) the number of Class Members who have submitted Workweeks Disputes; (iii) the
18 number of Class Members who have submitted Requests for Exclusion; and (iv) the number of
19 Settlement Class Members who have submitted Notices of Objection. Additionally, the Settlement
20 Administrator will provide to counsel for the Parties any updated reports regarding the administration
21 of the Settlement Agreement as needed or requested, and immediately notify the Parties when it
22 receives a request from an individual or any other entity regarding inclusion in the Class and/or
23 Settlement or regarding a Workweeks Dispute.

24 29. Defendant's Right to Rescind. If more than five percent (5%) of the Class Members
25 submit timely and valid Requests for Exclusion, Defendant may elect to rescind the Settlement
26 Agreement. Defendant must exercise this right of rescission in writing that is provided to Class
27 Counsel within fourteen (14) calendar days of the Settlement Administrator notifying the Parties of
28 the number of Class Members who have submitted timely and valid Requests for Exclusion following

1 the Response Deadline. If Defendant exercises this option, Defendant shall pay any costs of settlement
2 administration owed to the Settlement Administrator incurred up to that date.

3 30. Certification of Completion. Upon completion of administration of the Settlement, the
4 Settlement Administrator will provide a written declaration under oath to certify such completion to
5 the Court and counsel for all Parties.

6 31. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After
7 the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final
8 Approval of the Settlement should be granted, along with the amounts properly payable for: (a)
9 Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys'
10 Fees and Costs; (e) Enhancement Payment; and (f) Settlement Administration Costs. The Final
11 Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline.
12 Plaintiff and Class Counsel will be responsible for drafting the motion seeking Final Approval of the
13 Settlement. Class Counsel will provide Defendant's Counsel a draft of the final approval motion
14 before filing it with the Court. By way of said motion, Plaintiff will apply for the entry of the Final
15 Approval Order and Judgment, which will provide for, in substantial part, the following:

- 16 a. Approval of the Settlement as fair, reasonable, and adequate, and directing
17 consummation of its terms and provisions;
- 18 b. Certification of the Settlement Class;
- 19 c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
- 20 d. Approval of the application for Enhancement Payment to Plaintiff;
- 21 e. Directing Defendant to fund all amounts due under the Settlement Agreement
22 and ordered by the Court; and
- 23 f. Entering judgment in the Action, while maintaining continuing jurisdiction, in
24 conformity with California Rules of Court 3.769 and the Settlement Agreement.

25 32. Funding of the Gross Settlement Amount. No later than twenty (20) business days
26 after the Effective Date, Defendant will deposit the Gross Settlement Amount into a Qualified
27 Settlement Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B-1, *et seq.*, to be
28 established by the Settlement Administrator. Defendant shall provide all information necessary for

1 the Settlement Administrator to calculate necessary payroll taxes including its official name, 8-digit
2 state unemployment insurance tax ID number, and other information requested by the Settlement
3 Administrator, no later than twenty (20) business days after the Effective Date.

4 33. Distribution of the Gross Settlement Amount. Within five (5) business days of the
5 funding of the Gross Settlement Amount, the Settlement Administrator will issue the Individual
6 Settlement Payments to Settlement Class Members, Individual PAGA Payments to PAGA Employees,
7 LWDA Payment to the LWDA, Enhancement Payment to Plaintiff, Attorneys' Fees and Costs to Class
8 Counsel, and Settlement Administration Costs to itself. The Settlement Administrator shall also set
9 aside the Employer Taxes and all employee-side payroll taxes, contributions, and withholding, and
10 timely forward these to the appropriate government authorities.

11 34. Settlement Checks. The Settlement Administrator will be responsible for undertaking
12 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way
13 of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the
14 PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the
15 Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA
16 Payment into one check if the intended recipient for both payments is one individual. Settlement Class
17 Members and PAGA Employees are not required to submit a claim to be issued an Individual
18 Settlement Payment and/or Individual PAGA Payment. Each Individual Settlement Payment and
19 Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180)
20 calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds
21 associated with such canceled checks shall be distributed by the Settlement Administrator to the State
22 of California's Unclaimed Property Fund in the name of the Settlement Class Member and/or PAGA
23 Employee. The Parties agree that this disposition results in no "unpaid residue" under California Civil
24 Procedure Code §384, as the entire Net Settlement Amount will be paid out to Settlement Class
25 Members, whether or not they cash their settlement checks. Therefore, Defendant will not be required
26 to pay any interest on such amounts. The Settlement Administrator shall undertake amended and/or
27 supplemental tax filings and reporting required under applicable local, state, and federal tax laws that
28 are necessitated due to the cancelation of any Individual Settlement Payment and/or Individual PAGA
Payment checks. Settlement Class Members whose Individual Settlement Payment checks are

1 canceled shall, nevertheless, be bound by the Class Settlement, and PAGA Employees whose
2 Individual PAGA Payment checks are cancelled shall, nevertheless, be bound by the PAGA
3 Settlement.

4 35. Class Settlement Release. Upon the Effective Date and full funding of the Gross
5 Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally,
6 and forever released, settled, compromised, relinquished, and discharged the Released Parties of all
7 Released Class Claims.

