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11 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
12 **FOR THE COUNTY OF LOS SACRAMENTO**

13 **Chase McCartney**, individually and on
14 behalf of all similarly situated individuals,

15 Plaintiff,

16 vs.

17 **Vasko Electric, Inc.**, a California limited
18 liability company; and DOES 1-100,
19 inclusive,

20 Defendant.

CASE NO. 25CV002553

[Assigned for all purposes to the Hon. Jill
Talley Dept. 23]

CLASS ACTION

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

Case Filed: January 30, 2025
Trial Date: None set

1 This Joint Stipulation of Settlement and Release of Class and PAGA Action
2 (“Agreement” or “Settlement Agreement”) is made and entered into by and between
3 Plaintiff Chase McCartney (“Plaintiff” or “Class Representative”), as an individual and on
4 behalf of all others similarly situated, and Defendant Vasko Electric, Inc. (“Defendant”).
5 Plaintiff and Defendant may be referred to herein as the “Parties,” singularly as a “Party,”
6 or by their designated names.

7 This Agreement is subject to the approval of the Court, pursuant to California Rules
8 of Court, Rule 3.769(c), (d) and (e), and is made for the sole purpose of attempting to
9 consummate settlement of the Action on a class-wide basis subject to the following terms
10 and conditions.

11 This Settlement Agreement shall be binding on Plaintiff, the Settlement Class, and
12 the Aggrieved Employees, on the one hand, and Defendant, on the other hand, subject to
13 the terms and conditions hereof and the approval of the Court.

14 RECITALS

15 1. Plaintiff filed his complaint on January 30, 2025 against Defendant in the
16 Sacramento County Superior Court. Plaintiff’s lawsuit, entitled *Chase McCartney v. Vasko*
17 *Electric, Inc.* Case Number 25CV002553 (“Action”), sets forth the following class-wide
18 causes of action: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3)
19 failure to provide rest periods or premium pay in lieu thereof; (4) failure to provide meal
20 periods or premium pay in lieu thereof; (5) failure to reimburse necessary business
21 expenses; (6) failure to provide and maintain accurate records; and (7) failure to timely pay
22 wages after employment; (8) Private Attorneys General Act (“PAGA”) penalties; and (9)
23 violation of California Business and Professions Code §§ 17200, et seq.

24 2. Defendant denies all material allegations set forth in the Action and has
25 asserted numerous affirmative and other defenses in response to the Class, PAGA, and
26 individual claims. Defendant contends it has complied with the California Labor Code, the
27 California Business & Professions Code, the applicable IWC Wage Orders, and all other
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1 applicable California and Federal law.

2 3. Notwithstanding the foregoing and in the interest of avoiding further
3 litigation, the Parties desire to fully and finally settle the Class and PAGA claims plead in
4 the operative.

5 4. This Settlement Agreement is made and entered into by and between Plaintiff
6 individually and on behalf of all other allegedly similarly situated Aggrieved Employees and
7 Settlement Class Members on the one hand, and Defendant on the other hand. This
8 Settlement Agreement is subject to the terms and conditions hereof, as well as the Court's
9 approval. The Parties expressly acknowledge that this Agreement is entered into solely for
10 the purpose of compromising disputed claims and that nothing herein is an admission of
11 any liability or wrongdoing by Defendant.

12 5. The Parties agree to abide by the terms of the Settlement Agreement in good
13 faith and to support the Settlement Agreement fully and to use their best efforts to defend
14 this Settlement Agreement from any legal challenge, whether by appeal or collateral attack.

15 6. On January 14, 2026, the Parties participated in a full-day of mediation with
16 Hon. Peter Lichtman (the "Mediator"), a well-respected mediator in the field of
17 employment law and wage-and-hour class actions. After a full-day of mediation, the Parties
18 received a mediator's proposal containing the principal terms of a class action and PAGA
19 settlement. After further negotiations with the assistance of the Mediator, the parties
20 accepted the Mediator's proposal with an increase in the settlement amount, and the terms
21 of which proposal have now been expanded upon in this Stipulation.

22 7. Class Counsel conducted a significant investigation during the prosecution of
23 the Action. This investigation included, among other things, (a) telephonic and Zoom
24 conferences with Plaintiff; (b) inspection and analysis of numerous payroll, time entry, and
25 policy documents and other information produced by Plaintiff and Defendant; (c) analysis
26 of the legal positions taken by Defendant; (d) investigation into the viability of class
27 treatment of the claims asserted in the Action; (e) analysis of potential class-wide damages,
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1 including information sufficient to understand Defendant's potential defenses to Plaintiff's
2 claims; (f) research of the applicable law with respect to the claims asserted in the Action
3 and the potential defenses thereto; (g) assembling and analyzing of data for calculating
4 damages; (i) hired the services of an expert to analyse and prepare Defendant's exposure;
5 (j) interviewed putative Class Members to obtain information about their employment
6 experience and verify the allegations in the Complaint; and (k) considered sworn
7 declarations executed by putative Class Members.

8 8. The informal discovery conducted in this matter, as well as discussions
9 between counsel, and consultation with Class Counsel's expert, have been adequate to give
10 the Class Representative and Class Counsel a sound understanding of the merits of their
11 positions, to evaluate the risks of continued litigation and the value of the Settlement
12 Class's claims, to reliably assess the merits of the Parties' positions, and to compromise the
13 issues on a fair and equitable basis.

14 9. The settlement discussions before, during, and after mediation were
15 conducted at arm's length and the settlement of the Action is the result of an informed and
16 detailed analysis of Defendant's potential liability and defenses in relation to the costs and
17 risks associated with continued litigation.

18 10. Plaintiff and Class Counsel believe that the claims, causes of action,
19 allegations, and contentions asserted in the Action have merit. However, Plaintiff and Class
20 Counsel recognize and acknowledge the expense and delay of continued lengthy
21 proceedings necessary to prosecute the Action against Defendant through trial and appeals.
22 Class Counsel has taken into account: 1) the uncertain outcome of the litigation; 2) the risk
23 of continued litigation in complex actions such as this lawsuit; 3) the difficulties and delays
24 inherent in such litigation; 4) the potential difficulty of obtaining certification of the Action;
25 and 5) the potential risk of trying the claims of the class. Class Counsel is mindful of the
26 potential problems of proof under, and possible defenses to, the claims alleged in the Action
27 and litigation of those claims on a class-wide basis.

11. Class Counsel believes that the Settlement set forth in this Settlement Agreement confers substantial benefits upon Plaintiff and the Class Members, and that an independent review of this Settlement Agreement by the Court in the approval process will confirm this conclusion. Based on their own independent investigation and evaluation, Class Counsel has determined that the Settlement set forth in the Stipulation is in the best interests of Plaintiff and the Class Members.

12. Based on the data and documents produced during formal and informal discovery and in response to Plaintiff's Labor Code sections 226 and 1198.5 records request, Class Counsel's own independent investigation and evaluation, and the Mediator's efforts, Class Counsel believes that Plaintiff's settlement with Defendant for the consideration provided and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate, and is in the best interest of the Class Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation, various defenses asserted by Defendant, the contested legal and factual issues involved, and potential appellate issues.

DEFINITIONS

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

13. "**Action**" means *Chase McCartney v. Vasko Electric, Inc.*, Sacramento Superior Court Case No. 25CV002553.

14. "**Aggrieved Employees**" means those Class Members who worked for Defendant within the PAGA Release Period.

15. "**Class Counsel**" means Elliot J. Siegel and Melissa Rinehart of King & Siegel LLP.

