

1 JAMES HAWKINS APLC
 James R. Hawkins, Esq. (#192925)
 2 Gregory Mauro, Esq. (#222239)
 Michael Calvo, Esq. (#314986)
 3 Lauren Falk, Esq. (#316893)
 4 Ava Issary, Esq. (#342252)
 9880 Research Drive Suite 200
 5 Irvine CA 92618
 Tel.: (949) 387-7200
 6 Fax: (949) 387-6676
 7 Email: James@jameshawkinsaplc.com
 Email: Greg@jameshawkinsaplc.com
 8 Email: Michael@jameshawkinsaplc.com
 Email: Lauren@jameshawkinsaplc.com
 9 Email: Ava@jameshawkinsaplc.com

10 Attorneys for Plaintiff, the Putative Class,
 11 the State of California, and Aggrieved Employees
 12 (Additional Counsel on Next Page)

13 SUPERIOR COURT OF THE STATE OF CALIFORNIA
 14 FOR THE COUNTY OF SACRAMENTO

15 DANIELLE ERVIN, individually and on
 behalf of all others similarly situated,

16 Plaintiff,

17
 18 v.

19 WELCOME SACRAMENTO LLC,
 20 a California Limited Liability Company dba
 Courtyard by Marriott Sacramento Cal Expo
 21 and DBA Fairfield Inn Sacramento Cal-Expo;
 WELCOME GROUP MANAGEMENT, LLC,
 22 a California Limited Liability Company; and
 WELCOME GROUP, INC., a California
 23 Corporation and DOES 1-50, inclusive,

24 Defendants.

Case No. 34-2023-00332108

ASSIGNED FOR ALL PURPOSES TO:
 HON. JILL TALLEY, DEPT. 23

**SETTLEMENT AGREEMENT AND
 STIPULATION TO RESOLVE CLASS
 ACTION AND PAGA CLAIMS**

1 LINDA M. MORONEY (SBN: 172668)
NATALIE B. FUJIKAWA (SBN: 258724)
2 GORDON REES SCULLY MANSUKHANI, LLP
3 3 Parkcenter Drive, Suite 200
Sacramento, CA 95825
4 Telephone: (916) 565-2900
Facsimile: (916) 920-4402
5 lmoroney@grsm.com
nfujikawa@grsm.com
6

7 Attorneys for Defendants
WELCOME SACRAMENTO, LLC;
8 WELCOME GROUP MANAGEMENT, LLC; and
WELCOME GROUP, INC.
9

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 This Settlement Agreement and Stipulation to Resolve Class Action and PAGA Claims (the
2 **“Settlement Agreement,” “Agreement,” or “Settlement”**) is entered into to resolve the following
3 actions: (1) *Danielle Ervin, et al. v. Welcome Sacramento LLC, et al.* Sacramento County Superior
4 Court Case No. 34-2022-00332108 (the **“Class Action”**); and (2) *Danielle Ervin, et al. v. Welcome*
5 *Sacramento LLC, et al.*, Sacramento County Superior Court Case No. 34-2023-00335704 (the
6 **“PAGA Action”**) (collectively, the **“Actions”**). This agreement is entered into between Plaintiff
7 DANIELLE ERVIN (**“Plaintiff”**) and Defendants WELCOME SACRAMENTO, LLC;
8 WELCOME GROUP MANAGEMENT, LLC; and WELCOME GROUP, INC. (**“Defendants”**)
9 (Plaintiff and Defendants are collectively referred to as the **“Parties”**).

10 DEFINITIONS

- 11 1. Actions. **“Actions”** mean the Class Action and the PAGA Action.
- 12 2. Aggrieved Employees. **“Aggrieved Employees”** means all individuals who are or
13 previously were employed by Defendants as non-exempt California employees during the PAGA
14 Period. Defendants represent there are approximately 214 Aggrieved Employees during the PAGA
15 Period who worked approximately 3,818 Pay Periods during the PAGA Period.
- 16 3. Agreement or Settlement or Settlement Agreement. **“Agreement” or “Settlement”**
17 or **“Settlement Agreement”** means this Settlement Agreement and Stipulation To Resolve Class
18 Action and PAGA Claims, entered into by the Parties to resolve the Actions.
- 19 4. Attorneys’ Fees and Costs. **“Attorneys’ Fees and Costs”** means the amount
20 authorized by the Court for: (i) an award of attorneys’ fees to Class Counsel for litigation and
21 resolution of the matter, in the amount that does not exceed 33 1/3% percent of the Gross Settlement
22 Amount; and (ii) reimbursement of actual costs incurred by Class Counsel in connection with the
23 Actions, in an amount to not to exceed \$283,305.00.
- 24 5. Class Counsel. **“Class Counsel”** means James R. Hawkins, Gregory Mauro,
25 Michael Calvo, Lauren Falk, and Ava-Issary of JAMES HAWKINS APLC.
- 26 6. Class or Class Members. **“Class” or “Class Members”** means all persons who have
27 been employed by Defendants as Non-Exempt Employees or equivalent positions however titled in
28 the state of California during the Class Period. Defendants represent there are approximately 344

1 Class Members who worked during the Class Period through approximately February 7, 2024.

2 7. Class Notice. “**Class Notice**” means the Notice of Class Action Settlement, attached
3 as **Exhibit A** to this Agreement, or a substantially similar notice approved by the Court.

4 8. Class Period. “**Class Period**” means the period from December 28, 2018, through
5 the earlier date of either 90 days after full execution of this settlement agreement or the date the
6 Court enters the Preliminary Approval Order.

7 9. Court. “**Court**” means the Sacramento County Superior Court, where the Actions
8 are currently pending.

9 10. Defendants. “**Defendants**” means WELCOME SACRAMENTO, LLC;
10 WELCOME GROUP MANAGEMENT, LLC; and WELCOME GROUP, INC.

11 11. Effective Date. The “**Effective Date**” of this Agreement will be the later of (i) the
12 61st day after service of notice of entry of the Final Order and Final Judgment, if no appeal, review,
13 or writ has been filed; or (ii) if an appeal, review, or writ is sought from the Final Order or Final
14 Judgment, the day after the Final Order and Final Judgment are affirmed or the appeal, review, or
15 writ is dismissed or denied, and the Final Order and Final Judgment are no longer subject to further
16 judicial review. The Effective Date is conditioned upon the Court’s having entered a Final Order
17 and Judgment as set forth in this Agreement.

18 12. Employer’s Taxes. “**Employer’s Taxes**” means Defendants’ share of the payroll
19 taxes associated with the wage portion of the Individual Settlement Payments, which Defendants
20 will pay separately from the Gross Settlement Amount.

21 13. Enhancement Award. “**Enhancement Award**” means the amount the Court
22 authorizes to be paid to Named Plaintiff in addition to their Individual Settlement Payment, in
23 recognition of their effort and work in prosecution of the Actions, up to \$10,000.00.

24 14. Final Hearing Date. “**Final Hearing Date**” means the date set by the Court for the
25 hearing on final approval of the Settlement.

26 15. Final Order and Judgment. “**Final Order and Judgment**” means the proposed order
27 granting final approval of the Settlement and the separate proposed judgment, which Plaintiff will
28 submit to the Court with the motion for final approval of the Settlement.

1 16. General Release Named Plaintiff Only. “**General Release**” means the general
2 release of all claims as set forth in Paragraphs 47-48.

3 17. Gross Settlement Amount. “**Gross Settlement Amount**” means the total settlement
4 payment Defendants have agreed to make under this Agreement. The Gross Settlement Amount is
5 \$850,000.00.

6 18. Individual PAGA Payment. “**Individual PAGA Payment**” means a payment to an
7 Aggrieved Employee of the employee’s share of the PAGA Payment as set forth in this Agreement.

8 19. Individual Settlement Payment. “**Individual Settlement Payment**” means the
9 individual settlement payment allocated to each Participating Class Member and/or Aggrieved
10 Employee as set forth in this Agreement and consists of the Participating Class Member Payment
11 and the Individual PAGA Payment to the extent an employee is eligible.

