

1 the Class and PAGA periods, and such other information as is necessary for the Settlement Administrator
2 to calculate Workweeks (as defined herein).

3 d. “Class Member(s)” or “Class” means all current and former non-exempt
4 employees employed by Defendant within the State of California at any time during the Class Period.
5 Defendant represents that the number of Class Members is approximately 745 individuals.

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

8 f. “Class Period” means the time period from August 9, 2020 through April 26, 2025,
9 or, if applicable, the Alternate Class Period End Date, pursuant to Paragraph 36.

10 g. “Class Representative” or “Plaintiff” mean Paytn Edwards.

11 h. “Class Settlement” means the settlement and resolution of all Released Class
12 Claims.

13 i. “Court” means the Superior Court of California for the County of Alameda.

14 j. “Defendant” means KIPP Bay Area Schools.

15 k. “Defendant’s Counsel” means William J. Trinkle and Wendy A. Walker of Young,
16 Minney & Corr, LLP.

17 l. “Effective Date” means the later of: (a) the entry of the Final Approval Order and
18 Judgment, assuming no Objections are made; (b) the last day on which any appeal might be filed with
19 respect to the Final Approval Order and Judgment, assuming no appeal is filed; or (c) the date of
20 successful resolution of any appeal(s) with respect to Final Approval Order and Judgment – including
21 expiration of any time to seek reconsideration or further review.

22 m. “Employer Taxes” means the employers’ share of taxes and contributions in
23 connection with the wages portion of Individual Settlement Shares, which shall be paid by Defendant
24 in addition to the Gross Settlement Amount.

25 n. “Enhancement Payment” means the amount to be paid to Plaintiff in recognition
26 of Plaintiff’s efforts and work in prosecuting the Action.

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

1 p. “Final Approval Hearing” means the hearing at which the Court will consider and
2 determine whether the Settlement should be granted Final Approval.

3 q. “Individual PAGA Payment(s)” means the *pro rata* share of the PAGA Employee
4 Amount that a PAGA Employee may be eligible to receive for the PAGA Settlement, to be calculated
5 in accordance with Paragraph 15.

6 r. “Individual Settlement Payment(s)” means the net payment of each Settlement
7 Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and
8 withholdings with respect to the wages portion of the Individual Settlement Share, as provided in
9 Paragraph 14.

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

13 t. “LWDA Payment” means the amount of \$37,500.00, i.e., 75% of the PAGA
14 Amount, that the Parties have agreed to pay to the California Labor and Workforce Development
15 Agency (“LWDA”) for the PAGA Settlement, as set forth in Paragraph 17.

16 u. “Gross Settlement Amount” means the amount of \$1,000,000.00 to be paid by
17 Defendant in full resolution of all Released Class Claims, Released PAGA Claims, and the Action
18 provided for under the Class Settlement and PAGA Settlement, which includes all Attorneys’ Fees and
19 Costs to be paid to Class Counsel, Enhancement Payment to be paid to Plaintiff, PAGA Amount to be
20 paid to the LWDA and PAGA Employees, Net Settlement Amount to be paid to the Settlement Class
21 Members, and Settlement Administration Costs to be paid to the Settlement Administrator. Defendant
22 shall pay the Employer Taxes in addition to the Gross Settlement Amount. The Gross Settlement
23 Amount may only increase to the extent provided in Paragraph 36.

24 v. “Net Settlement Amount” means the Gross Settlement Amount less the Court-
25 approved Enhancement Payment, Settlement Administration Costs, PAGA Amount, and Attorneys’ Fees
26 and Costs.

27 w. “Objection” means a Class Member’s written objection to the Class Settlement,
28 which must: (a) contain the case name and number of the Class Action; (b) contain the Class Member’s

1 full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c)
2 contain a written statement of all grounds for the objection accompanied by any legal and factual support
3 for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection
4 is based; and (e) be submitted by mail to the Settlement Administrator at the specified address, postmarked
5 on or before the Response Deadline.

6 x. "PAGA Amount" means the allocation of \$50,000.00 from the Gross Settlement
7 Amount as civil penalties pursuant to the Private Attorneys General Act, California Labor Code section
8 2698 *et seq.*, for the settlement and resolution of the Released PAGA Claims. Seventy-five percent
9 (75%) of the PAGA Amount, or \$37,500.00, will be paid to the LWDA (i.e., the LWDA Payment) and
10 the remaining twenty-five percent (25%), or \$12,500.00, will be distributed to PAGA Employees (i.e.,
11 the PAGA Employee Amount).

12 y. "PAGA Employees" means all current and former non-exempt employees
13 employed by Defendant within the State of California at any time during the PAGA Period.