16. "**Class Counsel's Fees and Costs**" means attorneys' fees agreed upon by the Parties and approved by the Court for Class Counsel's litigation and resolution of this Action. Class Counsel's Fees and Costs shall include all costs incurred and to be incurred

1 by Class Counsel in the Action, including, but not limited to, costs associated with
2 documenting the Settlement, securing the Court's approval of the Settlement, responding
3 to any objections to the settlement and appeals arising therefrom, administering the
4 Settlement, and obtaining entry of a Judgment terminating this Action, and expenses for
5 any experts. Class Counsel will request attorneys' fees not in excess of one-third of the
6 Maximum Settlement Amount (*i.e.*, up to Two Hundred Sixteen Thousand Six Hundred
7 Sixty Six Dollars and Sixty Seven Cents \$216,666.67)). The Class Counsel's Fees and Costs
8 will also mean and include the additional reimbursement of Class Counsel's actual
9 reasonable costs incurred in connection with Class Counsel's litigation and settlement of
10 the Action, up to Thirty Thousand Dollars and Zero Cents (\$30,000), subject to the Court's
11 approval. Defendant agrees not to oppose Class Counsel's request for fees and
12 reimbursement of costs as set forth above. For the avoidance of doubt, any increase to the
13 Maximum Settlement Amount shall apply to Class Counsel's fees such that they shall be
14 equal to one-third of the amount of the escalated Maximum Settlement.

15 17. **"Class List"** means a complete list of all Class Members that Defendant will
16 diligently and in good faith compile from their records and provide confidentially to the
17 Settlement Administrator within 10 calendar days after Preliminary Approval of this
18 Settlement. The Class List will be formatted in a readable Microsoft Office Excel
19 spreadsheet and will include, to the extent in the possession of Defendant or its agents,
20 Class Members' names; last-known addresses; last-known telephone numbers; last-known
21 email address; social security numbers; start dates of employment; end dates of
22 employment; number of weeks worked by each Class Member during the Class Release
23 Period; the number of pay periods worked by each Aggrieved Employee during the PAGA
24 Release Period.

25 18. **"Class Member(s)"** or **"Settlement Class"** or the **"Class"** means *all*
26 *persons who worked at least one 3.5-hour shift as a non-exempt employee for Defendant*
27 *in California during the Class Release Period.*
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1 19. “**Class Representative,**” “**Plaintiff,**” or “**Named Plaintiff**” means
2 Plaintiff Chase McCartney who will seek to be appointed as the representative for the
3 Settlement Class.

4 20. “**Class Representative Enhancement Payment**” means the amounts to
5 be paid to Plaintiff in recognition of his efforts and work in prosecuting the Action on behalf
6 of Class Members and negotiating the Settlement. Defendant agrees not to dispute that the
7 Class Representative will be paid, subject to Court approval, up to Ten Thousand Dollars
8 and Zero Cents (\$10,000) from the Maximum Settlement Amount for his services on behalf
9 of the class, subject to the Court granting Final Approval of this Settlement Agreement and
10 subject to the exhaustion of any and all appeals. Should the Court reduce the Class
11 Representative Enhancement Payment, any such reduction shall revert to the Net
12 Settlement distributed to Participating Class Members.

13 21. “**Court**” means the Superior Court of California, County of Sacramento.

14 22. “**Defendant**” means Vasko Electric, Inc.

15 23. “**Defense Counsel**” means Dennis B. Cook, Stephen McCutcheon and Alexis
16 Gabrielson of Cook Brown, LLP.

17 24. “**Effective Date**” means the date on which the settlement embodied in this
18 agreement shall become effective and is the date after all of the following events have occurred:
19 (i) this long-form Stipulation of Settlement has been executed by Plaintiff and Defendant; (ii)
20 the Court has given Preliminary Approval to the Settlement, including approving a provisional
21 Settlement Class; (iii) notice has been given to the putative members of the Settlement Class,
22 providing them with an opportunity to object to the terms of the Settlement or to opt-out of
23 the Settlement; and (iv) either (1) the Court has held a formal fairness hearing and, having
24 heard no objections by any Class Members to the Settlement, has given Final Approval to the
25 Settlement, including entering a final order and judgment certifying the Settlement Class and
26 approving this Settlement Agreement; or (2) in the event there are oral or written objections
27 filed by Class Members prior to or at the formal fairness hearing which are not later withdrawn
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1 or denied, the later of the following events: (a) five (5) business days after the period for filing
2 any appeal, writ, or other appellate proceeding opposing the Court's Final Approval of the
3 Settlement have elapsed without any appeal, writ, or other appellate proceeding having been
4 filed; or (b) five (5) business days have elapsed following the final and conclusive dismissal or
5 resolution of any appeal, writ, or other appellate proceeding opposing the Settlement, with no
6 right to pursue further appellate remedies or relief.

7 25. **"Individual Class Payment"** means each Participating Class Member's
8 share of the Net Settlement Amount, to be distributed to the Class Members who do not
9 submit a valid Request for Exclusion, to be paid without the need to submit a claim.

10 26. **"Individual PAGA Payment"** means each Aggrieved Employee's pro rata
11 share of the 35% of the Labor and Workforce Development Agency Payment allocated to
12 the Aggrieved Employees. Aggrieved Employees will receive their Individual PAGA
13 Payment regardless of whether they submit a valid Request for Exclusion.

14 27. **"Labor and Workforce Development Agency Payment"** means the
15 amount that the Parties have agreed that Defendant will pay in connection with Plaintiff's
16 Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*
17 ("PAGA")) cause of action. The Parties have agreed that Sixty-Five Thousand Dollars and
18 Zero Cents (\$65,000) of the Maximum Settlement Amount will be allocated to the
19 resolution of the Aggrieved Employees' claims arising under PAGA ("PAGA Settlement
20 Amount"). Pursuant to PAGA, Sixty-Five Percent (65%), or Forty Two Thousand Two
21 Hundred Fifty Dollars and Zero Cents (\$42,250), of the PAGA Settlement Amount will be
22 paid to the California Labor and Workforce Development Agency ("LWDA"), and Thirty-
23 Five Percent (35%), or Twenty Two Thousand Seven Hundred Fifty Dollars and Zero Cents
24 (\$22,750), of the PAGA Settlement Amount will be paid to the Class Members, as allegedly
25 Aggrieved Employees, as part of the Net Settlement Amount.

26 28. **"Maximum Settlement Amount"** ("MSA") means the maximum
27 settlement amount of Six Hundred Fifty Thousand and Zero Cents (\$650,000) to be paid
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1 by Defendant in full satisfaction of all claims arising from the Action. The Maximum
2 Settlement Amount shall include all Individual Class Settlement Payments to Participating
3 Class Members, Individual PAGA Payments, the Class Representative Enhancement
4 Payment, Settlement Administration Costs to the Settlement Administrator, the Labor and
5 Workforce Development Agency Payment, and the Class Counsel's Fees and Costs.
6 Defendant agrees that it is responsible for employer-side payroll taxes, which are not
7 included in the Maximum Settlement Amount and are to be paid in addition to the
8 Maximum Settlement Amount. The Maximum Settlement Amount is non-reversionary.

9 29. **"Net Settlement Amount"** means the portion of the Maximum Settlement
10 Amount remaining after deduction of the approved Class Representative Enhancement
11 Payment, Settlement Administration Costs, Labor and Workforce Development Agency
12 Payment, and Class Counsel's Fees and Costs. The Net Settlement Amount will be
13 distributed to Participating Class Members and Individual PAGA Payment.

14 30. **"Notice of Objection"** means a Class Member's valid and timely written
15 objection to the Settlement Agreement. For the Notice of Objection to be valid, it must
16 include: (a) the objector's full name, signature, address, telephone number, and the last
17 four digits of the objector's social security number, (b) the dates the objector was employed
18 by Defendant in California, (c) a written statement of all grounds for the objection
19 accompanied by any legal support for such objection, and (d) copies of any papers, briefs,
20 or other documents upon which the objection is based.