12 20. Named Plaintiff. “**Named Plaintiff**” means DANIELLE ERVIN.

13 21. Notice Period. “**Notice Period**” means the time period commencing on the date the
14 Class Notice is mailed to Class Members and ending 60 days thereafter unless a notice is remailed
15 to a Class Member, in which case, the Notice Period shall end either 60 days after mailing or 45
16 days after re mailing, whichever is later.

17 22. Net Class Settlement Amount. “**Net Class Settlement Amount**” means the
18 settlement amount to be distributed to Participating Class Members, which is the Gross Settlement
19 Amount less Attorneys’ Fees and Costs, the Enhancement Award, the PAGA Amount, and
20 Settlement Administration Costs.

21 23. PAGA Claims. “**PAGA Claims**” means, for the PAGA Period, claims for penalties
22 under the California Private Attorneys’ General Act (California Labor Code § 2698, *et seq.*) that (a)
23 arise from the facts, matters, transactions or occurrences alleged in the Actions or that could have
24 been alleged in the Actions based on such facts; and/or (b) arise from the facts, matters, transactions
25 or occurrences alleged, or that could have been alleged, in the PAGA Notice Letters sent by the
26 Named Plaintiff to the Labor and Workforce Development Agency (“LWDA”) pursuant to Labor
27 Code section 2699.3 on or about December 28, 2022 asserting that Defendants violated various
28 provisions of the Labor Code. Without limiting the foregoing, and in addition to the foregoing, the

1 PAGA Claims include claims premised on the failure to pay minimum and overtime wages, failure
2 to provide meal periods, failure to provide rest periods, failure to pay all wages earned and owed
3 upon separation from Defendants' employ, failure to pay wages timely during employment, failure
4 to provide accurate itemized wage statements, failure to reimburse necessary business expenses,
5 improper use of consumer credit reports, failure to provide suitable seating, failure to pay reporting
6 time pay, and issuing payment of wages in the form of a non-labor code-compliant instrument;
7 violations of California Labor Code §§ 201-204, 212, 213, 226, 510, 558, 226.3, 1174, 1174.5, 1175,
8 1194, 1197, 1197.1, 1198, 2802, 1024.5; in connection with the allegations in the LWDA Notices
9 and Operative Complaint; and related violations of the applicable California Wage Orders and
10 California Code of Regulations, Title 8, section 11000 *et seq.* The PAGA Claims excludes claims
11 for vested benefits, wrongful termination, unemployment insurance, disability, social security,
12 workers' compensation claims, FEHA-related claims for retaliation, discrimination or harassment,
13 and any claims outside of the PAGA Period.

14 24. PAGA Amount. "**PAGA Amount**" means the amount of \$50,000.00, which
15 represents the portion of the Gross Settlement Amount allocated to the settlement of the PAGA
16 Claims. The PAGA Amount is paid from the Gross Settlement Amount, and will be allocated as
17 set forth in this Agreement. The Parties agree that 75% of the PAGA Amount (\$37,500.00) will be
18 paid to the LWDA as the "**LWDA Payment**," and the remaining 25% (\$12,500.00) will be allocated
19 to the Aggrieved Employees as the "**PAGA Payment**."

20 25. PAGA Period. "**PAGA Period**" means the period from December 28, 2021, through
21 the earlier date of either 90 days after full execution of this settlement agreement or the date the
22 Court enters the Preliminary Approval Order.

23 26. Parties. "**Parties**" means the Defendants and the Named Plaintiff, individually and
24 on behalf of all Class Members and Aggrieved Employees. Each of the Parties may be referred to
25 in the singular as a "**Party**."

26 27. Participating Class Member. "**Participating Class Member**" means each Class
27 Member who has not timely opted out of the Settlement pursuant to this Agreement; "**Settlement**
28 **Class**" means a class of all Participating Class Members.

1 28. Participating Class Member Payment. “**Participating Class Member Payment**”
2 means the *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to
3 receive under the Class Settlement, to be calculated in accordance with Paragraph 52.f., which is
4 inclusive of the employee’s share of taxes and withholdings with respect to the wages portion of
5 the Participating Class Member Payment.

6 29. Preliminary Approval Order. “**Preliminary Approval Order**” means an order from
7 the Court preliminarily approving this Settlement.

8 30. Released Parties. “**Released Parties**” means and includes WELCOME
9 SACRAMENTO, LLC; WELCOME GROUP MANAGEMENT, LLC; and WELCOME GROUP,
10 INC. and its respective current and former parents, predecessors or successors, holding companies,
11 owners, subsidiaries, divisions, and affiliated or related persons or entities, and each of their
12 respective officers, directors, managers, employees, insurers, partners, shareholders, members,
13 attorneys, agents, executors, and assigns.

14 31. Released Claims. “**Released Claims**” means, for the duration of the Class Period,
15 any and all claims, actions, or causes of action against Defendants and the other Released Parties
16 (a) that are alleged in the operative complaint; and/or (b) that could have been alleged in the
17 operative complaint based upon or arising out of the facts alleged therein, except those arising under
18 PAGA. Without limiting the foregoing, and in addition to the foregoing, the Released Claims
19 include claims premised on the failure to pay minimum and overtime wages, failure to provide meal
20 periods, failure to provide rest periods, failure to pay all wages earned and owed upon separation
21 from Defendants’ employ, failure to pay wages timely during employment, failure to provide
22 accurate itemized wage statements, failure to reimburse necessary business expenses, improper use
23 of consumer credit reports, failure to pay reporting time pay, and issuing payment of wages in the
24 form of a non-labor code-compliant instrument; unfair business practices; violations of California
25 Labor Code §§ 201-204, 212, 213, 226, 510, 558, 226.3, 1174, 1174.5, 1175, 1194, 1197, 1197.1,
26 1198, 2802, 1024.5; related violations of the applicable California Wage Orders; violations of the
27 Fair Credit Reporting Act, violations of all related or corresponding federal laws; and violations of
28 California Business and Professions Code section 17200, *et seq.* in connection with the alleged

1 Labor Code violations alleged (or that could be alleged based on the facts pled) in the Actions. The
2 Released Claims excludes claims for workers' compensation claims and any claims outside of the
3 Class Period.

4 32. Settlement Administration Costs. "**Settlement Administration Costs**" means the
5 costs of settlement administration, including costs of notice to Class Members, distributing
6 settlement payments, and any other fees and costs incurred or charged by the Settlement
7 Administrator in connection with the execution of its duties under this Settlement.

8 33. Settlement Administrator. "**Settlement Administrator**" means APEX Class Action
9 Administrators, or such other third-party administrator chosen by the Parties and approved by the
10 Court.

11 34. Settlement Hearing. "**Settlement Hearing**" means the hearing on the Final Hearing
12 Date at which the Court will determine whether to fully and finally approve the fairness and
13 reasonableness of this Agreement.

14 **RECITALS**

15 35. On December 28, 2022, Named Plaintiff submitted a PAGA Notice to the LWDA.

16 36. On December 28, 2022, Named Plaintiff filed the Class Action against Defendants
17 in a case entitled *Danielle Ervin, et al. v. Welcome Sacramento LLC, et al.* Sacramento County
18 Superior Court Case No. 34-2022-00332108.

19 37. On March 6, 2023, Named Plaintiff filed the PAGA Action against Defendants in a
20 case entitled *Danielle Ervin, et al. v. Welcome Sacramento LLC, et al.*, Sacramento County Superior
21 Court Case No. 34-2023-00335704.