8 36. PAGA Settlement Release. Upon the Effective Date and full funding of the Gross
9 Settlement Amount, Plaintiff, the State of California with respect to all PAGA Employees, and all
10 PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised,
11 relinquished, and discharged the Released Parties of all Released PAGA Claims.

12 37. Plaintiff's General Release. Upon the Effective Date and full funding of the Gross
13 Settlement Amount, Plaintiff, individually and on her own behalf, will be deemed to have fully, finally,
14 and forever released, settled, compromised, relinquished, and discharged the Released Parties from
15 any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees,
16 damages, or causes of action of any kind or nature whatsoever, known or unknown, suspected or
17 unsuspected, asserted or unasserted, which Plaintiff, at any time of execution of this Settlement
18 Agreement, had or claimed to have or may have, including but not limited to any and all claims arising
19 out of, relating to, or resulting from her employment and/or separation of employment with the
20 Released Parties, including any claims arising under any federal, state, or local law, statute, ordinance,
21 rule, or regulation or Executive Order relating to employment, including, but in no way limited to, any
22 claim under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 1981; the Americans
23 with Disabilities Act; the Family and Medical Leave Act; the Employee Retirement Income Security
24 Act; the California Family Rights Act; the California Fair Employment and Housing Act; all claims
25 for wages or penalties under the Fair Labor Standards Act; all claims for wages or penalties under the
26 California Labor Code; Business and Professions Code sections 17200 *et seq.*; all laws relating to
27 violation of public policy, retaliation, or interference with legal rights; any and all other employment
28 or discrimination laws; whistleblower claims; any tort, fraud, or constitutional claims; and any breach

1 of contract claims or claims of promissory estoppel. It is agreed that this is a general release and is to
2 be broadly construed as a release of all claims, provided that, notwithstanding the foregoing, this
3 paragraph expressly does not include a release of any claims that cannot be released hereunder by law.
4 Plaintiff understands and expressly agrees that this Settlement Agreement extends to claims that she
5 has against Defendant, of whatever nature and kind, known or unknown, suspected or unsuspected,
6 vested or contingent, past, present, or future, arising from or attributable to an incident or event,
7 occurring in whole or in part, on or before the execution of this Settlement Agreement. Any and all
8 rights granted under any state or federal law or regulation limiting the effect of this Settlement
9 Agreement, including the provisions of Section 1542 of the California Civil Code, ARE HEREBY
10 EXPRESSLY WAIVED. Section 1542 of the California Civil Code reads as follows:

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

16 38. Final Approval Order and Judgment. The Parties shall provide the Settlement
17 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,
18 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for
19 sixty (60) calendar days. No individualized notice of the Final Approval Order and Judgment to the
20 Class will be required.

21 39. Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the
22 Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and
23 Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the
24 interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters,
25 and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this
26 Settlement Agreement.

27 40. Effects of Termination or Rescission of Settlement. Termination or rescission of the
28 Settlement Agreement shall have the following effects:

1 a. The Settlement Agreement shall be void and shall have no force or effect, and
2 no Party shall be bound by any of its terms;

3 b. In the event the Settlement Agreement is terminated, Defendant shall have no
4 obligation to make any payments to any Party, Class Member, or attorney, except that the terminating
5 Party shall pay the Settlement Administrator for services rendered up to the date the Settlement
6 Administrator is notified that the Settlement has been terminated;

7 c. The Preliminary Approval Order, Final Approval Order and Judgment,
8 including any order certifying the Class, shall be vacated;

9 d. The Settlement Agreement and all negotiations, statements, and proceedings
10 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be
11 restored to their respective positions in the Action prior to the execution of the Settlement Agreement;

12 e. Neither this Settlement Agreement, nor any ancillary documents, actions,
13 statements, or filings in furtherance of the Settlement (including all matters associated with the
14 mediation) shall be admissible or offered into evidence in the Action or any other action for any
15 purpose whatsoever; and

16 f. Any documents generated to bring the Settlement into effect, will be null and
17 void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will
18 likewise be treated as void from the beginning.

19 41. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
20 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
21 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause
22 of action or right herein released and discharged.

23 42. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set
24 forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein.
25 Any exhibits to this Settlement Agreement are an integral part of the Settlement.

26 43. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the
27 entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all
28 prior or contemporaneous agreements, understandings, representations, and statements, whether oral
or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or

1 contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties
2 expressly recognize California Civil Code § 1625 and California Code of Civil Procedure § 1856(a),
3 which provide that a written agreement is to be construed according to its terms and may not be varied
4 or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written
5 representations or terms will modify, vary, or contradict the terms of this Settlement Agreement.

6 44. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in
7 the Action (including with respect to California Code of Civil Procedure § 583.310), except such
8 proceedings necessary to implement and complete this Settlement Agreement, pending the Final
9 Approval Hearing to be conducted by the Court.

10 45. Amendment or Modification. Prior to the filing of the motion for preliminary approval
11 of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement
12 except by written agreement signed by counsel for all Parties. After the filing of the motion for
13 preliminary approval of the Settlement, the Parties may not amend or modify any provision of this
14 Settlement Agreement except by written agreement signed by counsel for all the Parties and subject
15 to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not
16 constitute a waiver of any other provision.