21 31. **"Notice Packet"** or **"Notice"** means the Notice of Class Action Settlement
22 and Share Form, substantially in the form attached as **Exhibit A**.

23 32. **"Parties"** means Plaintiff and Defendant, collectively.

24 33. **"Participating Class Members"** means all Class Members who do not
25 submit valid and timely Requests for Exclusion.

26 34. **"Preliminary Approval"** means the Court order granting preliminary
27 approval of the Settlement.
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1 35. **“Final Approval”** means the Court granting final approval of the
2 Settlement and entering final judgement.

3 36. **“Released Claims”** means all claims that were alleged or could reasonably
4 have been alleged based on the facts set forth in the Class Complaint, including but not
5 limited to all of the following claims for relief: (1) failure to pay minimum wages; (2) failure
6 to pay overtime wages; (3) failure to provide rest periods or premium pay in lieu thereof;
7 (4) failure to provide meal periods or premium pay in lieu thereof; (5) failure to reimburse
8 necessary business expenses; (6) failure to provide and maintain accurate records; and (7)
9 failure to timely pay wages after employment; (8) Private Attorneys General Act (“PAGA”)
10 penalties; and (9) violation of California Business and Professions Code §§ 17200, et seq.
11 The Release will only take effect upon the latter of the Effective Date and full funding of the
12 MSA by Defendant.

13 37. **“Class Release Period”** means the period from January 30, 2021 through
14 the date of preliminary approval, unless a different date is selected by Defendant pursuant
15 to the Escalator Provision in Paragraph 82.

16 38. **“Released PAGA Claims”** means the claim for civil penalties under PAGA
17 asserted in the LWDA letter, or that reasonably could have been asserted based on the
18 factual allegations contained therein.

19 39. **“PAGA Release Period”** means the period from January 30, 2024 through
20 the date of preliminary approval, unless a different date is selected by Defendant pursuant
21 to the Escalator Provision in Paragraph 82.

22 40. **“Released Parties”** shall mean Defendant, each Defendant’s parent(s) or
23 subsidiary(ies), and each of their officers, directors, owners, insurers, sureties, and
24 attorneys as applicable.

25 41. **“Request for Exclusion”** means a timely letter submitted by a Class
26 Member indicating a request to be excluded from the Settlement. The Request for
27 Exclusion must: (a) be signed by the Class Member; (b) contain the name, address,
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1 telephone number, and the last four digits of the Social Security Number of the Class
2 Member requesting exclusion; (c) clearly state that the Class Member received the Notice,
3 does not wish to participate in the Settlement, and wants to be excluded from the
4 Settlement; (d) be returned by first class mail or overnight delivery to the Settlement
5 Administrator at the specified address; and, (e) be postmarked on or before the Response
6 Deadline. The date of the postmark on the return mailing envelope will be the exclusive
7 means to determine whether a Request for Exclusion has been timely submitted. Requests
8 for exclusion may not be submitted by email. A Class Member who does not request
9 exclusion from the Settlement will be deemed a Participating Class Member and will be
10 bound by all terms of the Settlement, if the Settlement is granted Final Approval by the
11 Court.

12 42. “**Response Deadline**” means the deadline by which Class Members must
13 postmark to the Settlement Administrator valid Share Forms, Requests for Exclusion, or
14 file and serve objections to the Settlement. The Response Deadline will be 60 calendar days
15 from the initial mailing of the Notice Packet by the Settlement Administrator, unless the
16 30th day falls on a Sunday or federal holiday, in which case the Response Deadline will be
17 extended to the next day on which the U.S. Postal Service is open. The Response Deadline
18 for Objections or Requests for Exclusion will be extended fifteen (15) calendar days for any
19 Class Member who is re-mailed a Notice Packet by the Settlement Administrator, unless
20 the 15th day falls on a Sunday or federal holiday, in which case the Response Deadline will
21 be extended to the next day on which the U.S. Postal Service is open. The Response
22 Deadline may also be extended by express agreement between Class Counsel and
23 Defendant. Under no circumstances, however, will the Settlement Administrator have the
24 authority to extend the deadline for Class Members to submit a Request for Exclusion, or
25 objection to the Settlement other than as provided herein.

26 43. “**Settlement**” or “**Stipulation**” means the Parties’ agreement to resolve the
27 Action on terms and conditions as set forth in this Settlement Agreement.
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45. **“Settlement Administration Costs”** means the costs payable from the Maximum Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating estimated amounts per Class Member, tax reporting, distributing the appropriate settlement amounts, and providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. The Settlement Administration Costs will be paid from the Maximum Settlement Amount and shall not exceed \$25,000.

46. **“Workweeks”** means any week during which a Class Member worked for Defendant at least one day, during the Class Release Period.

CLASS CERTIFICATION

47. Solely for purposes of settling the Action, the Parties stipulate and agree that the requisites for establishing class certification with respect to the Settlement Class have been met and are met. If for any reason the Court does not grant Preliminary Approval, grant Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reason, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement). More specifically, the Parties stipulate and agree for purposes of this Settlement only that:

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

3 b. There are common questions of law and fact including, but not limited to, the
4 following:

5 i. Whether Defendant had a common policy and/or practice of
6 accurately recording non-exempt employees' time worked;

7 ii. Whether Defendant had a common policy and/or practice of
8 requiring Plaintiff and Class Members to remain under Defendants' control and direction
9 while off-the-clock;

10 iii. Whether Defendant unlawfully and/or willfully failed to
11 compensate Plaintiff and Class Members at a minimum wage for all hours worked;

12 iv. Whether Defendant unlawfully and/or willfully failed to
13 compensate Plaintiff and Class Members required overtime wages;

14 v. Whether Defendant had a common policy and/or practice of
15 authorizing compliant meal periods to all non-exempt employees;

16 vi. Whether Defendant had a common policy and/or practice of
17 permitting compliant rest periods to all non-exempt employees;

18 vii. Whether Defendant had a common policy and/or practice of
19 depriving Plaintiff and Class Members of compliant, off-duty meal and/or rest periods;

20 viii. Whether Defendant unlawfully and/or willfully deprived
21 Plaintiff and Class Members of compliant, off-duty meal and/or rest periods;

22 ix. Whether Defendant paid Plaintiff and Class Members all
23 required premium wages for non-compliant meal and/or rest periods;

24 x. Whether Defendant unlawfully and/or willfully failed to
25 reimburse all necessary business expenses;

26 xi. Whether Defendant had a common policy and/or practice of
27 failing to maintain accurate payroll records in the State of California;
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1 xii. Whether Defendant unlawfully and/or willfully failed to
2 maintain accurate payroll records in the State of California;

3 xiii. Whether Defendant had a policy and/or practice of failing to
4 provide accurate wage statements reflecting hours worked and wages earned to Plaintiff
5 and Class Members;

6 xiv. Whether Defendant unlawfully and/or willfully failed to
7 provide accurate wage statements reflecting hours worked and wages earned to Plaintiff
8 and Class Members;

9 xv. Whether Defendants had a policy and/or practice of failing to
10 timely pay wages during employment in violation of Labor Code §§ 204 and 210.

11 xvi. Whether Defendant had a policy and/or practice of failing to
12 pay Plaintiff and Class Members final wages owed upon termination;

13 xvii. Whether Defendant unlawfully and/or willfully failed to
14 promptly pay compensation due to Plaintiff and Class Members upon termination of
15 employment in violation of Labor Code §§ 201, 202, and 203;

16 xviii. Whether Plaintiff and Class Members sustained damages as a
17 result of any of the aforementioned violations, and, if so, the proper measure of those
18 damages, including interest, penalties, costs, attorneys' fees, and equitable relief;

19 xix. Whether Defendant violated the Unfair Competition Law, Cal.
20 Bus. & Prof. Code § 17200, *et seq.*, by violating the above provisions of law; and

21 xx. Whether Defendant violated the Unfair Competition Law, Cal.
22 Bus. & Prof. Code § 17200, *et seq.*, by treating Plaintiff and Class Members unfairly by
23 depriving them of rest and/or meal periods, failing to provide them with compensation
24 in lieu of meal and/or rest periods, failing to compensate them for all wages earned,
25 failing to timely pay wages owed, failing to pay wages upon termination, failing to furnish
26 accurate and timely itemized wage statements upon payment of wages, and failing to pay
27 all compensation due upon discharge.
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1 c. That the Class Representative's claims are typical of the claims of the
2 members of the Settlement Class.