22 38. The Class Action and PAGA Actions allege that Defendants violated various wage-
23 and-hour laws, including: (1) failure to pay wages including overtime as required by Labor Code
24 §§ 510 and 1194; (2) failure to provide meal periods as required by Labor Code §§ 226.7, 512 and
25 IWC Wage Orders; (3) failure to provide rest periods as required by Labor Code §§ 226.7, 512; (4)
26 failure to pay timely wages required by Labor Code § 203; (5) failure to timely pay wages during
27 employment required by Labor Code § 204; (6) failure to provide accurate wage statements required
28 by Labor Code §§ 226, 226.3, 558.1; (7) failure to reimburse necessary business expenses as

1 required by Labor Code § 2802; (8) failure to provide suitable seating; (9) failure to pay reporting
2 time pay; (10) improper use of consumer credit report in violation of labor code section § 1024.5;
3 (11) issuing payment of wages in the form of a non-labor code-compliant instrument; (12) violation
4 of Business & Professions Code § 17200, et seq.; and (13) penalties pursuant to the California
5 Private Attorneys General Act.

6 39. In preparation for the mediation Defendants provided Class Counsel with hire and
7 term dates for all employees, time and payroll records and relevant policies for Class Members
8 during the Class Period.

9 40. On February 6, 2024, the Parties participated in mediation with Louis Marlin (the
10 **“Mediator”**), a respected mediator of complex wage-and-hour actions, and with the assistance of
11 the Mediator’s evaluations, the Parties reached the settlement that is memorialized in this
12 Agreement.

13 41. Defendants deny that they engaged in any misconduct in connection with the wage-
14 and-hour practices associated with the Class Members (inclusive of the Aggrieved Employees).
15 Defendants further deny that they have any liability of any kind associated with the claims alleged
16 in the Actions. Defendants contend that they have complied with both federal and state wage-and-
17 hour laws, and all other laws regulating its relationship with the Class Members and the Aggrieved
18 Employees, including the Named Plaintiff.

19 42. Class Counsel has investigated the facts relating to the Actions. Settlement
20 discussions were conducted at arm’s length during a full-day mediation with a neutral third-party
21 mediator, and the Settlement is the result of an informed and detailed analysis of Defendants’
22 potential liability and exposure in relation to the costs and risks associated with continued litigation.
23 Based on the documents and data produced, as well as Class Counsel’s own independent
24 investigation and evaluation, Class Counsel believes that the Settlement documented by this
25 Settlement Agreement is fair, reasonable, and adequate, and in the best interest of the Class in light
26 of all known facts and circumstances, including the risk of significant delay and defenses asserted
27 to the merits of the Actions. While Defendants specifically deny any liability in the Actions,
28 Defendants have agreed to enter into this Settlement to avoid the costs associated with defending

1 the Actions.

2 43. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of
3 any other pending matter or action asserting claims that will be extinguished or affected by the
4 Settlement Agreement.

5 **TERMS AND CONDITIONS**

6 NOW, THEREFORE, in consideration of the recitals listed above and the promises and
7 warranties set forth below, and intending to be legally bound and acknowledging the sufficiency of
8 the consideration and undertakings set forth below, Named Plaintiff, individually and on behalf of
9 the Class Members, Aggrieved Employees, and, to the extent permitted by law, the State of
10 California, and Defendants agrees that the Actions shall be and are finally and fully compromised
11 and settled on the following terms and conditions:

12 44. Non-Admission Of Liability. The Parties enter into this Agreement to resolve the
13 dispute that has arisen between them and to avoid the burden, expense and risk of continued
14 litigation. In entering into this Agreement, Defendants and the other Released Parties do not admit,
15 and specifically deny, that they have violated any federal, state, or local law; violated any regulations
16 or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal
17 requirements; breached any contract; violated or breached any duty; engaged in any
18 misrepresentation or deception; or engaged in any other unlawful conduct with respect to the Class
19 or the Aggrieved Employees. Neither this Agreement, nor any of its terms or provisions, nor any
20 of the negotiations connected with it, shall be construed as an admission or concession by
21 Defendants or any of the other Released Parties of any such violations or failures to comply with
22 any applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement,
23 this Agreement and its terms and provisions shall not be offered or received as evidence in any
24 action or proceeding to establish any liability or admission on the part of Defendants or to establish
25 the existence of any condition constituting a violation of, or a non-compliance with, federal, state,
26 local or other applicable law.

27 45. Conditional Nature Of Settlement. For settlement purposes *only*, the Parties agree
28 that (a) a class may be certified in the Actions pursuant to California Code of Civil Procedure Section

1 382, and (b) the Actions may proceed as a PAGA representative action.

2 a. The Parties intend their settlement to be contingent upon the preliminary and
3 final approval of each and every term of this Agreement, without material modification. The Parties
4 and their respective counsel shall use their respective best efforts to obtain Court approval and
5 implement this Agreement in accordance with its terms. If the Court does not approve this
6 Agreement, the Parties agree to meet and confer to address the Court's concerns. If the Parties are
7 unable to agree upon a resolution, the Parties agree to refer their dispute to the Mediator for informal
8 assistance in seeking a resolution. If thereafter the Parties are unable to resolve the dispute, the
9 Parties intend this Agreement to become null and void, and unenforceable, in which event the
10 settlement terms set forth in this Agreement, including any modifications made with the consent of
11 the Parties, and any action taken or to be taken in connection with this Agreement shall be terminated
12 and shall become null and void and have no further force or effect, and the class certified for
13 settlement purposes pursuant to this Agreement will be decertified for all purposes.

14 b. In the event the Court does not grant preliminary or final approval of the
15 Parties' settlement, or in the event that this Agreement shall terminate or the settlement embodied
16 in this Agreement does not become effective for any reason, the Agreement and all negotiations,
17 court orders and proceedings relating to the Agreement shall be without prejudice to the rights of
18 the Named Plaintiff, Class Members, Aggrieved Employees, and Defendants, each of whom shall
19 be restored to their respective positions existing prior to the execution of this Agreement, and
20 evidence relating to the Agreement and all negotiations shall not be discoverable or admissible in
21 the Actions or any other litigation. Defendants does not waive, and instead expressly reserves, its
22 rights to challenge the propriety of class certification and/or the Actions proceeding on a
23 representative basis for any purpose should the Court not grant preliminary or final approval of the
24 Parties' settlement.

25 46. Participating Class Members' Release Of Claims. Upon the funding of the Gross
26 Settlement Amount and the Employer's Taxes necessary to effectuate the Settlement to the
27 Settlement Administrator, the Named Plaintiff and all Participating Class Members shall be deemed
28 to have fully, finally, and forever released, settled, compromised, relinquished and discharged any

1 and all of the Released Parties from the Released Claims that arose during the Class Period.

2 a. This release by the Named Plaintiff and each Participating Class Member is
3 intended to settle any and all of the Released Claims that any of them may have against Defendants
4 or any of the Released Parties during the Class Period.

5 b. Because it is impossible or impracticable to have each Class Member execute
6 this Agreement, the Class Notice will advise all Class Members of the binding nature of the release
7 and such notice will have the same force and effect as if the Agreement were executed by each Class
8 Member.

9 47. Aggrieved Employees' Release of PAGA Claim. In exchange for the PAGA
10 Amount recited in this Agreement, the Named Plaintiff, as the representatives for the State of
11 California and all Aggrieved Employees (to the extent permitted by law), and on behalf of their
12 current, former, and future heirs, executors, administrators, attorneys, agents, and assigns will, upon
13 payment of the Gross Settlement Amount and the Employer's Taxes necessary to effectuate the
14 settlement to the Settlement Administrator, forever completely release and discharge Defendants
15 and each of the Released Parties from the PAGA Claims that arose during the PAGA Period. The
16 Aggrieved Employees and the State of California will be deemed by operation of the Final Order
17 and Judgment to have agreed not to sue or otherwise make a claim against Defendants and any of
18 the Released Parties for the PAGA Claims that arose during the PAGA Period, to the extent
19 permissible by law.