14 z. "PAGA Employee Amount" means the amount of \$12,500.00, i.e., 25% of the
15 PAGA Amount, to be distributed to PAGA Employees on a *pro rata* basis based on their Workweeks
16 during the PAGA Period.

17 aa. "PAGA Period" means the time period from August 9, 2023 through April 26,
18 2025, or, if applicable, the Alternate PAGA Period End Date pursuant to Paragraph 36.

19 bb. "PAGA Settlement" means the settlement and resolution of Released PAGA
20 Claims.

21 cc. "Parties" means Plaintiff and Defendant, collectively, and "Party" means any of
22 the Plaintiff or Defendant.

23 dd. "Preliminary Approval" means entry of the Court order granting preliminary
24 approval of the Settlement Agreement.

25 ee. "Released Class Claims" means all claims under state, federal, or local law,
26 arising out of the claims expressly pleaded in the Action and all other claims, such as those under the
27 California Labor Code, Wage Orders, regulations, and/or other provisions of law, that could have been
28 asserted based on the facts pleaded in the Action for: (1) failure to pay overtime wages under Labor

1 Code sections 510, 1198; (2) failure to provide meal periods and/or pay meal period premiums under
2 Labor Code sections 226.7, 512; (3) failure to provide rest periods and/or pay rest period premiums
3 under Labor Code section 226.7; (4) failure to pay minimum wages under Labor Code sections 1194, et
4 seq.; (5) failure to timely pay wages upon termination under Labor Code section 203; (6) failure to
5 timely pay wages during employment under Labor Code sections 204, 210; (7) failure to provide
6 accurate, itemized wage statements under Labor Code section 226; (8) failure to keep requisite payroll
7 records under Labor Code section 1174(d); (9) failure to reimburse business expenses under Labor Code
8 sections 2800, 2802; and (10) violation of California’s unfair competition law under Business and
9 Professions Code section 17200, et seq.

10 ff. “Released PAGA Claims” means all claims for civil penalties under the Private
11 Attorneys General Act, California Labor Code section 2698, *et seq.* that were alleged in the PAGA
12 Notice and Complaint in the Action or that reasonably could have been alleged based on the factual
13 allegations in the PAGA Notice and Complaint in the Action, arising during the PAGA Period, against
14 any of the Released Parties, for violations of the California Labor Code, including *inter alia* sections 201,
15 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802,
16 and applicable Industrial Welfare Commission Wage Orders for failure to pay all overtime wages due;
17 failure to provide compliant meal periods and associated premiums; failure to provide compliant rest
18 periods and associated premiums; failure to pay all minimum wages due; failure to pay all wages timely
19 during employment, failure to pay all wages timely at the time of termination; failure to provide
20 complete, accurate, or properly formatted wage statements; failure to maintain requisite payroll records;
21 and failure to reimburse business expenses.

22 gg. “Released Parties” means Defendant KIPP Bay Area Schools and its parents,
23 predecessors, successors, affiliates, subsidiaries, officers, directors, members, agents, employees,
24 insurers, and stockholders.

25 hh. “Request for Exclusion” means a Class Member’s written letter indicating a
26 request to be excluded from the Class Settlement, which must: (a) contain the case name and number of
27 the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last
28 four (4) digits of Social Security Number; (c) contain a clear written statement indicating that the Class

1 Member seeks exclusion from the Class Settlement; and (d) be submitted by mail to the Settlement
2 Administrator at the specified address, postmarked on or before the Response Deadline.

3 ii. “Response Deadline” means the deadline by which Class Members must submit
4 a Request for Exclusion, Objection, and/or Workweeks Dispute, which shall be the date that is forty-
5 five (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator,
6 unless the 45th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be
7 extended to the next day on which the U.S. Postal Service is open; in the event that a Class Notice is re-
8 mailed to a Class Member, the Response Deadline for that Class Member shall be extended by fifteen
9 (15) calendar days from the initial Response Deadline.

10 jj. “Settlement Administrator” means APEX CLASS ACTION ADMINISTRATION
11 or any other third-party class action settlement administrator agreed to by the Parties and approved by
12 the Court for purposes of administering this Settlement. The Parties and their counsel each represent
13 that they do not have any financial interest in the Settlement Administrator or otherwise have a
14 relationship with the Settlement Administrator that could create a conflict of interest.

15 kk. “Settlement Administration Costs” means the costs payable from the Gross
16 Settlement Amount, subject to Court approval, to the Settlement Administrator for administering this
17 Settlement, as set forth in Paragraph 12.

18 ll. “Settlement Class Members” or “Settlement Class” means all Class Members who
19 do not submit a timely and valid Request for Exclusion.