3 d. That the Class Representative and Class Counsel will fairly and adequately
4 protect the interests of the Settlement Class.

5 e. That the prosecution of separate actions by individual members of the
6 Settlement Class would create the risk of inconsistent or varying adjudications, which
7 would establish incompatible standards of conduct.

8 f. That questions of law and fact common to the members of the Settlement
9 Class predominate over any questions affecting any individual member in such Class, and
10 that a class action is superior to other available means for the fair and efficient adjudication
11 of the controversy.

12 g. The Parties agree that this stipulation regarding class certification is for the
13 sole purpose of facilitating settlement approval. Should the Court ultimately deny
14 settlement approval, the Parties agree that Defendant maintain and have the right to
15 contend that class certification, for all the issues enumerated herein, is improper based
16 upon all defenses available to Defendant prior to execution of this Stipulation.

17 **TERMS OF AGREEMENT**

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

20 48. Funding of the Maximum Settlement Amount. Within five calendar days of
21 the Effective Date, the Settlement Administrator will provide the Parties with an
22 accounting of the amounts to be paid by Defendant pursuant to the terms of the Settlement,
23 including applicable taxes. Defendant shall fully fund the MSA, plus any required employer-
24 side taxes, within seven days of the Effective Date.

25 49. Within seven calendar days of the funding of the Maximum Settlement
26 Amount, the Settlement Administrator will issue payments to: (a) Class Representative; (b)
27 Class Counsel; (c) the Participating Class Members; (d) the Labor and Workforce
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1 Development Agency; and (e) the Settlement Administrator. The Settlement Administrator
2 shall mail separate checks for each person's Individual Class Payment and Individual PAGA
3 Payment, where applicable.

4 50. Class Counsel's Fees and Costs. Defendant agrees not to oppose or impede
5 any application or motion by Class Counsel for Class Counsel's Fees and Costs of up to one-
6 third of the Maximum Settlement Amount, or \$216,666.67 plus the reimbursement of
7 actual reasonable costs and expenses incurred in connection with Class Counsel's litigation
8 and settlement of the Action, up to Thirty Thousand Dollars and Zero Cents (\$30,000),
9 both of which will be paid from the Maximum Settlement Amount. In support of the Class
10 Counsel Litigation Expenses Payment, Class Counsel must submit a cost ledger listing each
11 expense incurred during the Action. If the Court approves a Class Counsel Fees Payment
12 or a Class Counsel Litigation Expenses Payment less than the amount requested, the
13 Administrator will allocate the remainder to the Net Settlement Amount. Released Parties
14 shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any
15 claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation
16 Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class
17 Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel
18 assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment
19 and the Class Counsel Litigation Expenses Payment and holds Defendant harmless from
20 any dispute or controversy regarding any division or sharing of any of these payments. For
21 the avoidance of doubt, any increase to the Maximum Settlement Amount caused by this
22 Paragraph shall apply to Class Counsel's fees such that they shall be equal to one-third of
23 the amount of the escalated Maximum Settlement.

24 51. Class Representative Enhancement Payment. In recognition of his efforts and
25 work in prosecuting the Action on behalf of Class Members and the Aggrieved Employees
26 and in negotiating the Settlement, Defendant agrees not to oppose or impede any
27 application or motion for a Class Representative Enhancement Payment of up to a total of
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1 Ten Thousand Dollars and Zero Cents (\$10,000) to the Class Representative, subject to the
2 Court's approval. The Class Representative Enhancement Payment, which will be paid from
3 the Maximum Settlement Amount, is in addition to the payment to which he is entitled as
4 Settlement Class Member or is entitled to as part of Plaintiff's Individual Class Payment. If
5 the Court approves a Class Representative Service Payment less than the amount
6 requested, the Administrator will retain the remainder in the Net Settlement Amount. The
7 Administrator will pay the Class Representative Service Payment using IRS Form 1099.
8 Plaintiff assumes full responsibility and liability for employee taxes owed on the Class
9 Representative Service Payment.

10 52. Settlement Administration Costs. The Settlement Administrator will be paid
11 for the reasonable costs of administration of the Settlement and distribution of payments
12 from the Maximum Settlement Amount, which is capped at no more than \$25,000. These
13 costs, which will be paid from the Maximum Settlement Amount, will include, for instance,
14 costs incurred for the required tax reporting on the Individual Class Payments, the issuing
15 of W-2 and 1099 IRS Forms, distributing the Notice Packet, calculating Class Members'
16 workweeks, and calculating and distributing the Maximum Settlement Amount and Class
17 Counsel's Fees and Costs, and providing necessary reports and declarations.

18 53. Settlement Administration Cost Decreases. Any portion of the estimated or
19 designated Settlement Administration Costs which are not required to fulfill the total
20 Settlement Administration Costs will become part of the Net Settlement Amount.

21 54. Individual Class Payment and Individual PAGA Payment Calculations.
22 Individual Class Payments will be calculated and apportioned from the Net Settlement
23 Amount based on the Workweeks a Participating Class Member worked during the Class
24 Release Period based upon the Class List provided by Defendant. Individual PAGA
25 Payments will be separately calculated and apportioned from the portion of the PAGA
26 amount intended for Aggrieved Employees based upon the Class List provided by
27 Defendant. Specific calculations of Individual Class Payments and Individual PAGA
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1 Payments will be made as follows:

2 a. The Settlement Administrator will calculate the total Workweeks for
3 all Settlement Class Members by adding the number of Workweeks worked by each
4 Settlement Class Member during the Class Release Period.

5 b. The respective Workweeks for each Settlement Class Member will be
6 divided by the total Workweeks, resulting in the Payment Ratio for each Settlement
7 Class Member.

8 c. Each Settlement Class Member's Payment Ratio will then be
9 multiplied by the Net Settlement Amount to calculate each Settlement Class
10 Member's estimated Individual Class Payments.

11 d. Using the Class Data, the Settlement Administrator will calculate the
12 total number of pay periods in the PAGA Release Period and will divide each
13 Aggrieved Employees' individual number of eligible pay periods by the total number
14 of pay periods in the PAGA Release Period to determine their pro rata portion of
15 the portion of the PAGA payment allocated to Aggrieved Employees.

16 55. Limited Confidentiality. The Parties agree not to issue press releases,
17 communicate with, or respond to, any media or publication entities concerning the
18 Settlement, including the fact of the Settlement, its terms or contents, and the negotiations
19 underlying the Settlement prior to final approval and Entry of Judgment, except as
20 required by law or as shall be contractually required to effectuate the terms of the
21 Settlement as set forth herein. Nothing stated herein shall prohibit Class Counsel from
22 discussing the Settlement, the fact of Settlement, and its terms and conditions: (i) with
23 Class Members and/or (ii) in court filings, including in their respective firm resumes,
24 and/or (iii) in all necessary motions and supporting memoranda related to preliminary and
25 final approval of the Settlement or for other class action settlements. This provision also
26 does not limit Class Counsel (i) from complying with ethical obligations; or (ii) from
27 posting a neutral description of publicly available facts regarding the Settlement, provided
28

1 that such posting does not expressly identify Defendant by name. Further, Defendant
2 agrees that if any person or entity shall inquire about the past employment history of
3 Plaintiff, Defendant shall give neutral references only. In response to any inquiries about
4 Plaintiff, Defendant shall disclose the dates of his employment, last position held and, with
5 written authorization and shall state that this information is being provided in accordance
6 with company policy. The Parties further agree that they, their agents, representatives and
7 attorneys shall not make any disparaging comments or statements to the public, including
8 through any social media, to the press, or to any individual or entity with whom or which
9 they, or any of their subsidiaries or affiliates, have a business relationship, or to others. For
10 purposes of this paragraph, “disparage” shall mean any negative, untruthful statement,
11 whether written or oral.