17 46. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
18 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
19 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
20 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
21 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
22 full authority to enter into this Settlement Agreement, and further intend that this Settlement
23 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible
24 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation
25 confidentiality provisions that otherwise might apply under state or federal law.

26 47. Signatories. It is agreed that because the members of the Class are so numerous, it is
27 impossible or impractical to have each Settlement Class Member or PAGA Employee execute this
28 Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the
Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement
as to the PAGA Employees, and the releases provided for by this Settlement Agreement shall have

1 the same force and effect as if this Settlement Agreement were executed by each Settlement Class
2 Member and PAGA Employee.

3 48. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
4 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

5 49. California Law Governs. All terms of this Settlement Agreement and attached exhibits
6 hereto will be governed by and interpreted according to the laws of the State of California.

7 50. Execution and Counterparts. This Settlement Agreement is subject only to the
8 execution of all Parties. However, this Settlement Agreement may be executed in one or more
9 counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned
10 copies of the signature page, will be deemed to be one and the same instrument.

11 51. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
12 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at
13 this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into
14 account all relevant factors, present and potential. The Parties further acknowledge that they are each
15 represented by competent counsel and that they have had an opportunity to consult with their counsel
16 regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to
17 obtain approval of the Settlement, the Mediator may execute a declaration supporting the Settlement
18 and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to
19 discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

20 52. Invalidity of Any Provision. Before declaring any provision of this Settlement
21 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
22 possible consistent with applicable precedents so as to define all provisions of this Settlement
23 Agreement valid and enforceable.

24 53. Plaintiff's Cooperation. Plaintiff agrees to sign this Settlement Agreement and, by
25 signing this Settlement Agreement, is hereby bound by the terms herein and agrees to fully cooperate
26 to implement the Settlement.

27 54. Non-Admission of Liability. The Parties enter into this Settlement Agreement to
28 resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of

1 continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and
2 specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines
3 promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements;
4 breached any contract; violated or breached any duty; engaged in any misrepresentation or deception;
5 or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement
6 Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be
7 construed as an admission or concession by Defendant of any such violations or failures to comply
8 with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement
9 Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received
10 as evidence in any action or proceeding to establish any liability or admission on the part of Defendant
11 or to establish the existence of any condition constituting a violation of, or a non-compliance with,
12 federal, state, local or other applicable law.

13 55. Captions. The captions and paragraph numbers in this Settlement Agreement are
14 inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or
15 intent of the provisions of this Settlement Agreement.

16 56. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
17 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be
18 construed more strictly against one Party than another merely by virtue of the fact that it may have
19 been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length
20 negotiations between the Parties, all Parties have contributed equally to the preparation of this
21 Settlement Agreement.

22 57. Representation By Counsel. The Parties acknowledge that they have been represented
23 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
24 that this Settlement Agreement has been executed with the consent and advice of counsel, and
25 reviewed in full.

26 58. All Terms Subject to Final Court Approval. All amounts and procedures described in
27 this Settlement Agreement herein will be subject to final Court approval.

28 59. Notices. All notices, demands, and other communications to be provided concerning

1 the Settlement Agreement shall be in writing and deemed to have been duly given as of the third
2 business day after mailing by First Class U.S. Mail, or the day sent by email or messenger, addressed
3 as follows:

4 To Plaintiff and Class Counsel:

5 Jonathan M. Genish
6 jgenish@blackstonepc.com
7 Barbara DuVan-Clarke
8 BDC@blackstonepc.com
9 Alexander K. Spellman
10 aspellman@blackstonepc.com
11 **BLACKSTONE LAW, APC**
12 8383 Wilshire Boulevard, Suite 745
13 Beverly Hills, California 90211
14 Tel: (310) 622-4278 / Fax: (855) 786-6356

15 To Defendant:

16 P. Dustin Bodaghi, Bar No. 271501
17 dbodaghi@littler.com
18 LITTLER MENDELSON, P.C.
19 18565 Jamboree Road, Suite 800
20 Irvine, California 92612
21 Telephone: 949.705.3000
22 Fax No.: 949.724.1201

23 60. Cooperation and Execution of Necessary Documents. All Parties and their counsel will
24 cooperate with each other in good faith and use their best efforts to implement the Settlement,
25 including and not limited to, executing all documents to the extent reasonably necessary to effectuate
26 the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or
27 content of any document needed to implement the Settlement Agreement, or on any supplemental
28 provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties
may seek the assistance of the Mediator and then the Court to resolve such disagreement.

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IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendant:

IT IS SO AGREED.

PLAINTIFF

Dated: _____

Rita Ray

DEFENDANT

Dated: 06/03/2024

Alexander Rossel

Full Name: Alexander R. Rossel


Title: Chief Executive Officer
On behalf of Families Together of Orange County

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IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendant:

IT IS SO AGREED.

Dated: 06042024

PLAINTIFF


Rita Ray

DEFENDANT

Dated: _____

Full Name: _____

Title: _____
On behalf of Families Together of Orange
County