20 48. Full Release By The Named Plaintiff. Upon payment of the Gross Settlement
21 Amount and the Employer's Taxes necessary to effectuate the settlement to the Settlement
22 Administrator, the Named Plaintiff fully releases and discharges Defendants and the other Released
23 Parties from the Released Claims and any other claims that the Named Plaintiff now has or claims
24 to have, or has ever had or claimed to have, against Defendants and the Released Parties. Without
25 limiting the generality of the foregoing, the Named Plaintiff specifically and expressly releases to
26 the maximum extent permitted by law any claims against Defendants and the Released Parties,
27 arising out of or relating to the Named Plaintiff's employment or the termination of her employment
28 with Defendants and any other Released Party. This general release by the Named Plaintiff includes

1 a waiver of Named Plaintiff's rights under Civil Code Section 1542, which provides: "A general
2 release does not extend to claims that the creditor or releasing party does not know or suspect to
3 exist in his or her favor at the time of executing the release and that, if known by him or her, would
4 have materially affected his or her settlement with the debtor or released party."

5 49. No Prior Assignments. The Named Plaintiff represents and warrants that he has not
6 directly or indirectly assigned, transferred, encumbered or purported to assign, transfer, or encumber
7 to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights
8 released and discharged by this Agreement.

9 50. Settlement Payments And Calculation Of Claims. Subject to final Court approval
10 and the conditions specified in this Agreement, and in consideration of the mutual covenants and
11 promises set forth in this Agreement, Defendants agrees to pay the Gross Settlement Amount of
12 \$850,000.00 The Gross Settlement Amount includes, but is not limited to, payments to be made to
13 Participating Class Members, Class Counsel's Attorneys' Fees and Costs, Enhancement Award to
14 the Named Plaintiff, the PAGA Amount, and Settlement Administration Fees and Costs. For the
15 avoidance of doubt, subject to the conditions set forth in this Agreement, Defendants shall not be
16 required to pay any amount over \$850,000.00 for this Settlement, apart from the employer's share
17 of applicable taxes which will be paid in addition to the Gross Settlement Amount, and as set forth
18 in Paragraph 51. The following table summarizes the allocation of the Gross Settlement Amount:

19 **Gross Settlement Amount of \$850,000.00, Allocated As Follows:**

- 20
- 21 • **\$50,000.00** for the PAGA Payment
 - 22 ○ **\$37,500.00** for the LWDA Payment
 - 23 ○ **\$12,500.00** for payments to Aggrieved Employees on a *pro rata*
24 basis (i.e., Individual PAGA Payment)
 - 25 • Class Counsel Attorneys' Fees not to exceed \$283,305.00
 - 26 • Class Counsel Costs not to exceed **\$25,000.00**
 - 27 • Up to **\$10,000.00** for an Enhancement Award for Named Plaintiff
 - 28 • Settlement Administration Costs, not to exceed **\$9,200.00**
 - Approximately **\$472,495** paid to Class Members on a *pro rata* basis (i.e.,
Participating Class Member Payment)

1 51. Settlement Escalator. The Settlement is based on the representation that there were
 2 no more than 9,579 non-exempt workweeks worked by the Class Members during the period of
 3 December 28, 2018, through the date the Court enters the Preliminary Approval Order. If that
 4 number is incorrect by more than 10% (i.e., by more than 958 workweeks), Defendants shall
 5 increase the Gross Settlement Amount proportionally. For example, if the number is 11% higher,
 6 the gross settlement amount will be increased by 1%. In the alternative, the defendant may elect to
 7 shorten the release period to stay within the 10% range.

8 52. Apportionment of Gross Settlement Amount. The Parties agree, subject to Court
 9 approval and the conditions specified in this Agreement, that the Gross Settlement Amount shall be
 10 apportioned as follows:

11 a. Class Counsel Attorneys' Fees and Costs: At the final approval hearing,
 12 Class Counsel will apply to the Court for an award of Attorneys' Fees of no more than thirty-three
 13 and one-third percent (33 1/3%) of the Gross Settlement Amount, which, unless escalated pursuant
 14 to Paragraph 51 of this Agreement, equals \$283,305.00. Class Counsel will also apply to the
 15 Court for an award of actual costs incurred by Class Counsel not to exceed the amount of
 16 \$25,000.00. These fees and costs are included in, and shall come from, the Gross Settlement
 17 Amount. Class Counsel will be issued an IRS Form 1099 for any fees and costs awarded by the
 18 Court pursuant to this Paragraph 52.a. Except as provided in this Paragraph 52.a, each party will
 19 bear its own attorneys' fees, costs, and expenses incurred in the prosecution, defense, or settlement
 20 of the Actions. If the Court awards a lower amount of Attorneys' Fees and Costs than the amount
 21 requested, any amount not awarded will be part of the distribution to the Participating Class
 22 Members as set forth in this Agreement and shall not be a reason to invalidate/terminate this
 23 Agreement.

24 b. Settlement Administrator Costs: At the final approval hearing, Class Counsel
 25 will apply to the Court for approval of Settlement Administration costs, currently estimated at
 26 \$9,200.00. These costs are included in, and shall come from, the Gross Settlement Amount. If the
 27 actual amount of the Settlement Administration Costs is less than \$9,200.00, the difference shall be
 28 added to the Net Class Settlement Amount. If the Settlement Administration Costs exceed \$9,200.00

1 then such excess will be paid solely from the Gross Settlement Amount and Defendants will not be
2 responsible for paying any additional funds in order to pay these additional costs.

3 c. Named Plaintiff Enhancement Award: At the final approval hearing, Class
4 Counsel will apply to the Court for awards of up to \$10,000.00 to Named Plaintiff as an
5 Enhancement Award for their services and for assuming the risks associated with this litigation, for
6 the time spent in assisting Class Counsel to litigate this Action. Defendants will not oppose such
7 application. The Enhancement Award is included in, and shall come from, the Gross Settlement
8 Amount. Named Plaintiff will be issued an IRS Form 1099 for the Enhancement Award approved
9 by the Court pursuant to this Paragraph. The Enhancement Award payable to Named Plaintiff shall
10 be in addition to any payment they may receive pursuant to Paragraph 52.e, below. If the Court
11 awards less than the amount requested, any amount not awarded will be part of the distribution to
12 the Participating Class Members as set forth in this Agreement and shall not be a reason to
13 invalidate/terminate this Agreement.

14 d. PAGA Amount: At the final approval hearing, Class Counsel will apply to
15 the Court for approval of the PAGA Amount of \$50,000.00 for claims for civil penalties asserted
16 under PAGA. Class Counsel will submit notice of this Settlement to the LWDA, as required by
17 Labor Code § 2699(l)(2). The Parties agree that 75% of the PAGA Amount (\$37,500.00) will be
18 paid to the LWDA as the “LWDA Payment,” and the remaining 25% (\$12,500.00) will be allocated
19 to the Aggrieved Employees as the “PAGA Payment.” The portion of the PAGA Payment allocated
20 to each of the Aggrieved Employees will be calculated using the same formula as set forth in
21 Paragraph 52.e, but will be limited to Pay Periods worked during the PAGA Period. Any Class
22 Members who worked during the PAGA Period and who opt out of the Settlement will still be
23 considered Aggrieved Employees for purposes of this Paragraph 52.dd and, therefore, will
24 (i) receive their portion of the PAGA Payment (the Individual PAGA Payment); and (ii) release all
25 PAGA Claims against the Released Parties.

26 e. Individual Settlement Payments. The Individual Settlement Payments shall
27 consist of: (i) each Participating Class Member’s *pro rata* portion of the Net Class Settlement
28 Amount (the “Participating Class Member Payment”); and (ii) if applicable, each Aggrieved

1 Employee's *pro rata* portion of the PAGA Payment (the Individual PAGA Payment).

2 i) Participating Class Member Payment: After deducting the approved
3 amounts specified in Paragraphs 52.a-d above, each Participating Class Member will be entitled to
4 a *pro rata* portion of the remaining amount. Participating Class Member Payments will be
5 calculated from the Net Class Settlement Amount based on the respective number of weeks worked
6 by each Participating Class Member in a non-exempt position during the Class Period, rounded up
7 to the nearest whole week. All Class Members will be deemed to have worked during at least one
8 week during the Class Period. Each Participating Class Member's share of the Net Class Settlement
9 Amount will be calculated by dividing the Participating Class Member's weeks worked in a non-
10 exempt position by the total number of weeks worked by all Class Members in a non-exempt
11 position during the Class Period and multiplying this figure by the Net Class Settlement Amount.
12 The Class Notice will include the number of weeks that the Class Member worked during the Class
13 Period and the amount the Class Member is estimated to receive under the terms of the Settlement.