12 56. Class Member Communications. Defendant will instruct its officers,
13 directors, and exempt managers that, should they be contacted by Class Members or
14 persons who believe they may be Class Members in relation to this Agreement, such
15 officers, directors, and exempt managers should make no comment except those necessary
16 to direct the employees to Defendant’s administrators, who will be instructed to direct such
17 Class Members to the Settlement Administrator and the Class Notice, or Class Counsel, and
18 to provide such Class Members with contact information for the Settlement Administrator
19 and Class Counsel. Defendant agrees not to discourage or prevent Class Members from
20 exercising any of their rights or obligations pursuant to this Agreement. At no time will any
21 of the Parties or their counsel take any action to encourage, support, require, or induce
22 Class Members to object to the Settlement Agreement, opt-out from the Settlement, or
23 appeal from the Order and Judgment. Notwithstanding the foregoing, Defendant may ask
24 current employee Class Members to sign arbitration agreements as long as they will only
25 be considered to infringe rights after the Class Release Period ends and exclude from their
26 scope any restriction on any right to receive benefits of this Settlement.

27 57. Settlement Awards Do Not Trigger Additional Benefits. All Individual Class
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1 Payments to Participating Class Members shall be deemed to be paid to such Participating
2 Class Members solely in the year in which such payments are received by the Participating
3 Class Members. It is expressly understood and agreed that the receipt of such Individual
4 Class Payments will not entitle any Participating Class Member to additional compensation
5 or benefits under any company bonus, commission, or other compensation or benefit plan
6 or agreement in place during the period covered by the Settlement, nor will it entitle any
7 Participating Class Member to any increased retirement, 401K benefits or matching
8 benefits, or deferred compensation benefits. It is the intent of the Parties to this Settlement
9 that the Individual Class Payments provided for in this Settlement are the sole payments
10 to be made by Defendant to the Participating Class Members, and that the Participating
11 Class Members are not entitled to any new or additional compensation or benefits as a
12 result of having received the Individual Settlement Payments (notwithstanding any
13 contrary language or agreement in any benefit or compensation plan document that might
14 have been in effect during the period covered by this Settlement).

15 58. Settlement Administration Process. The Parties agree to cooperate in the
16 administration of the Settlement and to make all reasonable efforts to control and minimize
17 the costs and expenses incurred in administration of the Settlement.

18 59. Delivery of the Class List. Within 10 calendar days of Preliminary Approval,
19 Defendant will provide the Class List to the Settlement Administrator.

20 60. Notice by First-Class U.S. Mail. Within five (5) calendar days following
21 receipt of the Class List, the Settlement Administrator will mail a Notice Packet,
22 substantially in the form attached hereto as **Exhibit A**, to all Class Members via regular
23 First-Class U.S. Mail, using the most current, known mailing addresses identified in the
24 Class List. Each Notice Packet will provide: (a) information regarding the nature of the
25 Action; (b) a summary of the Settlement's principal terms; (c) the Settlement Class
26 definition; (d) each Class Member's estimated Individual Class Payment and the formula
27 for calculating Individual Class Payments; (e) the dates which comprise the Class Release
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1 Period; (f) instructions on how to submit valid Requests for Exclusion or objections; (g) the
2 deadlines by which the Class Member must fax or postmark Requests for Exclusions or file
3 and serve objections to the Settlement; (h) the claims to be released, as set forth herein;
4 and (i) the date for the Final Approval Hearing.

5 61. Confirmation of Contact Information in the Class Lists. Prior to mailing, the
6 Settlement Administrator will perform a search based on the National Change of Address
7 Database for information to update and correct for any known or identifiable address
8 changes. Any Notice Packets returned to the Settlement Administrator as non-deliverable
9 on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail
10 to the forwarding address affixed thereto and the Settlement Administrator will indicate
11 the date of such re-mailing on the Notice Packet. If no forwarding address is provided, the
12 Settlement Administrator will promptly attempt to determine the correct address using a
13 skip-trace, or other search using the name, address and/or Social Security number of the
14 Class Member involved and will then perform a single re-mailing.

15 62. The Settlement Administrator shall exercise its best judgment to determine
16 the current mailing address for each Class Member. The address identified by the
17 Settlement Administrator as the current mailing address shall be presumed to be the best
18 mailing address for each Class Member.

19 63. Disputed Information on Notice Packets. Class Members and Aggrieved
20 Employees will have an opportunity to dispute the information provided in their Notice
21 Packets. To the extent Class Members/Aggrieved Employees dispute the number of weeks
22 he/she worked during the Class Release Period or PAGA Release Period, or the amount of
23 their Individual Class Payment or Individual PAGA Payment, Class Members may produce
24 evidence to the Settlement Administrator showing that such information is inaccurate. Any
25 disputes, along with supporting documentation, must be postmarked on or before the
26 Response Deadline. Absent evidence rebutting Defendant's records, Defendant's records will
27 be presumed determinative. However, if a Class Member or Aggrieved Employee produces
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1 evidence to the contrary, the Settlement Administrator will evaluate the evidence
2 submitted by the Class Member/Aggrieved Employee in consultation with Class Counsel
3 and counsel for Defendant' and will make the final decision as to the Individual Class
4 Payment/Individual PAGA Payment to which the Class Member/Aggrieved Employee may
5 be entitled with input from Class and Defense Counsel. This determination shall be binding
6 on the Class Member and Aggrieved Employee.

7 64. Request for Exclusion Procedures. Any Class Member wishing to opt-out
8 from the Settlement Agreement must sign and postmark a written Request for Exclusion
9 to the Settlement Administrator within the Response Deadline. The date of the postmark
10 on the return mailing envelope will be the exclusive means to determine whether a Request
11 for Exclusion has been timely submitted. Requests for Exclusion shall not be accepted by
12 email. All Requests for Exclusion will be submitted to the Settlement Administrator, who
13 will certify jointly to Class Counsel and Defendant' Counsel the Requests for Exclusion that
14 were timely submitted, including the name of the Class Member and their Exclusion
15 Request. Any Class Member who submits a Request for Exclusion shall be prohibited from
16 objecting to the Settlement Agreement.

17 65. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class
18 Member who does not affirmatively opt-out of the Settlement Agreement by submitting a
19 timely and valid Request for Exclusion will be bound by all of the terms of the Settlement
20 Agreement, including those pertaining to the Released Claims, as well as any Judgment
21 that may be entered by the Court if it grants Final Approval to the Settlement.

22 66. Objection Procedures. To object to the Settlement Agreement, a Class
23 Member must file a valid Notice of Objection with the Settlement Administrator on or
24 before the Response Deadline. The Settlement Administrator shall serve all objections as
25 received on Class Counsel and Defendant's Counsel. It shall not be a breach of this
26 Agreement for Class Counsel to file the Objections with the Court per the Court's
27 instruction, local rules, or as otherwise required for approval of this Settlement Agreement.
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1 The Notice of Objection shall be signed by the Class Member and contain all information
2 required by this Settlement Agreement. The postmark date of the filing and service will be
3 deemed the exclusive means for determining that the Notice of Objection is timely. Class
4 Members may also raise objections orally at the Final Fairness and Approval hearing,
5 whether or not they previously submitted a valid Notice of Objection. At no time will any
6 of the Parties or their counsel take any action to encourage, support, or induce Class
7 Members to object to the Settlement Agreement, opt-out from the Settlement, or appeal
8 from the Order and Judgment. Class Counsel will not represent any Class Members with
9 respect to any such objections to this Settlement.