20 mm. “Workweeks” means the number of weeks each Class Member worked for
21 Defendant as a non-exempt, hourly paid employee in California during the Class Period, which will be
22 provided to the Settlement Administrator. Defendant calculated the Workweeks with reference to each
23 unique pay period worked by the Class Members as non-exempt, hourly paid employees in California
24 during the Class Period.

25 nn. “Workweeks Dispute” means a Class Member’s written letter disputing the pre-
26 printed information on the Class Notice as to the number of Workweeks credited to them, which must:
27 (a) contain the case name and number of the Action; (b) contain the Class Member’s full name,
28 signature, address, telephone number, and last four (4) digits of Social Security Number; (c) clearly

1 state that the Class Member disputes of the number of Workweeks credited to him or her and what he
2 or she contends is the correct number to be credited to him or her; (d) attach any documentation that he
3 or she has to support the dispute; and (e) be submitted by mail to the Settlement Administrator at the
4 specified address, postmarked on or before the Response Deadline.

5 **CLASS CERTIFICATION**

6 7. For the purposes of this settlement only, the Parties stipulate to the certification of the
7 Class.

8 8. The Parties agree that certification for the purpose of settlement is not an admission that
9 certification is proper under California Code of Civil Procedure section 382. Should, for whatever
10 reason, the Court not grant Final Approval, the Parties' stipulation to class certification as part of the
11 Settlement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible
12 in connection with, the issue of whether or not certification would be appropriate as to any of the claims
13 asserted by Plaintiff against Defendant in a non-settlement context.

14 **TERMS OF AGREEMENT**

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

17 9. Funding and Disbursement of the Gross Settlement Amount. Within fifteen (15) calendar
18 days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting
19 estimate of the amounts to be paid by Defendant pursuant to the terms of the Settlement and establish a
20 qualified settlement account for administration of the Settlement. Within thirty (30) calendar days after
21 the Effective Date, Defendant will make a one-time deposit of the Gross Settlement Amount and Employer
22 Taxes into the settlement account to be established by the Settlement Administrator. Within seven (7)
23 calendar days of the funding of the Gross Settlement Amount, the Settlement Administrator will issue
24 payments due under the Settlement and approved by the Court, as follows: (a) Individual Settlement
25 Payments to Settlement Class Members; (b) Individual PAGA Payments to PAGA Employees; (c)
26 LWDA Payment to the LWDA; (d) Enhancement Payment to Plaintiff; (e) Attorneys' Fees and Costs
27 to Class Counsel; and (f) Settlement Administration Costs to itself (the Settlement Administrator). The
28 Settlement Administrator will also undertake filings and remittances in connection with the employee's

1 share of taxes on the wages portion of Individual Settlement Shares and the Employer Taxes, that are
2 necessary for administration of the Settlement.

3 10. Attorneys' Fees and Costs. Class Counsel will request and Defendant will not oppose
4 attorneys' fees of up to 1/3 of the Gross Settlement Amount (i.e., up to \$333,333.33 if the Gross
5 Settlement Amount is \$1,000,000.00) and reimbursement of actual costs and expenses associated with
6 Class Counsel's litigation and settlement of the Action, supported by declaration, in an amount not to
7 exceed Forty Thousand Dollars (\$40,000.00), both of which will be paid from the Gross Settlement
8 Amount subject to Court approval. These amounts will cover any and all work performed and any and
9 all costs incurred by Class Counsel in connection with the litigation and settlement of the Action,
10 including without limitation all work performed and costs incurred to date, and all work to be performed
11 and all costs to be incurred in connection with obtaining the Court's approval of this Settlement
12 Agreement, including any objections raised and any appeals necessitated by those objections. Class
13 Counsel shall be solely and legally responsible for correctly characterizing this compensation for tax
14 purposes and for paying any taxes on the amounts received. Any portion of the requested Attorneys'
15 Fees and Costs not awarded to Class Counsel shall be a part of the Net Settlement Amount for the benefit
16 of Settlement Class Members.

17 11. Enhancement Payment. In recognition of Plaintiff's efforts and work in prosecuting the
18 Action, Defendant agrees not to oppose or impede any application or motion for an Enhancement
19 Payment to Plaintiff in the amount of up to \$10,000.00. The Enhancement Payment, which will be paid
20 from the Gross Settlement Amount subject to Court approval, will be in addition to any Individual
21 Settlement Payment and Individual PAGA Payment (if applicable) that Plaintiff is eligible to receive
22 pursuant to the Settlement. The Settlement Administrator will issue an IRS Form 1099 to Plaintiff for
23 the Enhancement Payment, and Plaintiff shall be solely and legally responsible for correctly
24 characterizing this compensation for tax purposes and for paying any and all taxes on the amounts
25 received. Should the Court not approve the Enhancement Payment to Plaintiff, or approve it in an amount
26 that is less than that set forth above, Plaintiff shall not have the right to revoke this Agreement, and it
27 will remain binding, and the difference between the amount approved by the Court (if any) and the

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1 amount allocated toward the Enhancement Payment will be part of the Net Settlement Amount for the
2 benefit of Settlement Class Members.