14 ii) Individual PAGA Payment: For each Aggrieved Employee, the
15 Individual Settlement Payment will also include the Class Member's *pro rata* share of the PAGA
16 Payment, as set forth in Paragraph 52.dd (the Individual PAGA Payment).

17 f. Participating Class Member Payments shall be distributed only to
18 Participating Class Members. The portion of the Net Class Settlement Amount allocated to Class
19 Members who opt out of the Settlement will be distributed to Participating Class Members on a *pro*
20 *rata* basis based on the formula set forth in Paragraph 52.e. Individual PAGA Payments will be
21 distributed to all Aggrieved Employees.

22 g. The Parties agree that, under no circumstances shall Defendants be obligated
23 to pay any amount under this Agreement to any Class Member other than Participating Class
24 Members, with the exception of the Individual PAGA Payments which are not affected by a Class
25 Member opting-out of the Settlement. In addition, the Parties agree that, except as provided in
26 Paragraph 51, under no circumstances shall Defendants be obligated to pay more than the Gross
27 Settlement Amount in full settlement of the Actions.

28 53. No Credit Toward Benefit Plans. The Individual Settlement Payments made to

1 Participating Class Members under this Agreement, including the Individual PAGA Payments made
2 to Aggrieved Employees, will not be utilized to calculate any additional benefits under any benefit
3 plans to which any Participating Class Member or Aggrieved Employees may be eligible including,
4 but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation
5 plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention
6 that this Agreement will not affect any rights, contributions, or amounts which any Participating
7 Class Member or Aggrieved Employee may be entitled to under any benefit plans.

8 54. Taxation Of Settlement Proceeds. All settlement payments paid to Participating
9 Class Members, Aggrieved Employees, and the Named Plaintiff, will be paid in a net amount after
10 applicable state and federal tax withholdings, including payroll taxes, have been deducted.

11 a. The Participating Class Member Payments shall be reported as follows: no
12 more than 20% of the net settlement amount distributed to each Participating Class Member will be
13 considered wages, and will be reported as such to each Participating Class Member on a W-2 Form;
14 Defendant shall not be responsible for any further payments, except as set forth in paragraph 55
15 below. Defendant continues to deny any liability whatsoever and the payment of the sum shall not
16 be considered as any admission in regard to the same. The PAGA Payments distributed to each
17 Aggrieved Employee will be considered penalties and will be reported on an IRS Form 1099.

18 b. Prior to mailing the Individual Settlement Payments, the Settlement
19 Administrator will calculate, withhold from the Individual Settlement Payment, and remit to
20 applicable governmental agencies sufficient amounts as may be owed by Participating Class
21 Members for required withholdings and taxes, including all payroll taxes. The Settlement
22 Administrator will issue appropriate tax forms to each Participating Class Member and Aggrieved
23 Employee consistent with the foregoing breakdown. The Parties understand that the Named
24 Plaintiff, Participating Class Members, and Aggrieved Employees who receive an Individual
25 Settlement Payment, including an Individual PAGA Payment, pursuant to this Agreement shall be
26 solely responsible for any and all tax obligations associated with such receipt.

27 c. The Parties stipulate that the Settlement Fund (as defined at Paragraph 59)
28 will qualify as a settlement fund pursuant to the requirements of Section 468(B)(g) of the Internal

1 Revenue Code of 1986, as amended, and Section 1.468B-1 *et seq.* of the federal income tax
2 regulations. Furthermore, the Settlement Administrator is designated as the “**Administrator**” of
3 the qualified settlement funds for purposes of Section 1.468B-2(k) of the income tax regulations.
4 Accordingly, all taxes imposed on the gross income of the Settlement Fund and any tax-related
5 expenses arising from any income tax return or other reporting document that may be required by
6 the Internal Revenue Service or any state or local taxing body will be paid from the Settlement Fund.

7 d. All Parties represent and acknowledge that nothing in this Agreement
8 constitutes tax advice regarding the tax treatment of payments under federal, state, or local law. The
9 Named Plaintiff, Participating Class Members, and Aggrieved Employees will assume any such tax
10 obligations or consequences that may arise from this Agreement and Class Members shall not seek
11 any indemnification from the Parties or any of the Released Parties in this regard. In the event that
12 any taxing body determines that additional taxes are due from any Class Member or Aggrieved
13 Employee, including Named Plaintiff, such Class Member or Aggrieved Employee assumes all
14 responsibility for the payment of such taxes.

15 55. Notice Procedure. Within 14 calendar days after entry of the Preliminary Approval
16 Order, Defendants will provide to the Settlement Administrator a list of Class Members that
17 identifies each Class Member by name, Social Security Number, and last-known address; and
18 specifies the number of weeks worked by each Class Member in a non-exempt position during the
19 Class Period and the PAGA Period (the “**Class List**”). Defendants will provide the Class List in an
20 Excel file or other format reasonably acceptable to the Settlement Administrator. The Settlement
21 Administrator will keep the list confidential, except it shall be provided to Class Counsel upon
22 request with Social Security Numbers and address information redacted, and Class Counsel agrees
23 to use such information only for the purposes described in this Agreement.

24 a. Upon receipt of the Class List, the Settlement Administrator shall perform a
25 search based upon the National Change of Address Database to update and correct any known or
26 identifiable address changes. The Settlement Administrator shall exercise its best judgment to
27 determine the current mailing address for each Class Member. Within 14 calendar days after receipt
28 of the Class List from Defendants, the Settlement Administrator will send the Class Notice to each

1 Class Member via First Class U.S. Mail. Receipt of the Class Notice shall be presumed as to each
2 and every Class Member whose Class Notice is not returned to the Settlement Administrator as
3 undeliverable within 14 calendar days after mailing.

4 b. The Settlement Administrator will re-mail any notice packet returned by the
5 United States Postal Service with a forwarding address on or before the expiration of the Notice
6 Period. It shall be conclusively presumed that those Class Members whose re-mailed Class Notice
7 is not returned to the Settlement Administrator as undeliverable within 14 calendar days after re-
8 mailing, received the Class Notice. Class Members who receive a re-mailed Class Notice shall have
9 45 days from the date of the re-mailing to object, opt out, or dispute the workweeks attributed to
10 him or her.

11 c. The Settlement Administrator will use the appropriate skip tracing and
12 National Change of Address searches to increase the likelihood of delivery of the Class Notice to
13 Class Members, and to re-mail the notice packets returned by the Postal Service without a
14 forwarding address upon locating new or alternate addresses after a reasonable search.

15 d. Class Counsel will provide to the Court, in connection with seeking final
16 approval of the Settlement, a declaration from the Settlement Administrator confirming that the
17 Class Notice was mailed to all Class Members as required by this Agreement, as well as any
18 additional information Class Counsel deems appropriate to provide to the Court.

19 56. Dispute Procedure. The Class Notice will include a procedure by which a Class
20 Member may dispute the number of workweeks allocated to the Class Member by submitting a
21 written dispute sent via U.S. Mail to the Settlement Administrator postmarked no later than the
22 expiration of the Notice Period (“**Workweek Dispute**”). To be valid, a Workweek Dispute must
23 contain the following: (i) the Class Member’s full name and current address; (ii) the Action name
24 and/or case number; (iii) the number of workweeks the Class Member maintains is correct; and
25 (iv) documentary evidence sufficient to prove that Defendants’ calculation of the workweeks for the
26 Class Member is incorrect, if any. Upon receipt of notice of a Workweek Dispute, the Settlement
27 Administrator shall promptly serve Defendants’ counsel with a copy of the Workweek Dispute and
28 any accompanying papers. Defendants’ counsel will inform Class Counsel of any such dispute. No

1 Workweek Dispute shall be effective or considered for any purpose unless it is timely mailed by
2 U.S. mail to and received by the Settlement Administrator as provided above. Defendants shall
3 have the right to respond to the Workweek Dispute by any Class Member. The Settlement
4 Administrator will also attempt to resolve the Workweek Dispute. To the extent the Workweek
5 Dispute cannot be resolved amongst the Parties, the Court will make a final and binding
6 determination of any unresolved dispute.