10 67. Certification Reports Regarding Individual Class Payment Calculations. The
11 Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly
12 report which certifies: (a) the number of Class Members who have submitted valid
13 Requests for Exclusion; and (b) whether any Class Member has submitted a challenge to
14 any information contained in their Claim Form or Notice Packet. Additionally, the
15 Settlement Administrator will provide to counsel for both Parties any updated reports
16 regarding the administration of the Settlement Agreement as needed or requested. No later
17 than 30 days prior to the deadline for Class Counsel to file its motion in support of the Final
18 Approval and Fairness Hearing, the Settlement Administrator will compile and deliver to
19 Class Counsel and Defense Counsel a declaration with summary information of the Notice
20 process, including but not limited to: (a) the total amount of final Individual Class
21 Payments of each Settlement Class Member; (b) the number of Settlement Class Members
22 to receive such payments; (c) the final number of requests for exclusion/opt-outs requests
23 and objections; (d) the Settlement Administrator's qualifications for administration; and
24 (e) an explanation of the steps taken to implement the Notice process as set forth in this
25 Agreement. The Settlement Administrator will also provide a copy of each opt-out request
26 and objection, authenticate those documents, and provide all necessary details as
27 requested by Counsel regarding the timing and handling of any opt-out requests and
28

1 objections.

2 68. Uncashed Settlement Checks. Any checks issued by the Settlement
3 Administrator to Participating Class Members will be negotiable for 180 calendar days
4 from the date the check was issued (the "Void Date"). For any Class Member whose
5 Individual Class Payment check or Individual PAGA Payment check is uncashed and
6 cancelled after the Void Date, the Administrator shall transmit the funds represented by
7 such checks to the California State Unclaimed Property Fund to be held in name of the
8 Class Member.

9 69. Certification of Completion. Upon completion of administration of the
10 Settlement, the Settlement Administrator will provide a written declaration under oath to
11 certify such completion to the Court and counsel for all Parties.

12 70. Treatment of Individual Class Payments and Individual PAGA Payments. All
13 Individual Class Payments will be allocated as follows: of each Individual Class Payment,
14 20% will be allocated as alleged unpaid wages, 80% will be allocated as alleged unpaid civil
15 penalties, and unpaid interest. The percentage of each Individual Class Payment allocated
16 as wages will be reported on an IRS Form W-2 by the Settlement Administrator. The
17 remaining percentage of each Individual Class Payment shall be allocated as interest,
18 penalties, and reimbursement, and will be reported on an IRS Form-1099 by the Settlement
19 Administrator. All Individual PAGA Payments will be allocated as alleged penalties and will
20 be reported on an IRS Form-1099 by the Settlement Administrator.

21 71. Administration of Taxes by the Settlement Administrator. The Settlement
22 Administrator will be responsible for issuing to Plaintiff, Participating Class Members,
23 Aggrieved Employees, and Class Counsel any W-2, 1099, or other tax forms as may be
24 required by law for all amounts paid pursuant to this Agreement.

25 72. Tax Liability. The Parties acknowledge that no tax advice has been offered or
26 given by any other Party, their attorneys, agents, or any other representatives, in the course
27 of these negotiations, and that each Party is relying upon the advice of his/its own tax
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1 consultant with regard to any tax consequences that may arise as a result of the execution
2 of this Agreement. The Class Representatives and Class Counsel acknowledge that they may
3 be required to submit a Form W-9, and the Class Representatives, Class Members, and
4 Class Counsel acknowledge that the Settlement Administrator may be required to issue a
5 Form 1099 or other tax form reporting the consideration flowing to the Class
6 Representatives, Class Members, and Class Counsel under this agreement to the Internal
7 Revenue Services and/or other taxing authority. Nothing herein shall obligate the Class
8 Representatives, Class Members, and Class Counsel to pay, indemnify, or otherwise
9 assume responsibility for any taxes that would be owed by Defendant in the first instance
10 or as a result of any re-classification of the treatment of the payments, such as, for example,
11 employer-side payroll contributions.

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

1 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
2 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
3 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
4 OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF
5 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
6 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
7 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
8 AGREEMENT.

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

13 75. Release of Claims by Class Members. Upon the latter of the Effective Date and
14 full funding of the MSA by Defendant, each Participating Class Member, on behalf of
15 themselves and their respective former and present representatives, agents, attorneys,
16 administrators, successors and assigns, fully releases and discharges the Released Parties
17 for the Released Claims. Participating Class Members will be deemed to have
18 acknowledged and agreed that their claims for wages and penalties in the Action are
19 disputed, and that their Individual Class Payment constitutes payment of all sums allegedly
20 due to them. Participating Class Members will be deemed to have acknowledged and agreed
21 that California Labor Code Section 206.5 is not applicable to the Individual Class Payment.

22 76. Plaintiff's Released Claims. Upon the latter of the Effective Date and full
23 funding of the MSA by Defendant, Plaintiff will be bound by the same release as the Class.
24 In addition, Plaintiff and Plaintiff's respective former and present representatives, agents,
25 attorneys, administrators, successors and assigns, release and discharge Released Parties
26 from all claims, transactions or occurrences that occurred during the Class Release Period,
27 including, but not limited to:
28

1 Claims arising under federal, state, and local statutory or common law, such as: the
2 Employee Retirement and Income Security Act; Title VII of the Civil Rights Act of
3 1964; the California Fair Employment and Housing Act; the Age Discrimination in
4 Employment Act (29 USC section 621, et seq.); the Americans with Disabilities Act;
5 the Federal Family and Medical Leave Act; the Equal Pay Act; the California Family
6 Rights Act; the Fair Credit Reporting Act; the Genetic Information
7 Nondiscrimination Act of 2008; the California Constitution; the California Labor
8 Code; the Industrial Welfare Commission Wage Orders, and any and all common
9 law, contract or tort claims, such as, but not limited to, claims for wrongful
10 termination, constructive discharge, breach of contract, breach of the covenant of
11 good faith and fair dealing, violation of public policy, fraud, defamation, libel,
12 invasion of privacy, assault, negligent hiring, supervision and/or retention, and
13 intentional or negligent infliction of emotional distress, including any claims based
14 upon race, sex, sexual orientation, gender, national origin, ancestry, religion, creed,
15 age, physical disability (including HIV and AIDS), mental disability, medical
16 condition (cancer), and marital status. This Release also includes any and all claims
17 for compensation of any type whatsoever, including but not limited to claims for
18 salary, wages, bonuses, commissions, incentive compensation, vacation, sick pay,
19 inaccurate wage statements, expense reimbursements, or related penalties. This
20 release does not pertain to any right which is not otherwise waivable pursuant to
21 statute or law.

22 77. Plaintiff's Waiver of Rights Under Civil Code Section 1542. For purposes of
23 Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and
24 benefits, if any, of section 1542 of the Civil Code, which reads:

25 A general release does not extend to claims that the creditor or releasing party
26 does not know or suspect to exist in his or her favor at the time of executing
27 the release, and that if known by him or her would have materially affected
28 his or her settlement with the debtor or released party.

1 78. Release of Claims by Aggrieved Employees and State. Upon the Effective Date
2 and full funding the Gross Settlement Amount by Defendant, the LWDA and the State, and
3 all Aggrieved Employees through Plaintiff as their representative, are deemed to fully
4 release and discharge the Released Parties for the Released PAGA Claims for the PAGA
5 Release Period.