3 12. Settlement Administration Costs. The Settlement Administrator will be paid for the
4 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,
5 which is currently estimated not to exceed Ten Thousand Dollars and Zero Cents (\$10,000.00). These
6 costs, which will be paid from the Gross Settlement Amount subject to Court approval, will include,
7 *inter alia*, printing, distributing, and tracking Class Notices and other documents for the Settlement,
8 calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms
9 and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and
10 declarations, and other duties and responsibilities set forth herein to process this Settlement, and as
11 requested by the Parties. To the extent actual Settlement Administration Costs are greater than the
12 estimated amount stated herein, such excess amount will be deducted from the Gross Settlement Amount,
13 subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement
14 Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator,
15 to undertake the requirement settlement administration duties, will be part of the Net Settlement Amount
16 for the benefit of Settlement Class Members.

17 13. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of
18 \$50,000.00 from the Gross Settlement Amount will be allocated toward civil penalties under the Private
19 Attorneys General Act, California Labor Code section 2698, *et seq.* (i.e., the PAGA Amount), of which
20 seventy-five percent (75%), or \$37,500.00, will be paid to the LWDA (i.e., the LWDA Payment) and
21 twenty-five percent (25%) or, \$12,500.00, will be distributed to PAGA Employees (i.e., the PAGA
22 Employee Amount) on a *pro rata* basis, based on Workweeks during the PAGA Period (i.e., the Individual
23 PAGA Payment).

24 14. Individual Settlement Share Calculations. Individual Settlement Shares will be calculated
25 and apportioned from the Net Settlement Amount based on the Class Members' number of Workweeks
26 during the Class Period, as follows:

27 a. After Preliminary Approval of the Settlement, the Settlement Administrator will
28 divide the estimated Net Settlement Amount by the Workweeks of all Class Members during the Class

1 Period to yield the “Estimated Workweek Value,” and multiply each Class Member’s individual
2 Workweeks during the Class Period by the Estimated Workweek Value to yield his or her estimated
3 Individual Settlement Share.

4 b. After Final Approval of the Settlement, the Settlement Administrator will divide
5 the final Net Settlement Amount by the Workweeks of all Settlement Class Members during the Class
6 Period to yield the “Final Workweek Value,” and multiply each Settlement Class Member’s individual
7 Workweeks during the Class Period by the Final Workweek Value to yield his or her Individual
8 Settlement Share.

9 15. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated
10 and apportioned from the PAGA Employee Amount based on the PAGA Employees’ number of
11 Workweeks during the PAGA Period as follows: The Settlement Administrator will divide the PAGA
12 Employee Amount, i.e., 25% of the PAGA Amount, by the total number of Workweeks of all PAGA
13 Employees during the PAGA Period to yield the “PAGA Workweek Value,” and multiply each PAGA
14 Employee’s individual Workweeks during the PAGA Period by the PAGA Workweek Value to yield
15 his or her Individual PAGA Payment.

16 16. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the
17 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually
18 are issued to the payee. It is expressly understood and agreed that payments made under this Settlement
19 shall not in any way entitle Plaintiff, Settlement Class Members, or PAGA Employees to additional
20 compensation or benefits under any new or additional compensation or benefits, or any bonus, contest
21 or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle
22 Plaintiff, Settlement Class Members, or PAGA Employees to any increased retirement, 401K benefits
23 or matching benefits, or deferred compensation benefits. It is the intent of this Agreement that the
24 Individual Settlement Payments and Individual PAGA Payments provided for in this Agreement are the
25 sole payments to be made by Defendant to the Settlement Class Members and PAGA Employees in
26 connection with this Agreement (notwithstanding any contrary language or agreement in any benefit or
27 compensation plan document that might have been in effect during the Class Period).

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1 17. Notice of Proposed PAGA Settlement to LWDA. Pursuant to California Labor Code
2 section 2699(1)(2), Class Counsel will submit a copy of this Settlement Agreement to the LWDA at the
3 same time that it is submitted to the Court for preliminary approval.

4 18. Delivery of the Class List. Within twenty-one (21) calendar days of Preliminary
5 Approval, Defendant will provide the Class List to the Settlement Administrator.

6 19. Notice by First-Class U.S. Mail.

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

14 b. With respect to Class Notices that are returned as undeliverable on or before the
15 Response Deadline, the Settlement Administrator will search for an alternate address by way of skip-
16 trace and re-mail the Class Notice within five (5) calendar days to an alternate address if one is located.