7 a. Within 14 calendar days after the close of the Notice Period, the Settlement
8 Administrator will provide Class Counsel and Defendants' counsel with a report listing the amount
9 of all Individual Settlement Payments, including Individual PAGA Payments, to be made to
10 Participating Class Members and Aggrieved Employees. The report to Class Counsel will not
11 include the names or contact information of Participating Class Members and Aggrieved
12 Employees.

13 57. Opt-Out Procedure. Unless a Class Member opts out of the settlement described in
14 this Agreement, the Class Member will be bound by the terms and conditions of this Agreement,
15 including the release of the Released Claims that arose during the Class Period. A Class Member
16 will not be entitled to opt out of the settlement established by this Agreement unless the Class
17 Member submits a valid opt-out request ("**Opt-Out Request**"). A valid Opt-Out Request must:
18 (i) contain the Class Member's full name and current address; (ii) the Action name and/or case
19 number; (iii) a statement clearly expressing the Class Member's desire to be excluded from (or opt
20 out of) the Settlement; and (iv) be returned so that it is postmarked on or before the expiration of
21 the Notice Period. Alternatively, a Class Member may fill out the Opt-Out Request Form attached
22 to the Class Notice and return it so that it is postmarked on or before the expiration of the Notice
23 Period. Any Class Members who worked during the PAGA Period and who opt out of the
24 Settlement will still be considered Aggrieved Employees for purposes of this Agreement.

25 a. Upon receipt of any Opt-Out Request within the Notice Period, the
26 Settlement Administrator shall review the Opt-Out Request to confirm that it complies with the opt-
27 out requirements of this Agreement.

28 b. Any Class Member who fails to submit a timely, complete, and valid Opt-

1 Out Request will be barred from opting out of this Agreement or the settlement, unless otherwise
2 ordered by the Court. If the Settlement Administrator receives a timely Opt-Out Request that is
3 incomplete, it will make reasonable attempts to contact the class member to cure the defect. The
4 Settlement Administrator will not consider any Opt-Out Request postmarked after the end of the
5 Notice Period, but will report its receipt of any such requests to Class Counsel and counsel for
6 Defendants. It shall be presumed that if an Opt-Out Request is not postmarked on or before the end
7 of the Notice Period, the Class Member did not make the request in a timely manner. Absent good
8 cause found by the Court, a declaration submitted by any Class Member attesting to the mailing of
9 an Opt-Out Request on or before the expiration of the Notice Period shall be insufficient to overcome
10 the conclusive presumption that the Opt-Out Request was untimely. Under no circumstances shall
11 the Settlement Administrator have the authority to extend the deadline for Class Members to submit
12 a request to opt out of the settlement without the Parties' joint written consent.

13 c. At the close of the Notice Period, the Settlement Administrator shall report
14 the names of all individuals who opted out of the Agreement to the parties and include this
15 information in a Declaration regarding the distribution of the notice that will be provided in support
16 of Plaintiff's Motion for Final Approval.

17 d. If 5% or more Class Members timely opt out of the settlement, Defendants
18 will have the sole and absolute discretion to withdraw from this Agreement within fourteen (14)
19 calendar days after Defendants receives notice of the number of opt outs. Defendants will provide
20 written notice to Class Counsel if it intends to withdraw from this Agreement. In the event that
21 Defendants elect to so withdraw, the withdrawal shall have the same effect as a termination of this
22 Agreement for failure to satisfy a condition of settlement, and the Agreement shall become null and
23 void and have no further force or effect, and the class certified pursuant to this Agreement will be
24 decertified for all purposes. If Defendants choose to terminate this Settlement Agreement under this
25 provision, it shall be responsible to pay the Settlement Administrator's fees and costs. If the
26 Settlement Agreement is terminated for any other reason, including the Court's failure to grant final
27 approval of the Parties' settlement, then Class Counsel and Defendants will be jointly responsible
28 for the Settlement Administrator's fees and costs.

1 58. Objections To Settlement. Any Class Member may object to the Settlement. Any
2 written objection must be mailed to the Settlement Administrator (who shall promptly provide a
3 copy to Class Counsel and counsel for Defendants) by the close of the Notice Period. Class Counsel
4 will ensure that any written objections get filed with the Court concurrently with the final approval
5 documents by having it attached to the Settlement Administrator's Declaration. Class Members
6 who have not objected in writing may still appear and be heard at the Settlement Hearing.

7 a. Written objections to the Settlement must contain at least the following:
8 (i) the objecting Class Member's full name and current address; (ii) a clear reference to the Action
9 by name and/or case number; and (iii) a statement of the specific reasons why the objector believes
10 the Settlement is unfair or objects to the Settlement. Alternatively, a Class Member may fill out the
11 Notice of Objection to Class and PAGA Action Settlement Form attached to the Class Notice. In
12 addition, though not required, the Parties ask that any objecting Class Member also include a
13 statement of whether the objector intends to appear at the final approval hearing, either in person or
14 through counsel and, if through counsel, a statement identifying that counsel by name, bar number,
15 address, and telephone number. In addition, Class Members may appear at the final approval
16 hearing to state their objection even if they do not submit a written objection during the Notice
17 Period.

18 b. Class Counsel or Defendants' counsel may, up to five (5) court days before
19 the Final Hearing Date, file responses to any written objections submitted to the Court.

20 c. Unless they opt out of the Settlement as specified in Paragraph 57, Class
21 Members who object to the proposed settlement or the Agreement will remain Participating Class
22 Members, and shall be deemed to have voluntarily waived their right to pursue an independent
23 remedy against Defendants and the other Released Parties. To the extent any Participating Class
24 Member objects to the proposed settlement or Agreement and such objection is overruled in whole
25 or in part, such individuals will be bound by the Court's Final Approval Order.

26 d. In the event that any person objects to or opposes this proposed settlement or
27 the Agreement, or attempts to intervene in or otherwise enter the Actions, the Parties and Class
28 Counsel will use their best efforts to defend the Settlement.

1 e. A Class Member cannot both opt out and object to the Settlement. If a Class
2 Member both objects and opts out of the Settlement, the opt-out will control and the objection will
3 be deemed invalid.

4 59. Funding And Distribution Of Settlement.

5 a. Within ten (10) calendar days of the close of the Notice Period, the Settlement
6 Administrator will provide a draft declaration to Class Counsel and Defendants' counsel setting
7 forth the number of Participating Class Members and Aggrieved Employees; the identity of those
8 individuals who opted out of the Settlement; the total amount payable to all Participating Class
9 Members and Aggrieved Employees; and the total PAGA Amount, Attorneys' Fees and Costs,
10 Enhancement Award, Settlement Administration Costs, Net Class Settlement Amount, and the
11 appropriate applicable employer's taxes for any portion of the Individual Settlement Payments
12 designated as wages.

13 b. On the later of fifteen (15) calendar days of the Settlement Administrator
14 providing all the information necessary for Defendants to remit payment or fifteen (15) calendar
15 days after the Effective Date, Defendants shall remit to the Settlement Administrator: (i) the Gross
16 Settlement Amount of \$850,000.00 and (ii) the employer's taxes for any portion of the Individual
17 Settlement Payments designated as wages (the collectively, "**Settlement Fund**"). The delivery by
18 Defendants of the Settlement Fund to the Settlement Administrator will constitute the full and
19 complete discharge of the entire obligation of Defendants under this Agreement, unless anything
20 further is requested by the Settlement Administrator to ensure timely and proper disbursement. No
21 Released Party will have any further obligation or liability to the Named Plaintiff, Participating
22 Class Members, Aggrieved Employees, or Class Counsel under this Agreement, in connection with
23 the claims released herein, regardless of whether the Named Plaintiff, Participating Class Members,
24 Aggrieved Employees, or Class Counsel receive the payments from the Settlement Administrator
25 set forth in this Agreement.