6 79. Duties of the Parties Prior to Court Approval. The Parties shall promptly
7 submit this Settlement Agreement to the Court in support of Plaintiff's Motion for
8 Preliminary Approval and determination by the Court as to the fairness, adequacy, and
9 reasonableness of the Settlement Agreement. Promptly upon execution of this Settlement
10 Agreement, the Parties shall apply to the Court for the entry of an order for:

11 a. Scheduling a fairness hearing on the question of whether the proposed
12 Settlement, including but not limited to, payment of Class Counsel's fees and costs, and the
13 Class Representative Enhancement Payment, should be finally approved as fair,
14 reasonable, and adequate as to the members of the Settlement Class;

15 b. Preliminarily Certifying a Settlement Class;

16 c. Approving, as to form and content, the proposed Notice;

17 d. Approving the manner and method for Class Members to request exclusion
18 from the Settlement as contained herein and within the Notice;

19 e. Directing the mailing of the Notice, by first class mail to the Class Members;
20 and

21 f. Giving Preliminary Approval to Settlement subject to final review by the
22 Court.

23 80. Duties of the Parties Following Preliminary Court Approval. Following
24 Preliminary Approval by the Court of the Settlement provided for in this Settlement
25 Agreement and Notice to the Class, Class Counsel will submit a proposed final order of
26 approval and judgment for:

1 a. Approval of the Settlement, adjudging the terms thereof to be fair,
2 reasonable, and adequate, and directing consummation of its terms and provisions;

3 b. Approval of Class Counsel's application for an award of attorneys' fees and
4 costs;

5 c. Approval of the Class Representative Enhancement Payment to the Class
6 Representatives;

7 d. Approval of the Settlement Administration Costs of the Settlement
8 Administrator; and

9 e. That judgment be entered in this Action.

10 81. Rescission of Settlement Agreement (by Defendant). If more than ten percent
11 (10%) of the Class Members opt-out of the Settlement by submitting Requests for
12 Exclusion, Defendant may, at their option, rescind and void the Settlement and all actions
13 taken in furtherance of it will thereby be null and void. Defendant must exercise this right
14 of rescission, in writing, to Class Counsel within fourteen (14) calendar days after the
15 Settlement Administrator notifies the Parties of the total number of Requests for Exclusion
16 received by the Response Deadline. If the option to rescind is exercised, Defendant shall be
17 solely responsible for all costs of the Settlement Administrator accrued to that point.

18 82. Escalator Clause. Defendant has represented that there are 313 Class
19 Members who worked approximately 16,607 workweeks from January 30, 2021 through
20 the mediation date. Plaintiff has relied upon these material representations in entering into
21 this MOA. In the event that the total workweek count or the number of Class Members in
22 the Class Release Period exceeds the representation by 10% (i.e. 344 Class Members or
23 18,267 workweeks), the GSA shall increase proportionately over that grace. Alternatively,
24 Defendant shall have the option to modify the applicable Release Period end date to an
25 earlier date at which the total workweeks worked is no greater than 16,607. Defendant shall
26 inform Plaintiff of its election at least five court days prior to Plaintiff's deadline to file the
27 Motion for Preliminary Approval.

1 83. Adjustments to Components of Maximum Settlement Amount. This
2 Agreement contemplates those future adjustments to the amounts of components of the
3 Maximum Settlement Amount listed above may be necessary and/or may be ordered by
4 the Court. Any such future adjustments shall be made only by written stipulation of the
5 Parties or by an order of the Court. For the avoidance of doubt, this Paragraph does not
6 apply to the Escalator Clause above, and modifications to this Settlement and the Notice
7 shall be implemented upon the Escalator Clause triggering without the need for a written
8 stipulation or Court Order.

9 84. Duty to Cooperate. If the Parties disagree on any aspect of the proposed
10 Motion for Preliminary Approval and/or the supporting declarations and documents, Class
11 Counsel and Defense Counsel will expeditiously work together by meeting in person or by
12 telephone, and in good faith, to resolve the disagreement. If the Court does not grant
13 Preliminary Approval or conditions Preliminary Approval on any material change to this
14 Agreement, Class Counsel and Defense Counsel will expeditiously work together by
15 meeting in person or by telephone and in good faith to modify the Agreement and otherwise
16 satisfy the Court's concerns.

17 85. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court
18 to request the Preliminary Approval of the Settlement Agreement, and the entry of a
19 Preliminary Approval Order for: (a) conditional certification of the Settlement Class for
20 settlement purposes only, (b) Preliminary Approval of the proposed Settlement Agreement,
21 and (c) setting a date for a Final Approval/Settlement Fairness Hearing. The Preliminary
22 Approval Order will provide for the Notice Packet to be sent to all Class Members as
23 specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will
24 submit this Settlement Agreement, which sets forth the terms of this Settlement, and will
25 include the proposed Notice Packet; *i.e.*, the proposed Notice of Class Action Settlement
26 document and share form, attached as **Exhibit A**. Class Counsel will be responsible for
27 drafting all documents necessary to obtain Preliminary Approval. Defendants agree not to
28

1 oppose the Motion for Preliminary Approval.

2 86. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration
3 of the deadlines for Class Members to submit Requests for Exclusion, or objections to the
4 Settlement Agreement, and with the Court's permission, a Final Approval/Settlement
5 Fairness Hearing will be conducted to determine the Final Approval of the Settlement
6 Agreement along with the amounts properly payable for: (a) Individual Class Payments;
7 (b) Individual PAGA Payments; (c) the Labor and Workforce Development Agency
8 Payment; (d) the Class Counsel's Fees and Costs; (e) the Class Representative
9 Enhancement Payment; (f) all Settlement Administration Costs; and (g) the Defendant's
10 share of payroll taxes for wages paid in connection with the Individual Class Payments.
11 Class Counsel will be responsible for drafting all documents necessary to obtain Final
12 Approval, including responding to any objections and appeals arising therefrom. Class
13 Counsel will also draft the attorneys' fees and costs application to be heard at the Final
14 Approval hearing. Defendant agrees not to oppose the Motion for Final Approval.

15 87. Judgment and Continued Jurisdiction. Upon Final Approval of the
16 Settlement by the Court or after the Final Approval/Settlement Fairness Hearing, the
17 Parties will present the Judgment pursuant to California Code of Civil Procedure section
18 664.6 to the Court for its approval. After entry of the Judgment, the Court will have
19 continuing jurisdiction for purposes of addressing: (a) the interpretation and enforcement
20 of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-
21 Judgment matters as may be appropriate under court rules or as set forth in this
22 Agreement.

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

26 89. Entire Agreement. This Settlement Agreement, the general release of all
27 claims by the Class Representative, and any attached Exhibits constitute the entirety of the
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1 Parties' settlement terms. No other prior or contemporaneous written or oral agreements
2 may be deemed binding on the Parties. The Parties expressly recognize California Civil
3 Code section 1625 and California Code of Civil Procedure section 1856(a), which provide
4 that a written agreement is to be construed according to its terms and may not be varied or
5 contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or
6 written representations or terms will modify, vary, or contradict the terms of this
7 Agreement.

8 90. Amendment or Modification. This Settlement Agreement may be amended or
9 modified only by a written instrument signed by the named Parties or their successors-in-
10 interest.

11 91. Authorization to Enter into Settlement Agreement. Counsel for all Parties
12 warrant and represent they are expressly authorized by the Parties whom they represent to
13 negotiate this Settlement Agreement and to take all appropriate action required or
14 permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate
15 its terms and to execute any other documents required to effectuate the terms of this
16 Settlement Agreement. The Parties and their counsel will cooperate with each other and
17 use their best efforts to effectuate the implementation of the Settlement. If the Parties are
18 unable to reach agreement on the form or content of any document needed to implement
19 the Settlement, or on any supplemental provisions that may become necessary to effectuate
20 the terms of this Settlement, the Parties shall submit such disputes to mediator Hon. Peter
21 D. Lichtman (Ret.), who shall have final adjudication over such disputes.