17 c. Dispute Regarding Workweeks. The Class Notice will include the procedure by
18 which a Class Member may dispute the number of Workweeks allocated to him or her by submitting a
19 timely and valid Workweeks Dispute. The date of the postmark on the return mailing envelope will be
20 the exclusive means to determine whether a dispute has been timely submitted. Absent evidence
21 rebutting the accuracy of Defendant’s records and data as they pertain to the number of Workweeks to
22 be credited to a disputing Class Member, Defendant’s records will be presumed correct and
23 determinative of the dispute. The Settlement Administrator will evaluate the information and/or
24 documents submitted by the Class Member and the Settlement Administrator will resolve and determine
25 the number of Workweeks that the disputing Class Member should be credited with under the
26 Settlement. The Settlement Administrator’s decision on such disputes will be final and non-appealable.

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1 20. Settlement Checks.

2 a. The Settlement Administrator will be responsible for undertaking appropriate
3 deductions, required tax reporting, and issuing the Individual Settlement Payments by way of check to
4 the Settlement Class Members and the Individual PAGA Payments by way of check to the PAGA
5 Employees in accordance with this Settlement Agreement. When issuing payments, the Settlement
6 Administrator may combine the Individual Settlement Payment and Individual PAGA Payment into one
7 check if the intended recipient for both payments is one individual.

8 b. The Settlement Administrator shall remit and report the applicable portions of the
9 payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties under this
10 Agreement. Defendant agrees to reasonably cooperate with the Settlement Administrator to the extent
11 necessary to determine the amount of the payroll tax payment required

12 c. Each Individual Settlement Payment check and Individual PAGA Payment check
13 will be valid and negotiable for one hundred and eighty (180) calendar days from the date of original
14 issuance, and thereafter, shall be canceled. All funds associated with such canceled checks will be
15 transmitted to the California State Controller's Unclaimed Property Fund in the names of the Class
16 Members and/or PAGA Employees at issue and in the amount of their respective Individual Settlement
17 Payments and/or Individual PAGA Payments.

18 d. The Settlement Administrator shall undertake amended and/or supplemental tax
19 filings and reporting, required under applicable local, state, and federal tax laws, that are necessitated
20 due to the cancelation of any Individual Settlement Payment or Individual PAGA Payment checks.
21 Settlement Class Members whose Individual Settlement Payment checks are canceled shall,
22 nevertheless, be bound by this Settlement Agreement and the Final Approval Order and Judgment will
23 have claim preclusive impact with respect to them and all Settlement Class Members with respect to the
24 Class Settlement. The Final Approval Order and Judgment will have claim preclusive impact on the
25 PAGA Employees with respect to the PAGA Settlement irrespective of whether their Individual PAGA
26 Payment checks are canceled.

27 21. Procedures for Requesting Exclusion from the Class Settlement. Any Class Member
28 wishing to be excluded from the Class Settlement must submit a timely and valid Request for Exclusion

1 to the Settlement Administrator, by mail, on or before the Response Deadline. The date of the postmark
2 on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion
3 has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and
4 Defendant's Counsel, the number of timely and valid Requests for Exclusion that were submitted, and
5 also identify the individuals who submitted them, in a declaration that is to be filed with the Court in
6 advance of the Final Approval Hearing. Any Class Member who submits a timely and valid Request
7 for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who
8 submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will not
9 be issued an Individual Settlement Payment. All PAGA Employees will be bound by the PAGA
10 Settlement and will be issued an Individual PAGA Payment, irrespective of whether they submit a
11 Request for Exclusion.

12 22. Procedures for Objecting to the Class Settlement. Class Members who have not opted
13 out of the Class Settlement (i.e., Settlement Class Members) may object to the Class Settlement. To
14 object to the Class Settlement, Settlement Class Members must submit a timely and complete Objection
15 to the Settlement Administrator, by mail, on or before the Response Deadline. The Objection must be
16 signed by the Settlement Class Member and contain all information required by Paragraph 6.w. of this
17 Settlement Agreement. The postmark date will be deemed the exclusive means for determining that the
18 Objection is timely. At no time will any of the Parties or their counsel seek to solicit or otherwise
19 encourage Class Members to object to the Settlement Agreement or appeal from the Final Approval
20 Order and Judgment. Settlement Class Members may also present their objection orally at the Final
21 Approval Hearing, irrespective of whether they submit a written Objection. The Settlement
22 Administrator will certify jointly to Class Counsel and Defendant's Counsel the Objections that were
23 timely submitted, and also attach them as exhibits to a declaration that is to be filed with the Court in
24 advance of the Final Approval Hearing.