26 c. The distribution of Individual Settlement Payments to Participating Class
27 Members and Aggrieved Employees will occur no later than ten (10) calendar days after receipt of
28 the Settlement Fund from Defendants ("**Settlement Proceeds Distribution Deadline**"). The

1 Settlement Administrator shall be deemed to have timely distributed Individual Settlement
2 Payments, including Individual PAGA Payments, if it places in the mail the Individual Settlement
3 Payments for all Participating Class Members and the Individual PAGA Payments for all Aggrieved
4 Employees by the Settlement Proceeds Distribution Deadline. No person will have any claim
5 against the Settlement Administrator, Defendants, Class Counsel, Defendants' counsel, or any other
6 agent designated by the Named Plaintiff or Class Counsel based upon the distribution of Individual
7 Settlement Payments made substantially in accordance with this Agreement or further orders of the
8 Court.

9 d. The distribution of the LWDA Payment, Attorneys' Fees and Costs, and the
10 Enhancement Award shall occur no later than ten (10) calendar days after the Settlement
11 Administrator receives the Settlement Fund from Defendants.

12 e. If a Participating Class Member's or Aggrieved Employee's check is returned
13 to the Settlement Administrator, the Settlement Administrator will make reasonable efforts to re-
14 mail it to the Participating Class Member or Aggrieved Employee at the correct address. It is
15 expressly understood and agreed that the checks for the Individual Settlement Payments, including
16 the Individual PAGA Payments, will become void and no longer available if not cashed within 180
17 calendar days after mailing. The funds from uncashed and voided checks will be transferred to the
18 State of California's Unclaimed Property Fund in the name of the Participating Class
19 Member/Aggrieved Employee.

20 f. Defendants will not be obligated to make any payments contemplated by this
21 Agreement unless and until the Court enters the Final Order and Judgment, and after the Effective
22 Date of the Agreement.

23 g. Within sixty (60) calendar days of the Settlement Proceeds Distribution
24 Deadline, the Settlement Administrator will provide written certification of completion of settlement
25 administration to Class Counsel and to Defendants' Counsel.

26 60. Binding Effect Of Agreement On Class Members. Subject to final Court approval
27 and the occurrence of the Effective Date, and unless otherwise provided in this Agreement, all
28 Participating Class Members will be bound by this Agreement.

1 61. Binding Effect Of Agreement On Aggrieved Employees and State of California. The
2 Aggrieved Employees and the State of California, to the extent permitted by law, shall be deemed
3 by operation of the Final Order and Judgment to have agreed not to sue or otherwise make a claim
4 against Defendants or any of the Released Parties for any of the PAGA Claims and to be bound by
5 the release of the PAGA Released Claims during the PAGA Period as set forth in this Agreement.

6 62. Provisional Approval Of Settlement. Named Plaintiff will file a motion in the
7 Actions requesting that the Court enter the Preliminary Approval Order shortly after complete
8 execution of this Agreement. Defendants will not oppose Class Counsel's motion for preliminary
9 approval of the settlement so long as the motion and supporting papers are consistent with the terms
10 of this Agreement. Notwithstanding the foregoing, Defendants may, without opposing the
11 preliminary approval motion, advise the Court if Defendants dispute any of the factual statements
12 concerning the claims at issue included by the Named Plaintiff in the motion and supporting papers.
13 Defendants' counsel will meet and confer with Class Counsel regarding any disputed factual
14 statements before notifying the Court of any disputes.

15 63. Non-Interference With Claims Procedure. The Parties and their counsel agree that
16 they will not advise, solicit, or otherwise encourage any Class Members to submit requests for
17 exclusion or objections to the settlement or to appeal from the Final Order or Final Judgment.
18 Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with
19 Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

20 64. Final Order and Judgment. The Named Plaintiff will request that the Court enter,
21 after the Settlement Hearing finally approving this Agreement, a Final Order and Judgment. Named
22 Plaintiff will request that the Final Order and Judgment certify the Participating Class; find that this
23 Agreement is fair, just, equitable, reasonable, adequate and in the best interests of the Class and the
24 Aggrieved Employees; list the employees (if any) who opted-out of the settlement; order that the
25 Participating Class Members release the Released Parties from the Released Claims; order that the
26 Aggrieved Employees and the State of California release the Released Parties from the PAGA
27 Claims as set forth in this Agreement (to the extent permitted by law); and require the Parties to
28 carry out the provisions of this Agreement.

1 65. Automatic Voiding Of Agreement If Settlement Not Finalized. If for any reason the
2 settlement set forth in this Agreement does not become final, the settlement will be null and void
3 and the orders, judgment, and dismissal to be entered pursuant to this Agreement shall be vacated,
4 and the Parties will be returned to the status quo prior to entering this Agreement with respect to the
5 Actions, as if the Parties had never entered into this Agreement, and the class certified pursuant to
6 this Agreement will be decertified for all purposes. In addition, in such event, the Agreement and
7 all negotiations, court orders, and proceedings relating to this Agreement shall be without prejudice
8 to the rights of any and all parties to this Agreement, and evidence relating to the Agreement and all
9 negotiations shall not be admissible or discoverable in the Actions or otherwise.

10 66. No Double Recovery. No Class Member who has already released, assigned, or
11 otherwise forfeited the claims asserted in the Action will be considered a Class Member or be
12 entitled to recover under this Agreement. Such persons will be excluded from the Class List.

13 67. No Publicity. The Named Plaintiff and Class Counsel agree that they shall not
14 publicize the filing of the Actions, the Parties' settlement, this Agreement and its terms, or the
15 negotiations leading to this Agreement with anyone other than the Court, Class Members, or those
16 individuals necessary to effectuate the terms of the Agreement. The prohibition set forth in this
17 Paragraph 67 includes, but is not limited to: (i) publication by Named Plaintiff or Class Counsel on
18 any website (including, without limitation, publishing on any Twitter account, Facebook, other
19 social media, or blog, or business website) of the amount or terms of the settlement, with or without
20 identifying information; and (ii) the submission of information to Verdicts & Settlements, Jury
21 Verdicts, or any other publication that summarizes the results of jury verdicts and settlements.

22 a. Notwithstanding the foregoing, Class Counsel may respond to questions
23 received from, and discuss any aspect of this Agreement with the Class Members or their legal
24 representatives, the Settlement Administrator, the Court, and representatives of the California Labor
25 and Workforce Development Agency.

26 b. Notwithstanding the forgoing, nothing in this Paragraph shall prohibit the
27 filing of information with the Court or the LWDA relating to the Settlement that is necessary to
28 effectuate this Agreement, or the online posting of documents relating to the Actions by the

1 Settlement Administrator as permitted by this Agreement, including the Judgment entered by the
2 Court.

3 c. The Named Plaintiff and Class Counsel agree that all data and information
4 informally produced by Defendants in connection with the settlement of these Actions will be
5 maintained in confidence, and will not be shared with any other persons or entities.

6 68. Invalidation Of Agreement For Failure To Satisfy Conditions. If the Court makes
7 material changes to the material terms or conditions of Paragraphs 1 through 67 of this Agreement
8 that are not agreed to by the Parties, either Party shall have the right to terminate this Agreement, in
9 which case Defendants would not be obligated to make any payments to any Class Member, to Class
10 Counsel, or to the Named Plaintiff. The Parties shall meet and confer in good faith and involve
11 mediator Lisa Klerman as necessary before exercising such right.

12 69. Modification In Writing. This Agreement may be altered, amended, modified or
13 waived, in whole or in part, only in a writing signed by all signatories to this Agreement and
14 approved by the Court. This Agreement may not be amended, altered, modified or waived, in whole
15 or in part, orally.