22 92. Signatories. It is agreed for the purposes of this Settlement Agreement only
23 that because the members of the Class are so numerous, it is impossible or impractical to
24 have each member of the Class execute this Settlement Agreement. The Notice, attached
25 hereto as **Exhibit A**, will advise all Class Members of the binding nature of the release, and
26 the release shall have the same force and effect as if this Settlement Agreement were
27 executed by each member of the Class.
28

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

4 94. California Law Governs. All terms of this Settlement Agreement and Exhibits
5 hereto will be governed by and interpreted according to the laws of the State of California.

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

11 96. Acknowledgement that the Settlement is Fair and Reasonable. The Parties
12 believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the
13 Action. The Parties further agree that they have arrived at this Settlement after arm's-
14 length negotiations and in the context of adversarial litigation, taking into account all
15 relevant factors, present and potential. The Parties further agree that they and their
16 respective counsel have conducted informal discovery, including but not limited to time
17 keeping data, payroll data, and evidence of wage and hour policies, and that the
18 investigation conducted by the Parties was sufficient to satisfy the criteria for court
19 approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and
20 *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
21 The Parties further acknowledge that they are each represented by competent counsel and
22 that they have had an opportunity to consult with their counsel regarding the fairness and
23 reasonableness of this Agreement.

24 97. Invalidity of Any Provision. Before declaring any provision of this Settlement
25 Agreement invalid, the Court will first attempt to construe the provision as valid to the
26 fullest extent possible consistent with applicable precedents so as to define all provisions
27 of this Settlement Agreement valid and enforceable.

1 98. Plaintiff's Waiver of Right to Be Excluded and Object. Plaintiff agrees to sign
2 this Settlement Agreement and, by signing this Settlement Agreement, is hereby bound by
3 the terms herein. For good and valuable consideration, Plaintiff further agrees that she will
4 not request to be excluded from the Settlement Agreement, nor object to any terms herein,
5 except as stipulated by the Parties in regard to her individual claims. Any such request for
6 exclusion or objection by Plaintiff will be void and of no force or effect. Any efforts by
7 Plaintiff to circumvent the terms of this paragraph will be void and of no force or effect.

8 99. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate
9 to class certification for purposes of this Settlement only; except, however, that Plaintiff or
10 Class Counsel may appeal any reduction in the Class Counsel's Fees and Costs below the
11 amount requested from the Court but must inform Defense Counsel and the Class
12 Administrator of any intent to appeal prior to the distribution of any funds from the Class
13 Administrator to any Settlement Class Members or any other Parties. Any Party may
14 terminate this Settlement or appeal any Court order which is not in substantially the form
15 submitted by the Parties.

16 100. Non-Admission of Liability. The Parties enter into this Agreement to resolve
17 the dispute that has arisen between them and to avoid the burden, expense, and risk of
18 continued litigation. In entering into this Agreement, Defendant does not admit, and
19 specifically deny, they have violated any federal, state, or local law; violated any regulations
20 or guidelines promulgated pursuant to any statute or any other applicable laws,
21 regulations, or legal requirements; breached any contract; violated or breached any duty;
22 engaged in any misrepresentation or deception; or engaged in any other unlawful conduct
23 with respect to its employees. Neither this Agreement, nor any of its terms or provisions,
24 nor any of the negotiations connected with it, shall be construed as an admission or
25 concession by Defendant of any such violations or failures to comply with any applicable
26 law. The Parties agree that there exists a bona fide dispute as to whether any compensation
27 is actually due to Plaintiff, the putative class, and Aggrieved Employees, and if so, the
28

1 amount thereof, and no legal determinations have been made with respect to the legal
2 claims bought in the Action and resolved in this Settlement. Except as necessary in a
3 proceeding to enforce the terms of this Agreement, this Agreement and its terms and
4 provisions shall not be offered or received as evidence in any action or proceeding to
5 establish any liability or admission on the part of Defendant or to establish the existence of
6 any condition constituting a violation of, or a non-compliance with, federal, state, local, or
7 other applicable law.

8 101. Captions. The captions and section numbers in this Agreement are inserted
9 for the reader's convenience, and in no way define, limit, construe, or describe the scope or
10 intent of the provisions of this Agreement.

11 102. Waiver. No waiver of any condition or covenant contained in this Agreement
12 or failure to exercise a right or remedy by any of the Parties hereto will be considered to
13 imply or constitute a further waiver by such Party of the same or any other condition,
14 covenant, right, or remedy.

15 103. Enforcement Actions. In the event that one or more of the Parties institute
16 any legal action, motion, petition, or other proceeding against any other Party or Parties to
17 enforce the provisions of this Settlement or to declare rights and/or obligations under this
18 Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful
19 Party or Parties reasonable attorneys' fees and costs, including expert witness fees
20 incurred.

21 104. Mutual Preparation. The Parties have had a full opportunity to negotiate the
22 terms and conditions of this Agreement. Accordingly, this Agreement will not be construed
23 more strictly against one Party than another merely by virtue of the fact that it may have
24 been prepared by counsel for one of the Parties, it being recognized that, because of the
25 arm's-length negotiations between the Parties, all Parties have contributed to the
26 preparation of this Agreement.

27 105. Representation By Counsel. The Parties acknowledge that they have been
28

1 represented by counsel throughout all negotiations that preceded the execution of this
2 Agreement, and that this Agreement has been executed with the consent and advice of
3 counsel, and reviewed in full. Further, Plaintiff and Class Counsel warrant and represent
4 that there are no liens on the Settlement Agreement.

5 106. All Terms Subject to Final Court Approval. All amounts and procedures
6 described in this Settlement Agreement herein will be subject to the Court's Final Approval.

7 107. Notices. Unless otherwise specifically provided herein, all notices, demands,
8 or other communications given hereunder shall be in writing and shall be transmitted to a
9 Party via email:

10 To Plaintiff and the Settlement Class:

11 Elliot J. Siegel
12 elliot@kingsiegel.com
13 Melissa R. Rinehart
14 melissa@kingsiegel.com
15 **KING & SIEGEL LLP**
16 724 S. Spring Street, Suite 201
17 Los Angeles, California 90014

18 To Defendant:

19 Dennis B. Cook
20 dcook@cookbrown.com
21 Stephen McCutcheon
22 smccutcheon@cookbrown.com
23 Alexis Gabrielson
24 agabrielson@cookbrown.com
25 **COOK BROWN, LLP**
26 2407 J Street, Second Floor
27 Sacramento, CA 95816

28 108. Cooperation and Execution of Necessary Documents. All Parties will
cooperate in good faith and execute all documents to the extent reasonably necessary to
effectuate the terms of this Settlement Agreement.

109. Binding Agreement. The Parties warrant that: 1) they understand and have
full authority to enter into this Agreement; 2) they intend that this Agreement will be fully
enforceable and binding on all Parties; and 3) agree that it will be admissible and subject

1 to disclosure in any proceeding to enforce its terms, notwithstanding any mediation
2 confidentiality provisions that otherwise might apply under federal or state law.

3 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed
4 this Joint Stipulation of Settlement and Release Between Plaintiff and Defendant as of the
5 date(s) set forth below:

6
7 **SIGNATURES**

8 **READ CAREFULLY BEFORE SIGNING**

9
10 **PLAINTIFF:** Chase McCartney

11 Dated: 06 / 03 / 2026

12 
Chase McCartney

13
14 **DEFENDANT:** Vasko Electric, Inc.

15
16 Dated: 6/16/26

17 By: 

18 Its: Vice President