25 23. Reports by the Settlement Administrator Regarding Settlement Administration. The
26 Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report which
27 certifies: (a) the number of Class Members who have submitted Workweeks Disputes; (b) the number
28 of Class Members who have submitted timely and valid Requests for Exclusion; (c) the number of Class

1 Members who have submitted timely and complete Objections; (d) the number of undeliverable Class
2 Notices; and (e) the number of re-mailed Class Notices. Additionally, the Settlement Administrator will
3 provide to counsel for both Parties any updated reports regarding the administration of the Settlement
4 Agreement as needed or requested, and immediately notify the Parties when it receives a request from
5 an individual or any other entity regarding inclusion in the Class and/or Settlement.

6 24. Certification of Completion. Upon completion of administration of the Settlement, the
7 Settlement Administrator will provide a written declaration under oath to certify such completion to the
8 Court and counsel for all Parties.

9 25. Treatment of Individual Settlement Payments and Individual PAGA Payments. Each
10 Individual Settlement Share will be allocated as follows: ten percent (10%) wages and ninety percent
11 (90%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on
12 an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be
13 reported on an IRS Form-1099 by the Settlement Administrator. The Settlement Administrator will
14 withhold the employee's share of taxes and withholdings with respect to the wages portion of the
15 Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual
16 Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and
17 withholdings). Each Individual PAGA Payment will be allocated as one hundred percent (100%)
18 penalties and will be reported on an IRS Form-1099 (if applicable) by the Settlement Administrator.

19 26. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
20 will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA Employees, and Class
21 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to
22 this Settlement Agreement. The Settlement Administrator will also be responsible for forwarding all
23 payroll taxes, contributions, and withholdings to the appropriate government authorities.

24 27. Tax Liability. Plaintiff, Class Counsel, Defendant, and Defendant's Counsel do not
25 intend anything contained in this Settlement Agreement, the Class Notice, or any other communications
26 to Class Members or PAGA Employees regarding the Settlement to constitute advice regarding taxes or
27 taxability, nor shall anything in this Settlement Agreement, the Class Notice, or any other
28 communication regarding the Settlement be relied on as such. Plaintiff, Settlement Class Members, and

1 PAGA Employees understand and agree that, except with respect to Employer Taxes, they will be solely
2 responsible for correctly characterizing any compensation received under the Settlement on their
3 personal income tax returns and paying any and all taxes due for any and all amounts paid to them under
4 the Settlement.

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

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

5 30. Class Settlement Release. Upon the Effective Date and full funding of the Gross
6 Settlement Amount, Plaintiff and all Class Members who do not submit a timely and valid Request for
7 Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and forever released,
8 settled, compromised, relinquished, and discharged the Released Parties of and from all Released Class
9 Claims.

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

15 32. General Release of Claims by Plaintiff. In addition to the above releases of claims, upon
16 the Effective Date and full funding of the Gross Settlement Amount, Plaintiff will be deemed to have
17 fully released and discharged the Released Parties of and from all claims arising from their employment
18 with Defendant, separation of employment from Defendant, and any acts that have or could have been
19 asserted in any legal action or proceeding against Defendant, whether known or unknown, arising under
20 any federal, state, or local law, or statute, including, *inter alia*, those arising under the California Labor
21 Code, Fair Labor Standards Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of
22 1964, Employee Retirement Income Security Act, National Labor Relations Act, California Corporations
23 Code, California Business and Professions Code, California Fair Employment and Housing Act,
24 California Constitution (all as amended), and law of contract and tort, as well as for discrimination,
25 harassment, retaliation, wrongful termination, lost wages, benefits, other employment compensation,
26 emotional distress, medical expenses, other economic and non-economic damages, attorney fees, and
27 costs, arising on or before the date of execution of the Settlement Agreement. With respect to those claims
28 released by Plaintiff in an individual capacity, Plaintiff acknowledges and waives any and all rights and

1 benefits available under California Civil Code section 1542, which provides:

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

5 Plaintiff understands and agrees that claims or facts in addition to or different from those which are now
6 known or believed by Plaintiff to exist may hereafter be discovered. It is Plaintiff's intention to settle
7 fully and release all claims Plaintiff now has against the Released Parties, whether known or unknown,
8 suspected or unsuspected, upon the Effective Date and full funding of the Gross Settlement Amount.
9 Notwithstanding the above, this general release by Plaintiff shall not extend to claims for workers'
10 compensation benefits, claims for unemployment benefits, or other claims that may not be released by
11 law.

12 33. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.