16 70. Ongoing Cooperation. The Named Plaintiff and Defendants will execute all
17 documents and perform all acts necessary and proper to effectuate the terms of this Agreement. In
18 the event the Parties are unable to reach an agreement on the form or content of any document
19 needed to implement the Settlement, or any supplemental provisions that may become necessary to
20 effectuate the terms of the Settlement, the Parties agree to seek the assistance of the Mediator (Lisa
21 Klerman) and, if still unable to resolve their dispute, the Court.

22 71. Notices. All notices, requests, demands, and other communications required or
23 permitted to be given pursuant to this Agreement shall be in writing, and shall be delivered
24 personally or by first class mail to the Settlement Administrator approved by the Court and the
25 undersigned persons at their respective addresses as set forth below:

26 CLASS COUNSEL

27 JAMES HAWKINS APLC
28 James R. Hawkins, Esq.
Gregory Mauro, Esq.

1 Michael Calvo, Esq.
2 Lauren Falk, Esq.
3 Ava-Issary, Esq.
4 9880 Research Drive Suite 200
5 Irvine CA 92618
6 Tel.: (949) 387-7200

7 **COUNSEL FOR DEFENDANTS**

8 GORDON REES SCULLY MANSUKHANI, LLP

9 Linda M. Moroney, Esq.
10 Natalie B. Fujikawa, Esq.
11 3 Parkcenter Drive, Suite 200
12 Sacramento, CA 95825
13 Telephone: (916) 565-2900
14 Facsimile: (916) 920-4402

15 72. Binding on Successors. This Agreement will be binding upon and will inure to the
16 benefit of the Parties and their respective successors, assigns, executors, administrators, heirs and
17 legal representatives.

18 73. Entire Agreement. This Agreement constitutes the full, complete, and entire
19 understanding, agreement, and arrangement between the Named Plaintiff, the Class Members, and
20 the Aggrieved Employees, on the one hand, and Defendants, on the other hand, with respect to the
21 settlement of the Actions. This Agreement supersedes any and all prior oral or written
22 understandings, agreements, and arrangements between the Parties with respect to the settlement of
23 the Actions. Except for those set forth expressly in this Agreement, there are no other agreements,
24 covenants, promises, representations or arrangements between the Parties with respect to the
25 settlement of the Actions, the PAGA Claims, and the Released Claims against Defendants and its
26 Released Parties. The Parties explicitly recognize California Civil Code section 1625 and California
27 Code of Civil Procedure section 1856(a), which provide that a written agreement is to be construed
28 according to its terms, and may not be varied or contradicted by extrinsic evidence, and agree that
no such extrinsic oral or written representations or terms shall modify, vary, or contradict the terms
of this Agreement.

74. Execution In Counterparts. This Agreement may be signed in one or more
counterparts. All executed copies of this Settlement Agreement, and photocopies of the Agreement

1 (including DocuSign, facsimile and e-mail copies of the signature pages), shall have the same force
2 and effect and shall be as legally binding and enforceable as the original.

3 75. Captions. The captions, section numbers, and paragraph numbers in this Agreement
4 are inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope
5 or intent of the provisions of this Agreement.

6 76. Governing Law. This Agreement shall be interpreted, construed, enforced, and
7 administered in accordance with the laws of the State of California, without regard to conflict of law
8 rules.

9 77. Reservation Of Jurisdiction. Notwithstanding the dismissal of the Actions and entry
10 of the Final Order and Judgment, the Court shall retain jurisdiction for purposes of interpreting and
11 enforcing the terms of this Agreement pursuant to California Code of Civil Procedure section 664.6
12 and California Rules of Court, Rule 3.769(h).

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

18 79. Representation and Warranties. Class Counsel and the Named Plaintiff represent
19 and warrant to Defendants that they are not aware of any attorneys beyond those named as Class
20 Counsel who have claims for fees arising out of the Actions or the Settlement contemplated by this
21 Agreement.

22 80. Authorization to Act. Each Party to this Agreement covenants and warrants that (a)
23 such Party has full power and authority to enter into and consummate all transactions contemplated
24 by this Agreement and have duly authorized the execution, delivery, and performance of this
25 Agreement; and (b) the person executing this Agreement for such Party has the full right, power,
26 and authority to enter into this Agreement on behalf of such Party, and the full right, power, and
27 authority to execute any and all necessary instruments in connection with the Settlement, and to
28 fully bind such Party to the terms and obligations of this Agreement.

1 81. Representation By Counsel. The Parties acknowledge that each of them has been
2 represented by their respective counsel throughout all negotiations that preceded the execution of
3 this Agreement, and that this Agreement has been executed with the consent and advice of their
4 respective counsel. Further, the Named Plaintiff and Class Counsel warrant and represent that there
5 are no liens on the Settlement Agreement, and that after entry by the Court of the Final Order and
6 Judgment, the Settlement Administrator may distribute funds to Participating Class Members,
7 Aggrieved Employees, Class Counsel, the LWDA, the Settlement Administrator, and the Named
8 Plaintiff as provided by this Agreement.

9 82. Representation By The Named Plaintiff. The Named Plaintiff agrees not to request
10 to be excluded from the Class and not to object to any terms of this Agreement. Any such request
11 by the Named Plaintiff for exclusion or objection shall be void and of no force or effect.

12 83. Additional Attorneys' Fees and Costs. No Participating Class Member, Aggrieved
13 Employee, or Class Counsel, or any other attorney acting for any Participating Class Member or
14 Aggrieved Employee may recover or seek to recover any amounts for fees, costs, or disbursements
15 arising from the Actions or the Gross Settlement Amount from the Released Parties except as
16 expressly provided for in this Agreement.

17 84. No Reliance on Representations. The Parties have made such investigations of the
18 facts and the law pertaining to the matters described in this Agreement as they deem necessary, and
19 have not relied, and do not rely, on any statement, promise, or representation of fact or law, made
20 by any other Party, or any of their agents, employees, attorneys, or representatives, with regard to
21 any of their rights or asserted rights, or with regard to the advisability of making and executing this
22 Agreement, or with respect to any such matters. No representations, warranties, or inducements
23 have been made to any Party concerning this Agreement.

24 85. No Collateral Attack. This Agreement will not be subject to collateral attack by any
25 Class Member or any recipient of the Class Notice after the Final Order and Dismissal. Such
26 prohibited collateral attacks shall include but not be limited to claims that the Class Member failed
27 for any reason to receive timely notice of the procedure for disputing the calculation of their
28 Individual Settlement Payment, or for opting out of the Settlement.

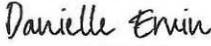
1 IT IS SO AGREED:

2

3

4 Dated: 5/17/2024

PLAINTIFF DANIELLE ERVIN

By: 
FD7B6FC327EF472...
DANIELLE ERVIN
Named Plaintiff

5

6 Dated: 7/26/2024

DEFENDANTS WELCOME SACRAMENTO, LLC;
WELCOME GROUP MANAGEMENT, LLC; and
WELCOME GROUP, INC.

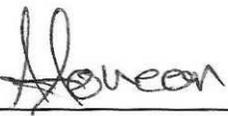
7

8

9

10

11

By: 
Title: MANAGING MEMBER

12

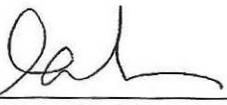
13

14 APPROVED AS TO FORM ONLY:

15

16 Dated: 05.17.2024

JAMES HAWKINS APLC

By: 
James Hawkins
Gregory Mauro
Attorneys for Plaintiff

18

19

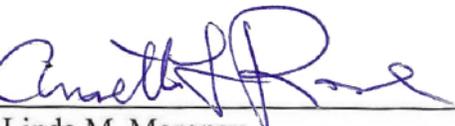
20

21 APPROVED AS TO FORM ONLY:

22

23 Dated: July 26, 2024

GORDON REES SCULLY MANSUKHANI,
LLP

By: 
Linda M. Moroney
Annette L. Rose
Attorney for Defendants

26

27

28