13 Upon execution of this Settlement Agreement, Plaintiff shall promptly obtain a hearing date for
14 Plaintiff's motion for preliminary approval of the Settlement, and submit this Settlement Agreement to
15 the Court in support of said motion. Defendant agrees not to oppose the motion for preliminary approval
16 of the Settlement consistent with this Settlement Agreement. Said motion shall apply to the Court for
17 the entry of an order ("Preliminary Approval Order"), which shall be mutually agreed upon by the
18 Parties, seeking the following:

- 19 a. Conditionally certifying the Class for settlement purposes only;
- 20 b. Granting Preliminary Approval of the Settlement;
- 21 c. Preliminarily appointing Plaintiff as representative of the Class;
- 22 d. Preliminarily appointing Class Counsel as counsel for the Class;
- 23 e. Approving, as to form and content, the mutually-agreed upon and proposed Class
24 Notice and directing its mailing to the Class by U.S. Mail;
- 25 f. Approving the manner and method for Class Members to request exclusion from
26 or object to the Class Settlement as contained herein and within the Class Notice; and
- 27 g. Scheduling a Final Approval Hearing at which the Court will determine whether
28 the Settlement should be finally approved as fair, reasonable, and adequate.

1 34. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After
2 the Response Deadline, and with the Court’s permission, a hearing will be conducted on Plaintiff’s
3 motion for final approval of the Settlement (i.e., the Final Approval Hearing), to determine whether
4 Final Approval of the Settlement should be granted, along with the amounts properly payable for
5 Individual Settlement Payments, Individual PAGA Payments, LWDA Payment, Attorneys’ Fees and
6 Costs, Enhancement Payment, and Settlement Administration Costs. By way of said motion, Plaintiff
7 will apply for the entry of the mutually-agreed-upon proposed order and judgment (“Final Approval
8 Order and Judgment”), which will provide for, in substantial part, the following:

- 9 a. Approval of the Settlement as fair, reasonable, and adequate, and directing
10 consummation of its terms and provisions;
- 11 b. Certification of the Settlement Class;
- 12 c. Appointment of Plaintiff as representative of the Settlement Class;
- 13 d. Appointment of Class Counsel as counsel for the Settlement Class;
- 14 e. Approval of the application for Attorneys’ Fees and Costs to Class Counsel;
- 15 f. Approval of the application for Enhancement Payment to Plaintiff;
- 16 g. Directing Defendant to fund all amounts due under the Settlement Agreement and
17 ordered by the Court; and
- 18 h. Entering judgment in this Action, while maintaining continuing jurisdiction to
19 implement the Settlement, in conformity with California Rules of Court 3.769 and the Settlement
20 Agreement.

21 35. Effects of Termination of the Settlement. In the event that the Settlement Agreement is
22 not approved by the Court, such a development shall have the following effects:

- 23 a. The Settlement Agreement and all negotiations, statements, and proceedings
24 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored
25 to their respective positions in the Actions prior to the execution of the Settlement Agreement;
- 26 b. Neither this Settlement Agreement, nor any ancillary documents, actions,
27 statements, or filings in furtherance of the Settlement (including all matters associated with the mediation)
28 shall be offered into evidence in the Actions or any other action for any purpose whatsoever; and

1 c. Any documents generated to bring the Settlement into effect, will be null and
2 void, and any order entered by the Court in furtherance of this Settlement Agreement will likewise be
3 treated as void from the beginning.

4 36. Escalator Clause. Defendant represents that, during the period from August 9, 2020
5 through April 26, 2025, there are 50,000 Workweeks for the Class Members. If it is determined that the
6 total number of Workweeks exceed 50,000 by more than ten percent (10%) (i.e. exceeds 55,000), then
7 the Gross Settlement Amount will be increased on a *pro rata* basis equal to the percentage increase in
8 the number of Workweeks above 55,000 Workweeks (e.g., if the threshold of 55,000 Workweeks is
9 exceeded by 1%, the Gross Settlement Amount will increase by 1%). Alternatively, prior to Class
10 Notices being sent to Class Members, Defendant may elect to end the Class Period on the date the ten
11 percent (10%) threshold was reached (i.e., the date on which the Workweeks total reached 55,000
12 Workweeks) and such date shall be referred to as the “Alternate Class Period End Date.” In the event
13 that Defendant elects to end the Class period on the Alternative Class Period End Date, Defendant must
14 inform Class Counsel and the Settlement Administrator at least five (5) days before the Settlement
15 Administrator’s deadline to send out Class Notices to Class Members. In the event that Defendant
16 chooses to end the Class period on the Alternative Class Period End Date, then, the PAGA Period will
17 also end on the Alternate Class Period End Date (and such date shall be referred to as the “Alternate
18 PAGA Period End Date”).

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

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

27 39. Limitation on Publicity. Plaintiff and Class Counsel agree not to issue press releases and
28 engage in any publicity regarding the Settlement, except as shall be contractually required to effectuate

1 the terms of the Settlement and respond to inquiries received from Class Members and PAGA
2 Employees. However, for the limited purpose of allowing Class Counsel to prove their experience and
3 adequacy as class counsel in other actions, Class Counsel may reference the names of the Parties in this
4 Action and the venue/case number of this Action for such purposes. Furthermore, Plaintiff and Class
5 Counsel will undertake any and all disclosures and submissions required to be made to the LWDA in
6 conformity with PAGA.

7 40. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the
8 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements
9 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code section
10 1625 and California Code of Civil Procedure section 1856(a), and any other provisions of state or federal
11 law, which provide that a written agreement is to be construed according to its terms and may not be
12 varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written
13 representations or terms will modify, vary, or contradict the terms of this Settlement Agreement. This
14 Settlement Agreement contains the entire agreement between the Parties relating to the settlement and
15 transaction contemplated hereby, and all prior or contemporaneous agreements, understandings,
16 representations, and statements, whether oral or written and whether by a Party or such Party's legal
17 counsel, are merged herein.

18 41. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the
19 Actions (including, and not limited to, the deadline to bring the Actions to trial under California Code
20 of Civil Procedure section 583.310), except such proceedings necessary to implement and complete the
21 Settlement Agreement, pending the Final Approval Hearing to be conducted by the Court.

22 42. Amendment and Waiver. The Parties may not waive, amend, or modify any provision of
23 this Settlement Agreement except by written agreement signed by counsel for the Parties, and subject
24 to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement
25 will not constitute a waiver of any other provision.

26 43. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
27 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
28 Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant

1 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
2 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
3 full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement
4 will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to
5 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
6 provisions that otherwise might apply under state or federal law.

7 44. Signatories. It is agreed that because the members of the Class are so numerous, it is
8 impossible or impractical to have each Class Member execute this Settlement Agreement. The Class
9 Notice will advise all Class Members of the binding nature of the Class Settlement as to the Settlement
10 Class Members, and the release shall have the same force and effect as if this Settlement Agreement
11 were executed by each Settlement Class Member.

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

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

16 47. Execution and Counterparts. This Settlement Agreement is subject only to the execution
17 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
18 executed counterparts and each of them, including facsimile, electronic, and scanned copies of the
19 signature page, will be deemed to be one and the same instrument.

20 48. Acknowledgment that the Settlement is Fair and Reasonable. The Parties believe this
21 Settlement Agreement is a fair, adequate, and reasonable settlement of the Actions, Released Class
22 Claims, and Released PAGA Claims, and have arrived at this Settlement after arm's-length negotiations
23 and in the context of adversarial litigation, taking into account all relevant factors, present and potential.
24 The Parties further acknowledge that they are each represented by competent counsel and that they have
25 had an opportunity to consult with their counsel regarding the fairness and reasonableness of this
26 Settlement Agreement. In addition, if necessary to obtain Court approval of the Settlement, the Mediator
27 may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the

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1 Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the
2 Settlement is objectively fair and reasonable.

3 49. Invalidity of Any Provision. Before declaring any provision of this Settlement
4 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
5 possible consistent with applicable precedents so as to find all provisions of this Settlement Agreement
6 valid and enforceable.

7 50. Cooperation. By signing this Settlement Agreement, the Parties are hereby bound by the
8 terms herein and agree to fully cooperate to implement the Settlement.

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

23 52. Captions. The captions and paragraph numbers in this Settlement Agreement are inserted
24 for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
25 provisions of this Settlement Agreement.

26 53. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
27 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed
28 more strictly against one Party than another merely by virtue of the fact that it may have been prepared

1 by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations
2 between the Parties, all Parties have contributed equally to the preparation of this Settlement Agreement.

3 54. Representation by Counsel. The Parties acknowledge that they have been represented by
4 counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that
5 this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in
6 full by the Parties with the assistance of their respective counsel.

7 55. All Terms Subject to Final Court Approval. All amounts and procedures described in
8 this Settlement Agreement herein will be subject to final Court approval.

9 56. Notices. All notices, demands, and other communications to be provided concerning this
10 Settlement Agreement shall be in writing and delivered by overnight mail at the addresses set for below,
11 or such other addresses as either Party may designate in writing from time to time:

<p><u>To Plaintiff and Class Counsel:</u> Harut Voskanyan, Esq. VOSKANYAN LAW FIRM, PC 303 N. Glenoaks Blvd., Suite 200 Burbank, California 91502</p>	<p><u>To Defendant:</u> Wendy Walker, Esq. YOUNG, MINNEY & CORR, LLP 655 University Avenue, Suite 150 Sacramento, California 95825</p>
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17 57. Final Approval Order and Judgment. The Parties shall provide the Settlement
18 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,
19 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for
20 sixty (60) calendar days, and this shall satisfy California Rules of Court 3.771(b). No individualized
21 notice of the Final Approval Order and Judgment to the Class will be required.

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

